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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: DECEMBER - 2024

SEMESTER - VI

Sub.: Entrepreneurship Development Specialization - I (BBA15-612)

Date : 27/12/2024

Total Marks : 60

Time: 10.00 am to 12.30pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. The spirit of entrepreneurship brings about _____ that lead to success.
 - a) enthusiasm
 - b) persistence
 - c) ability to seek entrepreneurial opportunities
 - d) All of the above
2. _____ states that achievement motivation is the most important factor contributing in explaining variation of growth rates and entrepreneurship.
 - a) Shaver & Scott
 - b) Davidson
 - c) Brockhaus
 - d) McLelland
3. Which of the following type of business ownership give an entrepreneur the freedom to be creative and innovative and own decisions?
 - a) Start a business from scratch
 - b) Buy a established business
 - c) Buy a franchise
 - d) Build a network sales business
4. Industries where the amount invested in the fixed assets (particularly plant and machinery) is less than _____ are regarded as small-scale industries.
 - a) Rs. 5 Lakh
 - b) Rs. 50 Lakh
 - c) Rs. 75 Lakh
 - d) Rs. 1 crore
5. Which of the following is NOT a common source of funding for startups?
 - a) Venture capital
 - b) Crowd funding
 - c) Angel investors
 - d) Bank loans

Q. 2. State True / False (05)

1. The word "Entrepreneur" is a French word, literally meaning "go-between".
 - a) True
 - b) False
2. Entrepreneurship is only about starting new business.
 - a) True
 - b) False
3. Entrepreneurship is the dynamic process of creating incremental wealth.
 - a) True
 - b) False
4. Permanent Registration of SSI is granted at the District Industries Centre's level the same day on receipt of application.
 - a) True
 - b) False
5. Manager's approach to every problem is always formal.
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Need for Entrepreneurship
2. Entrepreneur vs. Intrapreneur
3. Indian Institute of Entrepreneurship (IIE)
4. Provisional Registration Certificate (PRC)
5. District Industries Centre

Q. 4. Answer in detail (Any Two) (20)

1. Define the term 'Entrepreneur' and explain the various characteristics of successful entrepreneurs.
2. What do you mean by SSI? Explain the economic and social advantages of Small Enterprises.
3. What are the characteristics of business? Explain the various risks the business is exposed to.
4. Explain the role of Small Scale Industries Development of India (SIDBI) with respect of SSI sector.

Q. 5. Case Study: Risks Exposed to Businesses in Entrepreneurship Development (15)

Introduction

Entrepreneurship is a vital component of economic growth and innovation. However, starting and running a business involves various risks that can impact its success. This case study explores the types of risks businesses face, particularly in the context of entrepreneurship development, and highlights strategies to mitigate these risks.

Types of Risks

1. **Market Risk:** This involves the potential for losses due to changes in market conditions, including shifts in consumer preferences, increased competition, or economic downturns. Entrepreneurs must continuously assess market trends and adapt their strategies to remain relevant.
2. **Financial Risk:** Startups often face challenges related to cash flow, funding, and financial management. Inadequate financial planning can lead to insolvency, making it crucial for entrepreneurs to establish robust financial practices and secure appropriate funding sources.
3. **Operational Risk:** This encompasses risks arising from internal processes, people, and systems. Operational failures, such as supply chain disruptions, production issues, or technology failures, can significantly hinder business operations. Entrepreneurs need to implement efficient systems and contingency plans.
4. **Legal and Compliance Risk:** Businesses must adhere to various regulations and laws. Non-compliance can lead to legal penalties, loss of reputation, or business shutdowns. Entrepreneurs should seek legal counsel and stay informed about relevant regulations to mitigate this risk.
5. **Reputational Risk:** A company's reputation is crucial for its success. Negative publicity, poor customer service, or controversial business practices can lead to a loss of trust and customers. Entrepreneurs must manage their brand image actively and respond swiftly to any issues.

Mitigating Risks

To manage these risks effectively, entrepreneurs can adopt several strategies:

- **Market Research:** Conduct thorough market research to understand customer needs and market dynamics. This helps in making informed decisions and developing products that meet market demands.
- **Financial Literacy:** Entrepreneurs should enhance their financial literacy, seek advice from financial experts, and create detailed financial plans to ensure

sustainable growth.

- **Operational Excellence:** Implementing efficient operational processes and investing in technology can reduce operational risks. Regular training and development of staff also contribute to a more resilient organization.
- **Legal Awareness:** Staying informed about relevant laws and regulations is essential. Regular consultations with legal experts can help businesses navigate potential legal issues effectively.
- **Crisis Management Plans:** Developing comprehensive crisis management plans can prepare entrepreneurs to handle unforeseen events, such as natural disasters or economic shifts.

Questions:

1. What is the most significant risk for new entrepreneurs?
 2. How can financial risk be mitigated?
 3. Why is operational risk important for startups?
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