



INDIAN SCHOOL AL WADI AL KABIR

Class: XI Entrepreneurship	Department: Commerce
Worksheet No: 2	Chapter: An Entrepreneur

MCQ's/Objective type Questions

1. These entrepreneurs are very shy and lazy. They are very cautious. They do not venture or take risks. They are rigid and fundamental in their approach. Select the correct option.
A.Drone **B. Fabian.** C.Business D.Imitative.
2. These entrepreneurs essentially manufacture products and offer services, which have an effective demand in the marketing. They have the ability to convert economic resources and technology into a profitable venture. Select the correct option.
A.Trading Entrepreneur B.First Generation **C.Industrial** D.Corporate Entrepreneur
3. Fill in the blank:
Non-technical entrepreneurs are those who are mainly concerned with developing alternative marketing and distribution strategies to promote their business.
4. _____ are otherwise known as pure entrepreneurs, who are motivated by their desire for self-fulfillment and to achieve or prove their excellence in job performance. They undertake entrepreneurial activities for their personal satisfaction in work, ego, or status.
Choose the correct option to fill in the blank:
A.Induced entrepreneurs B.Innovative entrepreneurs C.Technical entrepreneurs
D. Spontaneous entrepreneur.
5. Name the following type of entrepreneur , those who develop an idea for a new product or service and then establish an enterprise to materialize their idea into reality. **Innovative Entrepreneurs**
6. They are rigid and fundamental in their approach. Usually, they are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors. Name the type of entrepreneur. **Fabian Entrepreneurs**
7. Fill in the blank:
Induced entrepreneurs enter into entrepreneurship because of various governmental supports provided in terms of financial assistance, incentives, concessions and other facilities to the people who want to set up of their new enterprises

8. Identify the needs according to Maslow's Hierarchy of Needs Theory from the following details given below:
- (i) The need for stability, dependency, protection, freedom from fear and anxiety, and a need for structure, order, and law. **Safety Needs**
 - (ii) The need for Food, water, shelter, rest. **Physiological needs**
9. State true or false from the details given below. Correct, if the statement is false.
- (i) Intrapreneurs are usually employees within a company who are assigned a special idea or project, and are instructed to develop the project like an entrepreneur would. **TRUE**
 - (ii) Business competencies comprises of the study of proper business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery. **FALSE. Business Ethics**
 - (iii) After social needs have been satisfied, safety needs become the motivating needs. **FALSE. Esteem needs**
10. According to David McClelland, which one of the following is not a motivating force?
- A.Affiliation B.Power **C.Status** D.Achievement.

Short Answer Questions

11. The entrepreneurs may be classified into the following categories on the basis of application of new technology. Explain those categories of entrepreneurs.
- The entrepreneurs who are technical by nature in the sense of having the capability of developing new and improved quality of goods and services out of their own knowledge, skill and specialisation are called a technical entrepreneur.**
- Non-technical entrepreneurs are those who are mainly concerned with developing alternative marketing and distribution strategies to promote their business. They are not concerned with the technical aspects of the product and services they are dealing with.**
12. The central idea running through the process of attitude formation is that, the thoughts, feelings and tendencies to behave are acquired or learned gradually. In the light of this statement state and briefly explain the sources of entrepreneurial attitudes.
- Direct personal experience: The quality of a person's direct experience with the attitude object determines his/her attitude towards it. For example, if a worker finds his/her job challenging, supervisors understanding and co-workers very cooperative then he/she will have a positive attitude towards his/her job.**

Group Associations: People are influenced to one degree or another by other members in the group to which they belong. Attitudes are one target for this influence. Several groups, including family, work, and peer groups, and cultural and sub-cultural groups, are important in affecting a person's attitudinal development.

Influential Others: An entrepreneur's attitude can be formed and changed through personal contact with influential persons such as respected friends relatives and experts.

13. List the core values that are generally possessed by dynamic entrepreneurs.

1. Innovation and creativity 2. Independence or self-reliance 3. Respect for work 4. Quest for outstanding performance or achievement orientation

14. Competency is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviours in an individual. State any four categories of entrepreneurial competencies.

Initiative: One of the most fundamental competencies required for the entrepreneurs is the ability to take initiative. It is rather the first step in the enterprise. An entrepreneur has to be keen observer of the society, the commercial trends, the product types, the change dynamics and the consumer trends.

Creativity and Innovation: Competency in creativity and innovation are sometimes basic traits of certain individuals. He/she may use the creative ideas and innovative products and services to meet the challenges of a situation, take advantage of the utility of an idea or a product to create wealth.

Leadership: An entrepreneur should also be an effective leader who should be able to guide and motivate his/her entire team. Whenever a company faces problem it is the will power and effective business acumen and communication skills which oversees the success of the corporation.

