

ENTREPRENEURSHIP DEVELOPMENT AND MANAGEMENT

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RATIONALE

In the present day scenario, it has become imperative to impart entrepreneurship and management concept to students so that a significant percentage of them can be directed towards setting up and managing their own small enterprises. This subject focuses on imparting the necessary competencies and skills of enterprise set up and its management.

COURSE OUTCOMES

After undergoing the subject, the students will be able to:

CO1: Comprehend the importance of entrepreneurship and its role in nation's development.

02: Classify the various types of business and business organization

03: Identify the various resources / sources and / or schemes for starting a new venture

CO4: Explain the principles of management including its functions in an organisation.

COS: Conduct market survey and prepare project report.

DETAILED CONTENTS

UNIT I

Entrepreneurship: Concept and definitions,

classification and types of entrepreneurs,

entrepreneurial competencies, Traits / Qualities of entrepreneurs, manager v/s entrepreneur, role of Entrepreneur, barriers in entrepreneurship, Sole proprietorship and partnership forms of business organisations, small business vs startup, critical components for establishing a start-up, Leadership: Definition and Need, Manager Vs leader, Types of leadership

UNIT II

Definition of MSME (micro, small and medium enterprises), significant provisions of MSME Act, importance of feasibility studies, technical, marketing and finance related problems faced by new enterprises, major labor issues in MSMEs and its related laws, Obtaining financial assistance through various government schemes like Prime Minister Employment Generation Program (MEGP) Pradhan Mantri Mudra Yojna (PMMY) , Make in India, Start up India, Stand up India, National Urban Livelihood Mission (NULM); Schemes of assistance by entrepreneurial support agencies at National, State, District level: NSIC, NRDC, DC:MSME, SIDBI, NABARD, Commercial Banks, SC's TCO, KVIB, DIC, Technology Business Incubator (TBI) and Science and Technology Entrepreneur Parks (STEP).

UNIT III

NATURE AND FUNCTIONS OF MANAGEMENT: Definition, Nature of Management, Management as a Process, Management as Science and Art, Management Functions, Management and Administration, Managerial Skills, Levels of Management; Leadership.

PLANNING AND DECISION MAKING: Planning and Forecasting - Meaning and definition, Features, Steps in Planning Process, Approaches, Principles, Importance, Advantages and Disadvantages of Planning, Types of Plans, Types of Planning, Management by Objective. Decision Making-Meaning, Characteristics.

UNIT IV

ORGANISING AND ORGANISATION STRUCTURE: Organising Process - Meaning and Definition, Characteristics Process, Need and Importance, Principles, Span of Management, Organisational Chart - Types, Contents, Uses, Limitations, Factors Affecting Organisational Chart.

STAFFING: Meaning, Nature, Importance, Staffing process. Manpower Planning, Recruitment, Selection, Orientation and Placement, Training, Remuneration.

CONTROLLING AND CO-ORDINATION Controlling - Meaning, Features, Importance, Control Process, Characteristics of an effective control system, Types of Control. Co-ordination - characteristics, essentials.

UNIT V

Market Survey and Opportunity Identification, Scanning of business environment, Assessment of demand and supply in potential areas of growth, Project report Preparation, Detailed project report including technical, economic and market feasibility, Common errors in project report preparations, Exercises on preparation of project report.

UNIT I: Entrepreneurship & Leadership

1. Concept and Definitions

- **Entrepreneurship:** The dynamic process of identifying a market opportunity, mobilizing resources, and creating an enterprise under conditions of risk to generate profit.
- **Structural Equation:**
$$\text{Entrepreneur (Person)} + \text{Enterprise (Object)} = \text{Entrepreneurship (Process)}$$
- **Richard Cantillon:** An agent who buys factors of production at certain prices to combine them into a product sold at uncertain future prices (risk-bearer).
- **Joseph Schumpeter:** A creative activity centered entirely on **innovation** (introducing new products, methods, markets, or materials).

2. Classification and Types of Entrepreneurs

Clarence Danhof Classification

- **Innovative:** Introduces completely new products, technologies, or unexplored markets.
- **Imitative / Adoptive:** Replicates successful innovations already proven in other regions.
- **Fabian:** Highly cautious, skeptical of change, copies only when failure threatens survival.
- **Drone:** Rigidly resists any market shifts, preferring traditional methods even during heavy losses.

