

**Entrepreneurship Development
Course Outline**

Course Facilitator: Mrs Priya Sequeira

Batch : 2020 - 2021

Semester : Second Semester

No. of sessions : 56

Subject Code : 20MBA26

Duration : 17 May 2021 to Aug 2021

Introduction

Entrepreneurship plays a very important role in the economic development. Entrepreneurs act as catalytic agents in the process of industrialization and economic growth. Joseph Schumpeter states that the rate of economic progress of a nation depends upon its rate of innovation which in turn depends upon the distribution of entrepreneurial talent in the population. Technological progress alone cannot lead to economic development unless technological breakthroughs are put to economic use by entrepreneurs. It is the entrepreneur who organizes and puts to use capital, labour and technology in the best possible manner for the setting up of his enterprise.

This entrepreneurship management subject for the budding managers is a right inception of knowledge about entrepreneurship at the right time whereby they can plan their pathway ahead.

Objectives of the course:

- To develop and strengthen entrepreneurial quality in students
- To impart basic entrepreneurial skills and understanding to run a business efficiently and effectively.
- To provide insights to students on entrepreneurial opportunities.

Learning Objectives:

At the end of the course students will be able to:

- Display keen interest and orientation towards entrepreneurship
- Develop a business plan
- Become aware about various sources of funding for an entrepreneur including financial institutions, venture capitalists and Angel Investors
- Gain consciousness towards social entrepreneurship and rural entrepreneurship opportunities

Session Plan

Session	Topics	References
1 to 10	Entrepreneur & Entrepreneurship: Meaning of entrepreneur - Evolution of the concept - Functions of an Entrepreneur - Types of Entrepreneur - Intrapreneur- an emerging class - Concept of Entrepreneurship - Evolution of Entrepreneurship - Development of Entrepreneurship - Entrepreneurial Culture - Stages in entrepreneurial process. Creativity and Innovation: The role of creativity The innovation Process Sources of New Ideas Methods of Generating Ideas Creative Problem Solving Entrepreneurial Process.	1 & 2
11 to 20	Module -2 Developing Business Model 9 hours Importance of Business Model Starting a small scale industry -Components of an Effective Business Model, Osterwalder Business Model Canvas. Business Planning Process: Meaning of business plan - Business plan process - Advantages of business planning - Final Project Report with Feasibility Study - preparing a model project report for starting a new venture. Lab Component and assignment: Designing a Business Model Canvas	1 & 2
21	Case studies on Indian context	3 & 4
22 to 28	Module -3 Marketing function and forms of organisation 9 hours Industry Analysis Competitor Analysis Marketing Research for the New Venture Defining the Purpose Gathering Data from Secondary Sources Gathering Information from Primary Sources Analyzing and Interpreting the Results The Marketing Process Forms of business organization: Sole Proprietorship Partnership Limited liability partnership - Joint Stock Companies and Cooperatives.	1 & 2
29	Group wise discussion on the leading entrepreneurs	
30 to 36	Module -4 Entrepreneurial finance 7 hours Entrepreneurial finance- Estimating the financial needs of a new venture, internal sources of finance, external sources of finance, components of financial plan	1 & 2

	Institutions supporting Entrepreneurs: Small industry financing developing countries - A brief overview of financial institutions in India - Central level and state level institutions - SIDBI - NABARD - IDBI - SIDCO - Indian Institute of Entrepreneurship - DIC - Single Window - Latest Industrial Policy of Government of India.	
37 to 46	Module -5 Rules And Legislation 9 hours Applicability of Legislation; Industries Development (Regulations) Act, 1951; Factories Act, 1948; Industrial Employment (Standing Orders) Act, 1946, Suspension, Stoppage of work, Termination of employment; Karnataka Shops and Establishment Act, 1961; Environment (Protection) Act, 1986; The sale of Goods Act, 1930; Industrial Dispute Act 1947.	1 & 2
47	Case study analysis	3& 4
48 to 55	Module-6 Company Incorporation 9 hours Process of Company Incorporation; process of registration; Importance of Marketing; Funding, Four stages of Start Up. Intellectual property protection and Ethics: Patents Copyright - Trademark- Geographical indications Ethical and social responsibility and challenges	1 & 2
56	Interviewing the local entrepreneur in groups	

Text Books:

- Entrepreneurship: A South-Asian Perspective – T.V Rao/Donald F.Kuratko, Cengage Learning
- Entrepreneurship Development-Small Business Enterprise-PoornimaCharantimath Pearson Education - 2014
- Entrepreneurship- Rober D Hisrich - Michael P Peters - Dean A Shepherd - 6/e - The McGraw-Hill companies - 2007
- Entrepreneurial Development – M M Munshi, Prakash Pinto & Ramesh Khathri, Himalaya Publishing House -2015

Pedagogy :