Enterprise Management Competencies: The enterprise may be small or big but it demands management abilities on the part of its owner or manager. Various management functions such as production, marketing, finance etc., are crucial functions to entrepreneurs.

15. Why is ethics important to an entrepreneur?

The belief that businesses have a social responsibility is quite common place now though it's a relatively new phenomenon. Entrepreneurs make choices and take actions that affect many, usually without the moral guidance available in established organization. Their decisions can

seriously weaken a firm's future business viability. Ethical behaviour is essential for an effective economic system.

16. These are the most important values found among most of the entrepreneurs. They are guided by these values when they come out with creative ideas, new products, services, processes etc., to solve specific problems of the society.

State and discuss the values referred above.

Innovation and Creativity: These are the most important values found among most of the entrepreneurs. They are guided by these values when they come out with creative ideas, new products, services, processes etc., to solve specific problems of the society. Creativity is the ability to see new ways of doing things and innovativeness is the ability to make it work in practice.

17. When you read the success story of Steve Jobs, you understand that he always believed in outstanding performance, for example, when Apple phone was launched, he took great care to make the package eco-friendly and light weight with 3D (Three Dimensional) images on it. Such was his dedication for extraordinary performance.

Discuss the core value of entrepreneur cited in the above example.

Quest for outstanding performance: Dynamic entrepreneurs are guided by the value of outstanding performance. Challenges seem to stimulate and motivate entrepreneurs. As they have strong motivation to succeed, they value performance of a high order. Thus, the entrepreneur, due to his quest for excellence, is an „over comer“ who can resolve problems under pressure. They are persistent and hardworking when things go wrong.

Long Answer Questions

18. Explain the classification of entrepreneurs according to C.Danhof.

Innovative Entrepreneur: Innovative entrepreneurs are those who introduces new products, new methods of production techniques, or discovers a new market or a new service or reorganizes the enterprise. It is the innovative entrepreneurs who built the modern capitalism. They are commonly found in developed countries. They are aggressive in nature who exhibit cleverness in putting attractive possibilities into practice.

Imitative Entrepreneur: There is a second group, generally referred as imitative entrepreneurs. They usually copy or adopt suitable innovations made by innovative entrepreneurs. They are adaptive and more flexible. They are organisers of factors of production rather than creators. They contribute to the development of underdeveloped economies.

Fabian Entrepreneurs: The third type are the Fabian Entrepreneurs. Such entrepreneurs are very shy and lazy. They are very cautious. They do not venture or take risks. They are rigid and fundamental in their approach. Usually, they are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors. They imitate only when they are sure that failure to do so would result in a loss of the relative position in the enterprise.

Drone Entrepreneurs: The fourth type is the Drone Entrepreneurs, who refuse to copy or use opportunities that come their way. They are conventional in their approach. They are not ready to make changes in their existing production methods even if they suffer losses. They resist changes. They may be termed as laggards.

19. Attitudes constitute an important psychological attribute of individuals which shape their behavior. It may be defined as the way a person feels about something—a person, a place, a commodity, a situation or an idea. Explain its features.

Features of attitude:

1. Affects behaviour: People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervention.

2. It is invisible: It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.

3. Attitudes are acquired: Attitudes are gradually learnt over a period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person. However, in the beginning, the family members have a greater impact on the attitude of a child.

4. Attitudes are pervasive: They are formed in the process of socialisation and may relate to anything in the world. For instance, a person may have positive and negative attitudes towards religion, politics, politicians or countries.

20. Discuss any six attitude attributes that can put one in the right mindset for achieving entrepreneurial success.

1. Set an example of trustworthiness: People have confidence in trustworthy individuals and want to work for them in a culture of integrity. The same is true for customers.

2. Be flexible, except with core values: It's a fact that one's plans and strategies will change as time goes on. This flexibility for rapid change is an inherent advantage of small over large business. However, no matter what the pressure for immediate profits, do not compromise on core values.

3. Don't let fear of failure hold one back: Failure is an opportunity to learn. All things being equal, venture capitalists would rather invest money in an individual who tried and failed founding a company than in someone who never tried.

4. Make timely decisions: It's okay to use one's intuition. Planning and thought are good. But procrastination leads one to miss opportunities.

5. Keep one's ego under control: Don't take profits and spend them on expensive toys to impress others. Build a war chest for unexpected needs or opportunities. This also means hearing out new ideas and suggestions no matter how crazy they sound.

6. Believe in oneself: One needs to believe in one's own self, in one's company, and that one will be successful. One's confidence is contagious to one's employees, customers, stakeholders, suppliers and everyone one deals with.

21. Give the difference between entrepreneur and employee using appropriate basis.

Motive: The motive of an entrepreneur is to start a venture by setting up of an enterprise. One undertakes the venture for his personal gratification; whereas the employee's job is to render one's service in the ongoing or new enterprise set up by someone else.