Other Classifications

- **Trading:** Engages exclusively in buying finished goods and selling them without manufacturing.
- **Manufacturing:** Converts raw materials into finished industrial or consumer goods.
- **Agricultural:** Undertakes farming, irrigation, animal husbandry, and allied sector activities.
- **Technical:** Driven by engineering, craftsmanship, and production-system design expertise.
- **Non-Technical:** Concentrates entirely on marketing, distribution channels, and sales strategies.
- **Social:** Designs ventures where the primary metric of success is measurable social impact.

3. Entrepreneurial Competencies and Traits

- **Calculated Risk-Taking:** Capacity to embrace market uncertainty with prior systematic evaluation.
- **Innovativeness:** The relentless drive to introduce novel concepts or upgrade existing systems.

- **High Achievement Motivation:** The internal psychological urge to meet challenging targets.
- **Opportunity Recognition:** Scanning the ecosystem to spot unfulfilled customer pain points.
- **Resource Mobilization:** Bundling together capital, human talent, and technology.

4. Manager vs Entrepreneur

Parameter	Entrepreneur	Manager
Primary Motive	To launch a self-owned enterprise and create value	To render professional service in an existing firm
Status	Owner and founder of the organization	Salaried employee hired to run operations
Risk Bearing	Bears complete financial and personal risk	Assumes no direct financial risk or loss liabilities
Financial Reward	Fluctuating profits or equity value	Fixed salary and performance incentives
Core Function	Drives structural innovation and strategic change	Executes strategies and ensures daily stability

5. Role and Barriers in Entrepreneurship

Socio-Economic Role

- **Wealth Generation:** Mobilizes idle capital into productive commercial entities.
- **Employment Creation:** Generates direct and indirect job positions across industrial networks.
- **Balanced Regional Development:** Sets up decentralized industries in rural areas to curb urban congestion.
- **Standard of Living:** Makes affordable, optimized engineering products accessible.

Barriers in Entrepreneurship

- **Financial:** Inability to secure early-stage risk capital or working loans from banks.
- **Psychological:** Deep fear of social stigma associated with commercial failure.
- **Administrative:** Complicated tax structures, delayed licensing, and compliance costs.
- **Resource:** Scarcity of raw materials, unstable power infrastructure, and unskilled labor pools.

6. Forms of Business Organisations

Sole Proprietorship

- **Features:** Owned, controlled, and financed by a single individual; easy formation; no separate legal entity status.
- **Merits:** Total retention of profits; maximum operational privacy; immediate decision making.

- **Demerits: Unlimited personal liability** (personal assets can be seized to pay business debts); limited capital.

Partnership

- **Features:** Formed by two or more individuals via a Partnership Deed; mutual agency applies.
- **Merits:** Combined managerial skills; larger pool of investment capital; shared operational risks.
- **Demerits:** Joint and several **unlimited liability**; high potential for internal disputes.

7. Small Business vs Startup

Parameter	Small Business	Startup
Core Intent	Securing stable, recurring local revenue	Achieving rapid growth and massive market share
Innovation	Relies on established business models	Centers on disruptive technology or models
Scalability	Geographically constrained; linear growth	Geographically unconstrained; exponential growth
Funding	Bootstrapping, local bank loans	Venture capital, angel groups, equity dilution

8. Critical Components for Establishing a Start-Up

1. **Ideation & Product-Market Fit:** Verifying that the product solves a validated consumer pain point.
2. **Robust Business Model:** Mapping out sustainable pricing, acquisition channels, and long-term margins.
3. **Core Team Creation:** Recruiting a balanced founding team (Hacker, Hipster, Hustler).
4. **Capital Runway:** Managing cash flow through bootstrapping or pre-seed institutional capital.
5. **Legal Setup:** Finalizing incorporation, tax registration, and protecting Intellectual Property (IP).

9. Leadership: Definition, Need, and Styles

- **Definition:** The interpersonal process of inspiring, motivating, and directing a group toward a shared objective.
- **Need:** Translates chaotic goals into micro-targets, builds group cohesion, and manages change.

