



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 3	Topic: Entrepreneurial Journey

SHORT ANSWER/OBJECTIVE TYPE QUESTIONS

1. Fill in the blanks:

a) One of the important techniques that can be used to generate ideas is _____, the screening of large amounts of information to detect emerging trends. A humongous amount of information from popular news magazines, reviews, government and consumer publications, trade publications.

Ans: Environment Scanning

b) A group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. It is usually an unstructured discussion in which one idea leads to another is termed as _____.

Ans: Brainstorming.

2.MCQs

i. Which one of the following is a purpose of Business Plan?

A. List in detail all the things they need to make the business work;

B. Identify logistical and other business-related problems and solutions;

C Develop marketing strategies to convince a bank or investor that their business is worth considering as an investment.

D. Provides a blueprint of actions to be taken in future

ii. Which is not included in Production Plan?

A.Details of manufacturing process

B.Physical infrastructure required

C.Types of plant and machinery

D. Form of ownership, sole proprietorship, partnership or joint stock company.

iii. Which of the following is a content of Financial Plan?

- A. Logistics for distribution
- B. Breakeven analysis**
- C. Requirement of power, water
- D. None of the above.

iv. _____ is carried out to know if the business venture is worth the time, effort and resources.

A. Business Plan.

B. Budget

C. Feasibility Study.

D. None of the above.

v. The following term which defines the legal and corporate structure of the business is

- A. Market Feasibility
- B. Financial Feasibility
- C. Technical Feasibility
- D. Organisational Feasibility**

DESCRIPTIVE TYPE QUESTIONS:

1. Entrepreneurship journals, books and available literature are filled with stories of Entrepreneurs striking it rich because they had a great idea. These, however, tend to give a false impression about great workable ideas. Discuss the misconceptions about ideas.

Ans: These misconceptions about great idea are:

Great ideas just appear out of nowhere:

The reality is that the best idea generators tend to do so in a structured systematic way. They don't wait for the things to happen but instead approach idea generation as the top priority activity by devoting sufficient time to it.

There are no illogical ideas:

The reality is that, many ideas may not be very good, the belief is that, all ideas should be approached as worthy. Sometimes, the most powerful ideas come from what at first glance seemed illogical.

The customer will tell you what to do if you will only listen:

The best source of ideas is the people who will purchase your products. Customers can help identify unmet needs, entrepreneurs require more involvements in making a great idea workable than simply listening to the customers.

We can generate all the ideas we will ever need if we sit down at a meeting:

Generating great ideas should not be restricted to a meeting. Great ideas are best shaped through an ongoing dialogue, not relegated to a specific place and time. Great ideas aren't the problem; implementing them is:

The reality is that, problems with implementation arise from not screening carefully enough, the ideas that are generated should be screened out before even being implemented.

2. Explain the different ways of generating ideas.

Ans: Different ways of generating ideas are as follows:

Environment Scanning:

One of the important techniques that can be used to generate ideas is environment scanning, the screening of large amounts of information to detect emerging trends. The information needs to be scanned from popular news magazines, reviews, government and consumer publications, trade publications, commercials. The challenge in this method is having huge amount of information. It requires a lot of effort but for a successful entrepreneur the energy is well spent.

Creativity and Creative Problem Solving:

Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas. It means cross thinking by seeing new angles, connections and approaches.

Brainstorming:

A group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. It is usually an unstructured discussion in which one idea leads to another. This is a very productive method for generating as many ideas as possible.

Focus Groups:

These groups of individuals provide information about proposed products or services in a structured setting. In a typical focus group a moderator focuses the group discussion or whatever issues are being examined.

Market Research:

This is a method of gathering information about products/services that already exist in the market. A systematic and in-depth study is undertaken to obtain useful data to determine demand-supply position for a particular product or service.

3. Amidst of rapidly changing environment, it may seem that evaluating ideas are a big waste of time. However, there are good reasons why idea evaluation is an important step in researching the venture's feasibility.

In the light of above statement discuss the importance of evaluating ideas.

Ans: IMPORTANCE OF EVALUATING IDEAS

To decide what is important:

Idea evaluation is important because it forces the entrepreneur to decide what is important to the entrepreneurial venture, which the entrepreneur is pursuing. Potential ideas should be evaluated against what is important to him/her.

To Identify Strengths and Weaknesses of the Idea:

Another reason that idea evaluation is important is that all ideas are not created equal some ideas that an entrepreneur comes up with will have better chances of success than others. By evaluating the strengths and weakness of each idea, the entrepreneur is forced to identify and assess the strong and weak points each alternative.