Lectures, Videos, Power point presentations, Case analysis, Discussions, Brain storming

Evaluation Scheme:

Internal Assessment : 40 Marks^[P]_[SEP]
External Assessment : 60 Marks



Alva's Institute of Engineering & Technology
P G Department of Business Administration
1st Internal Assessment

USN

Semester:II -Scheme 2020

Date: 19 June 2021

Subject: Entrepreneurship and Legal Aspects(18MBA26)

Time: 01:30 PM - 3:00

PM

Faculty: Ms Priya Jyothi Sequeira

Max Marks: 50

Instructions to Students :

Part A & Part B : All questions are compulsory

PART A

Answer any 2 question(s)

Q.No			Marks	CO	BT/CL
1	a	Define Entrepreneurship.	3	CO1	L2
	b	Explain the functions of Entrepreneur in brief.	7	CO1	L2
	c	Briefly explain the types of Entrepreneurship.	10	CO2	L2
2	a	What is innovation?	3	CO1	L2
	b	Write a note on sources of new ideas for innovation.	7	CO1	L2
	c	Explain the entrepreneurial process.	10	CO1	L2

PART B

Answer all question(s)

3.	Design a Business Canavas Model for any new business	10	CO3	L3
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Scheme

1.a. Define Entrepreneurship?

- **Entrepreneurship is the process of creating something new of value by devoting (giving) the necessary time and effort.**
- **By accepting and acknowledging the necessary financial, psychological, and social risks, and**
- **Finally receiving the resulting rewards be it monetary and personal satisfaction and freedom to do what you want.**

Robert D.Hisrich, M. Peters & D.A Shepherd

1.b). Explain the functions of Entrepreneur in brief.

- **1. Managerial Functions :**
 - **Planning**
 - **Organizing**
 - **Staffing**
 - **Directing**
 - **Controlling**
- **Promotional Functions**
 - **Identification and selection of business idea**
 - **Preparation of business plan or Project report**
 - **Requirement for Finance**
- **Commercial Functions**
 - **Production /Manufacturing**
 - **Marketing**
 - **Accounting**

1.c) Briefly explain the types of Entrepreneurship.

- **Based On the Type of Business**

1. Business Entrepreneurs

Business entrepreneurs are business-minded individuals who are skilled and have the ability to conceive an idea and turn it onto reality.

They can come up with a new product or service with the aim of filling a gap that exists in a market.

Business entrepreneurs can further be classified as either small entrepreneurs (those with small entities) or big entrepreneurs (those with big business entities).

They are charged with crucial responsibility of managing their businesses right from production to marketing their finished products.

Examples of business enterprises that are operated by these type of entrepreneurs include; bakery, salon and beauty, and printing services.

2. Trading Entrepreneurs

As the name suggests, trading entrepreneurs specialize in day-to-day trading activities. They are not manufacturers of products but they concentrate more on distribution and marketing.

Trading entrepreneurs look for under-served markets and they supply their products and services to potential buyers. Once, they establish a demand they act as a link between the manufacturers and consumers.

Examples of trading entrepreneurs include; wholesalers, distributors and agents.

3. Agricultural Entrepreneurs

Agricultural entrepreneurs are those who focus on the agricultural sector. They are mostly involved in the production, marketing, and distribution of agricultural-related products and services.

You can find them selling agricultural produce, fertilizers, seeds and seedlings, agro-chemicals, gardening tools and equipment or offering extension services.

4. Industrial Entrepreneurs

Industrial entrepreneurs specialize in industrial and production of different products that are needed in a given market. They conduct a market survey and identify the specific needs of consumers. Once, they are certain of what the consumer wants, they manufacture targeted products.

Industrial entrepreneurs range from small manufacturing units to large industrial corporations. Examples include; Industrial-chemicals, consumables, and automobiles accessories.

5. Corporate Entrepreneurs

Corporate entrepreneurs are those entrepreneurs who specialize in offering high-quality innovative skills and strategies that help in effective operation and management of other corporate entities.

They offer professional services to either improve the system of governance, human resource capacity building or system upgrades. Examples of corporate entrepreneurs are consultancy firms or trust.

6. Retail Entrepreneurs

Retail entrepreneurs are small scale and customer-oriented. They focus on what their customers want and they bring those particular products to their customers.

Most retail entrepreneurs operate business enterprises such as a book store, mini-supermarket, or a departmental store.

7. Service Entrepreneurs

Service entrepreneurs are those individuals who offer specific services to their target market. Most of them specialize in one or two fields and they concentrate on clients of a particular class in society.

Examples of service entrepreneurs include; dry cleaners, carwash, and hotel business.

Classification of Entrepreneurs Based On the Stage of Development

1. Classical Entrepreneurs

For classical entrepreneurs, their main aim is to maximize profits at a constant level. They are less dynamic and they don't focus more on expansion and innovation.