Manager vs Leader

- **Manager:** Focuses on planning, budgeting, staffing, and system organization. Relies on formal positional authority to maintain stability.
- **Leader:** Focuses on setting a vision, aligning teams, and inspiring people. Relies on personal influence to drive long-term transformation.

Types of Leadership Styles

- **Autocratic (Authoritative):** Leader retains all decision-making power. Dictates top-down directives without subordinate feedback. Crucial during crisis, urgent operational crises.
 - **Democratic (Participative):** Leader encourages group discussions and welcomes input. Relies on collaborative consensus to boost engagement and creative engineering solutions.
 - **Laissez-Faire (Delegative):** Leader provides complete structural autonomy. Gives team members total freedom to make choices. Highly effective with self-driven, specialized teams.
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UNIT II: MSMEs, Support Agencies, & Government Schemes

1. Definition of MSME (Revised Composite Criteria)

Classification is based on two mathematical pillars: **Investment in Plant & Machinery/Equipment** AND **Annual Turnover**.

Enterprise Type	Investment Limit	Annual Turnover Limit
Micro	≤ ₹1 Crore	≤ ₹5 Crore
Small	≤ ₹10 Crore	≤ ₹50 Crore
Medium	≤ ₹50 Crore	≤ ₹250 Crore

2. Significant Provisions of the MSME Act

- **Udyam Registration:** A fully digital, zero-fee, self-declaration portal using Aadhaar to formalize units.
- **Protection Against Delayed Payments:** Buyers must pay MSMEs within **45 days** (if an agreement exists) or **15 days** (if no agreement exists). Delayed payments attract compound interest at **3 times the Bank Rate** notified by the RBI.
- **MSE-FAC (Facilitation Council):** Statutory body formed at state levels to arbitrate payment disputes.

3. Importance of Feasibility Studies

A feasibility study is a controlled analytical tool used to determine if a proposed industrial venture can survive market realities.

- **Technical Feasibility:** Checks if the design, machinery, raw materials, and power are logistically viable.

- **Commercial/Marketing Feasibility:** Analyzes demand, target demographics, competitors, and pricing strategy.
- **Financial Feasibility:** Evaluates cost of project, break-even point, Internal Rate of Return (IRR), and payback period.

4. Problems Faced by New Enterprises

- **Technical:** Rapid obsolescence of machinery, lack of calibrated testing equipment, and unstable quality control.
- **Marketing:** Limited budget to counter large corporate branding, poor distribution networks, and dependency on single major clients.
- **Finance:** Stringent collateral demands from commercial banks, lack of working capital runway, and credit sales leading to cash flow crunches.

5. Major Labor Issues in MSMEs and Related Laws

- **Minimum Wage Violations:** Countered by the **Code on Wages, 2019** (ensures floor wages across states).
- **Workplace Safety & Conditions:** Regulated by the **Occupational Safety, Health and Working Conditions Code, 2020**.
- **Social Security Deficits:** Solved through the **Code on Social Security, 2020** (provisions for EPF, ESIC, and gratuity).

6. Financial Assistance through Government Schemes

- **PMEGP (Prime Minister Employment Generation Program):** Credit-linked subsidy scheme for setting up new micro-enterprises. Subsidies range from 15% to 35% through the Ministry of MSME.
- **PMMY (Pradhan Mantri Mudra Yojana):** Collateral-free institutional loans up to ₹10 Lakhs split into three clear tiers:
 - *Shishu:* Loans up to ₹50,000.
 - *Kishor:* Loans from ₹50,001 to ₹5 Lakhs.
 - *Tarun:* Loans from ₹5,00,001 to ₹10 Lakhs.
- **Make in India:** National program designed to facilitate investment, foster innovation, and build best-in-class manufacturing infrastructure.
- **Startup India:** Offers tax exemptions for 3 years, capital gains tax exemptions, and access to a ₹10,000 Crore Fund of Funds.
- **Stand-Up India:** Mandates every bank branch to extend loans between ₹10 Lakhs and ₹1 Crore to at least one SC/ST borrower and one woman borrower for greenfield ventures.
- **DAY-NULM (National Urban Livelihood Mission):** Focuses on organizing urban poor into Self Help Groups (SHGs) and providing interest subvention on bank loans for self-employment.