To make the best use of limited resources:

Most entrepreneurs have limited amount of money, time, people or other resources that will be needed to pursue their entrepreneurial ideas by evaluating their entrepreneurial ideas, they can make sure their choices make the best use of those limited resources.

To minimize risks while maximizing return:

The final reason why idea evaluation is important has to do with the desire to minimize risks while maximizing returns. An entrepreneur puts in the effort to evaluate potential entrepreneurial ideas, there is an opportunity to minimize the level of risk exposure while maximizing the possible amount of payoff return.

4. What is meant by feasibility study?

Ans: A feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing the range of costs and benefits associated with several alternatives for solving a problem.

5. Discuss the types of feasibility study.

Ans: The types of feasibility study are as follows:

Market Feasibility: Includes a description of the industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc.

Technical Feasibility: Details on how to deliver a product or service (i.e., materials, labour, transportation, where the business will be located, technology needed, etc.).

Financial Feasibility: Projects how much start-up capital is needed, sources of capital, returns on investment, etc.

Organisational Feasibility: Defines the legal and corporate structure of the business which may also include professional background information about the founders and what skills they can contribute to the business.

6. State the features of feasibility study.

Ans: A feasibility study is a process in which an idea is studied to see if it is "feasible," that is, if and how it will work.

A comprehensive feasibility study looks at the entire structure, needs, and operations of a business. A limited or project feasibility study looks at one specific task, program, idea, or problem.

A feasibility study looks at both sides, considering advantages and disadvantages, and troubleshoots potential problems.

A feasibility study is not a business plan, but serves as a foundation for developing a business plan.

A market feasibility study is not a marketing plan, but studies markets and market potential, and can be used to support or develop a marketing plan.

In addition to a business plan, an investor or lending institution may require the submission of a feasibility study before considering the request for capital.

7. It is a written summary of various elements involved in starting a new enterprise of how the business will organize its resources to meet its goals and how it will measure progress.

(a) State the concept defined above.

(b) Mention the purpose of the concept identified in (a).

Ans: (a) Business Plan.

(b) A business plan serves the following purposes:

Provides a blueprint of actions to be taken in future.

Guides the entrepreneur in raising the factors of production.

Serves as a guide to organizing and directing the activities of the business venture.

Helps in measuring the progress of the venture at successive stages.

Communicates to investors, lenders, suppliers etc., initiating the programmes of the business.

8. The business plan must define the objectives, strategies, customer scenario, market segments, products and services to be offered, sales forecast and steps required to attain the objectives. The plan should describe distribution systems, promotional activities and pricing decisions.

List the content of business plan that provides the above information.

Ans: General Introduction

Business Venture

Organisation plan

Production Plan

HR Plan

Marketing Plan

Financial Plan

Appendix

9. Although there is no singular process to manage the execution of a business plan, there are basic processes and fundamentals to be followed.

Comment on above statement.

Ans: Once the broad mission, vision and strategy for the organization have been established, focusing on its core competencies, specific quantifiable goals to support the strategy must be formulated.

The organization must be evaluated. That is knowing about right people with the right skills in the right jobs.

Identify the key initiatives and broad actions that must be accomplished to achieve the strategy.

Identify the transitional issues, They must be consistently understood in all functional departments. Every employee needs to understand his/her individual role in accomplishing some aspect of the plan.

Develop a budget to support the plan. This may be an iterative process until the right combination of strategy, tactics, and financial prudence is achieved.

Communicate well. Get the message out to the entire organization. Develop compensation and reward systems to support the future vision of the organization. Create decision filters that help guide the organization through a thought process for those times when the organization wrestles with a concept that may stray from its strategy.

Establish a review process. As the markets, customers, competitors, government regulations, economy, etc evolve; some priorities, and possibly some goals, may change.

10. Bharat is planning to start a new business by opening a jewellery shop in a mall.

i) Which management tool will help him by providing him a blue print of the operations to be performed while opening the jewellery shop?

ii) State any two purposes of such tool.

Ans: i) **Business Plan.**

ii) **A business plan serves the following purposes:**

Provides a blueprint of actions to be taken in future.

Guides the entrepreneur in raising the factors of production.

11. Anupama loves gardening. Her garden is the envy of the whole neighbourhood. Her neighbours, relatives are constantly asking her for shoots of various plants that she has in her collection. She decides to turn her hobby into opening a nursery in organic plants only.

i) Identify the source of Anupama's business idea.

ii) In addition to above source, state and explain one more source of business idea.

Ans: i) **Creativity.**

ii) **Brainstorming:**

A group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. It is usually an unstructured discussion in which one idea leads to another. This is a very productive method for generating as many ideas as possible.