Classical entrepreneurs may experience little to no growth in their enterprises since their main focus is just business survival and maintaining the status quo.

2. First Generation Entrepreneurs

A first-generation entrepreneur is a skilled and innovative individual who uses his unique skills to create an enterprise.

He is the sole vision-bearer and he combines different factors of production to create a marketable product or service through his innovative ideas.

A first-generation entrepreneur is the first to establish a business of his own. Even if some of these first generations of entrepreneurs may have come from business-oriented families, they use their innovative skills to create a new business which is different from the family business.

3. Inherited Entrepreneurs

These are individuals who run businesses that they inherited from their families.

Most of them were initially involved in running family businesses and they either inherit them or they expand and open branches in other regions.

Some inherited entrepreneurs also tend to add new products or services in order to diversify and be a little different from their family businesses.

4. Modern Entrepreneurs

Modern entrepreneurs are always innovative and they tend to move with the current business trends and technology.

A modern entrepreneur is someone who is dynamic and he is ready to change in order to adapt to the current market demands.

Modern entrepreneurs are also referred to as innovative entrepreneurs.

Classification of Entrepreneurs Based On Motivational Aspect

1. Pure Entrepreneurs

Pure entrepreneurs are persons who venture into business after being triggered by eminent economic and psychological factors. Their desire to undertake entrepreneurial activities is driven by the passion of making a difference in the society, changing their economic status or standing out among others.

They are motivated to start impact-oriented enterprises and they have the required skills to manage the business and handle associated risks.

2. Spontaneous Entrepreneurs

As a spontaneous entrepreneur, the desire to venture into business activated by the natural talent that one has.

They have self-confidence, resourceful, and they are motivated to start their own venture or work as a group in order to tap their own talents.

Since they have a natural talent, they can easily succeed in their venture if they learn how to manage associated risks.

3. Induced Entrepreneurs

For the induced entrepreneurs, they have the potential of becoming entrepreneurs but they wait until there is ease of doing business.

Induced entrepreneurs only undertake their entrepreneurial activities when there are incentives and subsidies given by the government.

Government intervention policies such as financial support and technical assistance are the main driving factors that motivate these types of entrepreneurs to start new businesses.

4. Motivated Entrepreneurs

Motivated entrepreneurs are those individuals who venture into business as a result of self-drive in order to achieve a personal goal/desire. They are motivated by the fact that they want to see a positive change in their personal life or society.

Classification of Entrepreneurs based on Technological Aspects

1. Technical Entrepreneurs

A technical entrepreneur is a business person who has got adequate technical knowledge on a certain field and focuses mainly on production activities.

A technical entrepreneur can also be referred to as a technocrat due to their sophisticated technical and innovative skills.

They use technical knowledge and creative ideas to come up with new innovative designs and products that satisfy a need in society.

2. Non-technical Entrepreneurs

A non-technical entrepreneur focuses more on the marketing aspects of finished products rather than actual manufacturing.

They are highly skilled in product promotions and they change their marketing strategies accordingly to meet their target clients seamlessly even in the most dynamic markets.

3. Professional Entrepreneurs

A professional entrepreneur is an individual who skilled and applies innovative techniques to establish a business venture which has potential for growth.

They are mainly focused on coming up with the business ideas and turning them into reality with the aim of selling them to interested investors.

Professional entrepreneurs capitalize on their innovative skills and they make profits by selling their businesses to other business owners.

Classification of Entrepreneurs Based On Ownership

1. Private Entrepreneurs

A private entrepreneur is also referred to as a sole proprietor. In a sole- proprietorship, all the business decisions and management are done by the owner.

Private entrepreneurs are self-employed and they can make any business decision without consulting.

2. Public Entrepreneurs

Public entrepreneurs are also known as state entrepreneurs and they work on behalf of the state. All the businesses under state entrepreneurship are owned by the state.

They also have different centres of command and well-outlined procedures.

3. Joint Entrepreneurs

It exists in the form of joint entrepreneurship and it involves both the private entrepreneurs and state. Such arrangements are made in an effort to combine capital, technology, and human resource while undertaking big projects.

Joint entrepreneurship is common in government projects and intervention initiatives in areas of transport, manufacturing, healthcare and mining.

Classification of Entrepreneurs Based On Clarence Danhof Study

Clarence Danhof conducted a study on American agriculture and key stakeholders in this sector. Based on his study, he was able to classify entrepreneurs into 4 categories. The following are the four different types of entrepreneurs.

1. Innovative Entrepreneurs

Innovative entrepreneurs have creative minds and they are passionate about creating a new product or service.

They are dynamic and they look out for unique and creative strategies that can help them come up with a completely new product or service in the market.

They invest most of their investment in research and development so as to come up with new refined designs and ideas.