7. Institutional Support Agencies

National Level

- **NSIC (National Small Industries Corporation)**: Assists in bulk raw material procurement and offers single-point registration for government e-marketplaces (GeM).
- **NRDC (National Research Development Corporation)**: Commercializes indigenous patents and transfers lab-scale technologies to MSMEs.
- **DC:MSME (Development Commissioner)**: Apex body for advising the central government on MSME policy formulation and operating tool rooms.
- **SIDBI (Small Industries Development Bank of India)**: Principal financial institution for refinancing and direct lending to MSMEs.
- **NABARD (National Bank for Agriculture and Rural Development)**: Refinances rural credit and supports cottage, village, and handicraft industries.
- **Commercial Banks**: Extend cash credit, overdraft facilities, term loans, and structured trade finance.

State & District Level

- **SFCs (State Financial Corporations)**: Provide long and medium-term credit directly to regional industrial units.
 - **TCOs (Technical Consultancy Organisations)**: Prepare industrial project profiles, conduct market research, and run skill validation.
 - **KVIB (Khadi and Village Industries Board)**: Develops traditional rural arts, provides skill training, and implements local employment plans.
 - **DIC (District Industries Centre)**: The central processing hub at the district level providing all licenses, clearances, and project data under a single roof.
 - **TBI (Technology Business Incubator)**: Specialized hubs housed in engineering institutes to nurture early tech ventures with shared labs and mentoring.
 - **STEP (Science and Technology Entrepreneur Parks)**: Clusters combining academic research facilities with industry resources to fast-track technical innovations.
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UNIT III: Nature & Functions of Management, Planning & Decision Making

1. Nature and Functions of Management

- **Definition**: Management is the systematic art and science of planning, organizing, staffing, directing, and controlling resources to achieve organizational goals efficiently and effectively.

- **Efficiency:** Conducting tasks accurately with minimum resources (Cost-benefit focused).
- **Effectiveness:** Completing activities successfully so that organizational goals are met (Result focused).

Core Characteristics

- **Goal-Oriented:** Exists strictly to achieve pre-defined business targets.
- **Pervasive:** Applicable across all levels, departments, and sizes of organizations.
- **Continuous:** A never-ending cycle of planning, executing, and correcting.
- **Dynamic:** Must constantly adapt to changing technical, economic, and political shifts.

Management as a Science and Art

- **As a Science:** Based on universally applicable principles, structured observation, and systematic cause-and-effect relationships.
- **As an Art:** Requires highly personalized application, practical skill, intuition, and constant creative practice.

Core Management Functions (PODSCORB / POSDC)

1. **Planning:** Defining future goals and selecting courses of action to reach them.
2. **Organizing:** Assigning tasks, grouping tasks into departments, and allocating resources.
3. **Staffing:** Recruiting, selecting, hiring, and training qualified personnel.
4. **Directing/Leading:** Motivating, guiding, and communicating with workers to optimize output.
5. **Controlling:** Monitoring performance and implementing corrective actions.

Management vs Administration

- **Administration:** High-level, deterministic function. Focuses on framing corporate policies, setting ultimate objectives, and managing capital allocation. (Owner-centric).
- **Management:** Executive, operational function. Focuses on executing the policies laid down by the administration to get work done through teams. (Manager-centric).

Managerial Skills (Robert Katz Model)

- **Conceptual Skills:** Ability to visualize the organization as a holistic system and decode abstract concepts. Highly critical for **Top-Level Management**.
- **Human/Interpersonal Skills:** Ability to communicate, resolve conflict, and work cooperatively within teams. Uniformly vital across **All Management Levels**.
- **Technical Skills:** Proficiency in specialized tools, engineering procedures, and hardware execution. Crucial for **Lower/Supervisory Level Management**.

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Top Management	Conceptual	Human	Tech
+-----+			
Middle Management	Conceptual	Human	Tech
+-----+			
Lower Management	Tech	Human	Concept
+-----+			

Levels of Management

- **Top Level:** CEO, Board of Directors, Managing Directors. They craft long-term strategies and goals.
- **Middle Level:** Department Heads, Regional Managers, Plant Engineers. They interpret top plans and execute departmental budgets.
- **Lower / Supervisory Level:** Foremen, Supervisors, Section Officers. They directly oversee shop-floor operations, worker output, and tactical safety.

2. Planning and Forecasting

- **Planning:** Determining in advance **what** to do, **how** to do it, **when** to do it, and **who** is to do it. It bridges the gap from where we are to where we want to be.
- **Forecasting:** The predictive analysis of historical data and future market indicators to estimate future trends. It forms the core baseline database for planning.

Steps in the Planning Process

1. **Setting Objectives:** Formulating clear, measurable, time-bound organizational goals.
2. **Developing Planning Premises:** Establishing assumptions about the future environment (inflation rates, political changes, tax policies).
3. **Identifying Alternative Courses:** Brainstorming various paths to achieve the target.
4. **Evaluating Alternatives:** Weighing the cost, risk, and asset requirements of each option.
5. **Selecting the Best Alternative:** Choosing the optimal, high-yield plan.
6. **Formulating Derivative Plans:** Creating supporting schedules (e.g., raw material buying plans, recruitment schedules).

7. **Implementing and Follow-Up:** Executing the plan and continuously measuring progress.

Management by Objectives (MBO)

- **Concept:** Introduced by Peter Drucker. A collaborative management system where superiors and subordinates jointly identify common goals, define individual areas of responsibility, and use these measures to guide operations.
- **Process:** Joint Goal Setting → Action Planning → Performance Review → Feedback & Adjustments.

Principles of Planning

- **Principle of Contribution to Objectives:** Every plan must actively move the organization closer to its core purpose.
- **Principle of Primacy:** Planning must strictly precede all other management functions.
- **Principle of Flexibility:** Plans must build in adaptive margins to handle unexpected market shifts without breaking down.

Types of Plans

- **Single-Use Plans:** Developed for non-recurring, unique situations (e.g., Budgets, Programs, Projects).
- **Standing Plans:** Used for recurring, predictable organizational activities (e.g., Policies, Procedures, Rules, Methods).

3. Decision Making

- **Definition:** The rational process of inspecting multiple alternative courses of action and selecting the single most optimal path to solve a specific corporate problem.
 - **Characteristics:**
 - It is an intellectual, deliberate process.
 - It implies a clear choice among multiple valid alternatives.
 - It is continuous and highly purpose-driven.
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UNIT IV: Organising, Staffing, Controlling & Co-ordination

1. Organising and Organisation Structure

- **Organising:** The process of identifying and grouping the work to be performed, defining responsibility, and establishing relationships to enable people to work together effectively.

Organising Process Steps

1. **Identification & Division of Work:** Breaking down total operations into manageable, specialized tasks to avoid duplication.
2. **Departmentalization:** Grouping similar, interrelated activities into distinct functional units (e.g., Production, Finance, HR).
3. **Assignment of Duties:** Allocating defined work profiles to individuals based on their specialized skills.
4. **Establishing Reporting Relationships:** Defining who reports to whom, creating a clear chain of command.

Key Principles of Organising

- **Unity of Command:** An employee must receive direct orders from, and be accountable to, **exactly one** immediate supervisor to prevent operational confusion.
- **Scalar Chain:** The formal, unbroken line of authority and communication running from the highest rank to the lowest rank.
- **Span of Management:** The exact number of direct subordinates that a manager can oversee efficiently.
 - *Wide Span:* Flat organizational structure; results in fewer management levels and faster communication but can strain supervisors.
 - *Narrow Span:* Tall organizational structure; leads to closer supervision but creates multiple bureaucratic tiers.

Organisational Charts

A visual graphic blueprint mapping out an enterprise's structural framework, showing lines of authority, communication channels, and relative officer ranks.

- **Types:** Vertical (top-to-bottom), Horizontal (left-to-right), and Circular (concentric rings of authority).
- **Uses:** Eliminates role ambiguity, outlines clear promotional pathways, and optimizes onboarding for new engineers.
- **Limitations:** Fails to capture informal communication networks (grapevine) and can introduce structural rigidity if not updated regularly.