2. Fabian Entrepreneurs

Fabian entrepreneurs are those who only adapt to new changes in the market when they realize that they have no other option and failure to do so will result in business losses.

A Fabian entrepreneur has no personal desire to bring change unless he is forced by the situation.

They are also very slow to adopt new strategies in their daily business operations because they prefer to stick to their old traditions.

3. Drone Entrepreneurs

A drone entrepreneur is an old school type of an entrepreneur who sticks to his traditional style of doing things even when there is imminent market disruption.

These types of entrepreneurs are at a high risk of suffering huge losses due to their conventional ways of doing business.

Since change is inevitable and drone entrepreneurs resist change, they are pushed out of the market in most cases due to stiff competition and perennial losses.

4. Adaptive Entrepreneurs

Adaptive entrepreneurs are dynamic and they adopt new disruptions in the market created by innovative entrepreneurs.

Most of the adaptive entrepreneurs tend to imitate the technologies and techniques used by the market leaders.

They are mostly found in growing economies and they imitate and customize different product designs and technologies to fit in their target markets.

Types of Entrepreneurship

Entrepreneurship exists in different forms and the following are the different types of entrepreneurship.

1. Imitative Entrepreneurship

Most of the imitative entrepreneurship businesses exist in developing countries under a franchise agreement.

A company is given the authority to imitate certain products and services and customize them to suit the need of their target market.

It does not involve a mere copy-pasting but rather its learning and implementing similar concepts and designs with slight modifications.

2. Administrative Entrepreneurship

As the name suggests, administrative entrepreneurship revolves around administrative techniques and related functions.

It enables decision-makers to easily plan for short-term and long-term goals in order to remain sustainable and competitive.

Examples of administrative entrepreneurship include; total quality management, pension fund management, job redesign, and management by consensus.

3. Acquisitive Entrepreneurship

Acquisitive entrepreneurship involves learning key business concepts and strategies from the already established enterprises.

They keep learning from their competitors and other market leaders as a way of staying relevant and sustainable.

4. Opportunistic Entrepreneurship

Opportunistic entrepreneurship is for those shrewd entrepreneurs who are able to change with market situations.

Any change in the business environment creates a new business opportunity but not every entrepreneur is quick to realize and take advantage.

Those sharp entrepreneurs who have the capacity to identify a business opportunity and they execute it first are said to be operating in opportunistic entrepreneurship.

5. Incubative Entrepreneurship

Incubative entrepreneurship is popular in large organizations and it involves nurturing new ideas and products.

Those with unique ideas and talents are incubated and their ideas funded fully with the aim of making them big ventures in the near future.

Incubative entrepreneurship can also involve a number of companies coming together and nurture an idea that has the potential of becoming the game-changer in the industry.

2.a). What is innovation?

The application of ideas that are novel and useful. Creativity, the ability to generate novel and useful ideas, is the seed of innovation but unless it's applied and scaled it's still just an idea.

2 b). Write a note on sources of new ideas for innovation



2c). Explain the entrepreneurial process.

1. Idea Generation: every new venture begins with an *idea*. In our context, we take an *idea* to be a description of a need or problem of some constituency coupled with a concept of a possible solution. (A characterization of this phase is still work in process on this site.)

2. Opportunity Evaluation: this is the step where you ask the question of whether there is an opportunity worth investing in. Investment is principally capital, whether from individuals in the company or from outside investors, and the time and energy of a set of people. But you should also consider other assets

such as intellectual property, personal relationships, physical property, etc.

3. Planning: Once you have decided that an opportunity, you need a plan for how to capitalize on that opportunity. A plan begins as a fairly simple set of ideas, and then becomes more complex as the business takes shape. In the planning phase you will need to create two things: **strategy** and **operating plan**.

4. Company formation/launch: Once there is a sufficiently compelling opportunity and a plan, the entrepreneurial team will go through the process of choosing the right form of corporate entity and actually creating the venture as a legal entity.

5. Growth: After launch, the company works toward creating its product or service, generating revenue and moving toward sustainable performance. The emphasis shifts from planning to execution. At this point, you continue to ask questions but spend more of your time carrying out your plans.

3c). Business Canvas Model

1. Customer segments

List the top three segments. Look for the segments that provide the most revenue.

2. Value proposition

what are your products and services? What is the job you get done for your customer?

3. Revenue streams

List your top three revenue streams. If you do things for free, add them here too.

4. Channels

How do you communicate with your customer? How do you deliver the value proposition?

5. Customer relationships

How does this show up and how do you maintain the relationship?

6. Key activities

What do you do every day to run your business model?

7. Key resources

The people, knowledge, means, and money you need to run your business.

8. Key partners

List the partners that you can't do business without (not suppliers).

9. Cost structure

List your top costs by looking at activities and resources.