2. Staffing

- **Definition:** The systematic management function of matching jobs with qualified individuals. It involves manpower planning, recruitment, selection, training, and performance appraisal.

The Staffing Process Chain

[Manpower Planning] —> [Recruitment] —> [Selection] —>
[Orientation/Placement] —> [Training/Development] —> [Remuneration]

- **Manpower Planning:** Assessing current human capital and forecasting future engineering and administrative talent requirements.
- **Recruitment:** The positive process of searching for prospective employees and stimulating them to apply for jobs within the organization.
 - *Internal Sources:* Promotions, internal transfers, and employee referrals.
 - *External Sources:* Campus placements, online job portals, and employment exchanges.
- **Selection:** The negative process of screening applicants to choose the most qualified individual for the open position through tests and interviews.
- **Orientation & Placement:** Familiarizing the selected employee with the workspace, culture, and rules, followed by assigning them their specific desk or machinery.
- **Training:** Systematic process to upgrade the technical skills, knowledge, and operational proficiency of an employee for a specific job.
- **Remuneration:** Determining fair, competitive monetary compensation packages (salaries, incentives, bonuses) to retain high-performing talent.

3. Controlling and Co-ordination

- **Controlling:** The systematic process of measuring actual business performance against pre-established standards, identifying deviations, and executing corrective actions.

The Control Process Steps

1. **Setting Performance Standards:** Defining qualitative or quantitative baselines (e.g., producing 500 units/day).
2. **Measurement of Actual Performance:** Tracking real-time operational outputs using audits and digital logs.
3. **Comparing Actual vs Standards:** Documenting deviations and checking if variances fall within acceptable margins.
4. **Analyzing Deviations:** Using management techniques like **Management by Exception (MBE)**—only reporting significant, critical deviations to top management.
5. **Taking Corrective Action:** Adjusting machinery, retraining labor, or realigning workflows to eliminate future errors.

Types of Control

- **Feedforward Control (Pre-control):** Anticipating problems before they occur by inspecting inputs (e.g., raw material testing).
- **Concurrent Control:** Monitoring operations in real-time as they happen to correct errors instantly (e.g., automated assembly line sensors).
- **Feedback Control:** Reviewing historical data after the process is complete to guide future planning (e.g., annual financial audits).

Co-ordination

- **Definition:** The harmonizing process that integrates the activities, timing, and efforts of separate enterprise departments to ensure smooth progress toward collective goals.
 - **Characteristics:** It is an all-pervasive, continuous function that acts as the "essence of management," binding all other functions together.
 - **Essentials:** Direct communication lines, early integration in the planning phase, and clear shared objectives.
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UNIT V: Market Survey, Opportunity Identification, & Project Report Preparation

1. Market Survey and Opportunity Identification

- **Opportunity Identification:** The systematic scanning of environmental changes (technological, legal, demographic) to spot unfulfilled customer needs that can be turned into a viable business venture.
- **Market Survey:** The systematic collection, recording, and statistical analysis of data regarding consumer preferences, competitor footprints, and market size.
 - *Primary Data Collection:* Questionnaires, direct consumer interviews, and live focus groups.
 - *Secondary Data Collection:* Industry trade journals, government census databases, and published market research papers.

2. Scanning the Business Environment

Entrepreneurs use frameworks like **PESTEL** and **SWOT** to understand their operational landscape.

- **Strengths / Weaknesses:** Internal attributes of the enterprise (e.g., specialized engineering patents vs. low initial capital).
- **Opportunities / Threats:** External ecosystem forces (e.g., new government subsidies vs. aggressive international competitors).
- **PESTEL Forces:** Political, Economic, Social, Technological, Environmental, and Legal factors shaping industry growth.

3. Assessment of Demand and Supply

- **Demand Analysis:** Estimating the total volume of a product that consumers will buy at a specific price point within a defined geographical area over a given timeframe.
- **Supply Analysis:** Tracking the production capacity of existing manufacturing competitors to spot market gaps.
- **Market Gap:** Where Projected Market Demand > Total Existing Industry Supply. This deficit represents a viable entry window for a new enterprise.

4. Project Report Preparation

A **Project Report** is a structured business document that details the technical, commercial, financial, and operational blueprints of a proposed enterprise.

Key Components of a Detailed Project Report (DPR)

1. **General Information:** Executive summary, promoter profiles, and industry background.
2. **Technical Feasibility:** Detailed machinery specifications, manufacturing process flowcharts, plant layout designs, raw material sourcing contracts, power loads, and waste management plans.
3. **Market Feasibility:** Target demographics, market share projections, marketing strategies, and competitor price charts.
4. **Economic & Financial Feasibility:** Total cost of the project, means of financing (equity vs. bank loans), projected profit and loss statements, cash flow charts, and balance sheets.
5. **Financial Metrics:**
 - *Break-Even Point (BEP):* The production volume where total revenue equals total cost (No profit, no loss).
 - *Payback Period:* The total timeframe required to recover the initial capital investment from business cash flows.

Common Errors in Project Report Preparation

- **Underestimating Working Capital:** Failing to budget for operational cash to cover day-to-day expenses during credit sales cycles.
 - **Overoptimistic Sales Forecasting:** Projecting unrealistic market capture rates without factoring in aggressive competitor counter-strategies.
 - **Ignoring Statutory and Compliance Costs:** Leaving out costs for environmental clearance certificates, electricity board allocations, and local municipal taxes.
 - **Poor Competitor Mapping:** Assuming a new product has zero rivals, which leads to weak pricing models.
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Unit-Wise Academic Assessment Questions

UNIT I

1. Define entrepreneurship. Detail Joseph Schumpeter's theory of innovation regarding economic development. (Long)
2. Differentiate between a Manager and an Entrepreneur across five distinct operational parameters. (Short)
3. Explain Clarence Danhof's classification of entrepreneurs, highlighting the core characteristics of Fabian and Drone entrepreneurs. (Long)
4. Define "Unlimited Liability" and explain its legal implications for Sole Proprietorships and Partnerships. (Short)
5. Compare traditional small businesses and technology startups based on scalability, intent, and funding sources. (Short)

UNIT II

1. State the revised composite criteria definitions for Micro, Small, and Medium enterprises under the MSME Act. (Short)
2. Explain the statutory protections against delayed payments provided to MSMEs under the MSME Act. (Short)
3. Detail the financial assistance tiers of the Pradhan Mantri Mudra Yojana (PMMY) and contrast it with the Stand-Up India mandate. (Long)
4. Analyze the role and operational assistance provided by District Industries Centres (DICs) and SIDBI to newly established technical enterprises. (Long)
5. Identify the core problems (technical, marketing, and financial) faced by new enterprises during their first year of operations. (Short)

UNIT III

1. Analyze Robert Katz's managerial skills framework and explain how the need for these skills changes across the three levels of management. (Long)
2. Differentiate clearly between Management and Administration based on scope, authority, and primary functions. (Short)
3. Outline the sequential steps involved in a systematic Planning Process within an engineering manufacturing plant. (Long)
4. Define Management by Objectives (MBO) and outline its functional cycle. (Short)
5. Explain the core principles of planning, focusing on the principles of Primacy and Flexibility. (Short)

UNIT IV

1. Explain the Organizing Process step-by-step, starting from the division of work to establishing reporting lines. (Long)
2. Explain the concepts of 'Unity of Command' and 'Scalar Chain'. How does a flat organization break these principles? (Short)
3. Detail the Staffing Process chain, highlighting the difference between internal and external recruitment sources. (Long)
4. Explain the core steps in the Controlling Process and discuss how Management by Exception (MBE) helps optimize management time. (Long)
5. Why is Co-ordination considered the "essence of management"? List three essential requirements for successful coordination. (Short)

UNIT V

1. Explain the differences between primary data and secondary data collection methods during a regional market survey. (Short)
 2. Detail the structure and critical sections required to compile an investor-ready Detailed Project Report (DPR) for a manufacturing unit. (Long)
 3. Explain the concepts of Break-Even Point (BEP) and Payback Period. Why are they critical for securing institutional bank loans? (Short)
 4. Identify four common financial and operational errors that engineers make when preparing a business project report. (Short)
 5. How do SWOT and PESTEL analyses help entrepreneurs spot new business opportunities? Explain with examples. (Long)
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