2. Status: An Entrepreneur is the owner of the enterprise, whereas an employee is the servant in the enterprise owned by entrepreneur.

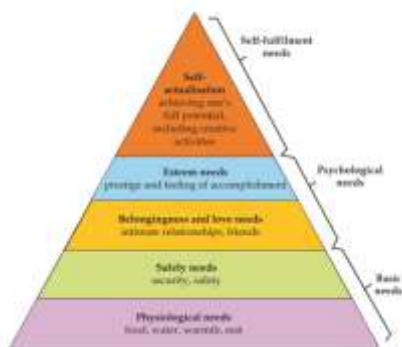
3. Risk Bearing: An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks about one's business 24 hours, where as an employee being servant does not bear any risk, all that, can happen is one may lose one's job with or without some compensation. One thinks of one's enterprise that one is working on duty for certain hours only.

4. Rewards: The reward, an entrepreneur gets, for bearing risks involved in the enterprise is profit or at times handsome profit, which is uncertain, where as an employee gets rewarded for one's services rendered in the enterprise as salary which is fixed and certain as per appointment letter issued. In addition, one gets a bonus as per prescribed rules and festival tokens etc. in cash or kind, sometimes on performance.

5. Innovations: The entrepreneur himself/herself thinks over what and how to produce goods and services. One has to bear in mind about meeting the changing demands of the customers. Hence he acts as an innovator as well as a change agent, whereas employee executes the set plans as per given schedule. Thus, one's job gets to meet up the targets decided by one's employees.

6. Qualification: An entrepreneur needs to possess qualities and qualifications like high achievement motive, originality in thinking, farsightedness, risk bearing abilities and much more where as an employee needs to possess qualification as per the status in the enterprise which are 38 pre-set and detailed in black and white, like an accountant can be C.A/M.Com etc. and a manager may be an M.B.A. in Marketing/Finance or Human Resource as per the nature of the enterprise.

22. The theory was proposed by Abraham Maslow and is based on the assumption that people are motivated by a series of five universal needs. These needs are ranked, according to the order in which they influence human behavior, in hierarchical fashion. Based on the details given, explain Maslow's Hierarchy of Needs Theory. Use the diagram.



Physiological needs are deemed to be the lowest- level needs. These needs include the needs such as food and water. As long as physiological needs are unsatisfied, they exist as a driving or motivating force in a person's life. A hungry person has a felt need. This felt need sets up both psychological and physical tensions that manifest themselves in overt behaviours directed at reducing those tensions (getting something to eat). Once the hunger is sated, the tension is reduced, and the need for food ceases to motivate. At this point (assuming that other physiological requirements are also satisfied) the next higher order need becomes the motivating need.

Safety needs -- the needs for shelter and security -- become the motivators of human behaviour. Safety needs include a desire for security, stability, dependency, protection, freedom from fear and anxiety, and a need for structure, order, and law. In the workplace this needs translates into a need for at least a minimal degree of employment security; the knowledge that we cannot be fired on a whim and that appropriate levels of effort and productivity will ensure continued employment.

Social needs include the need for belongingness and love. Generally, as gregarious creatures, human have a need to belong. In the workplace, this need may be satisfied by an ability to interact with one's co-workers and perhaps to be able to work collaboratively with these colleagues.

After social needs have been satisfied, ego and esteem needs become the motivating needs. Esteem needs include the desire for self-respect, self-esteem, and the esteem of others. When focused externally, these needs also include the desire for reputation, prestige, status, fame, glory, dominance, recognition, attention, importance, and appreciation.

The highest need in Maslow's hierarchy is that of self-actualization; The need for self-realization, continuous self-development, and the process of becoming all that a person is capable of.

23. Through this Google program, all the employees are empowered and encouraged to spend 20% of their time on projects that interest them and that they think will benefit Google and their customers. The Google “Innovation Time Off” program has a formal process for their selection of entrepreneurial projects, for the formal evaluation process and the monitoring of each Google approved entrepreneurial project. For a Google employee, to participate in the program, he/she needs to submit a project proposal with a time line. It is critical to note that several of Google’s newest products and services such as Gmail, Google news, Orkut and AdSense were all originated through this program.

- (i) Identify the type of program that is discussed in above given details.
- (ii) Explain the concept identified.
- (iii) What are the consequences of not encouraging the above identified concept?

(i) Intrapreneurship

(ii) An Intrapreneur is someone who has an entrepreneurial streak but chooses to align his or her talents with a large organisation in place of creating his or her own. Intrapreneurs usually have the resources and capabilities of the firm at their disposal. The intrapreneur's main job is to turn that special idea or project into a profitable venture for the company.

(iii) It is the best way to retain talented staff. Otherwise, most of them will just quit and develop these ideas on their own. It will be a win-win situation for both the organisation and the talented employee. E.g. A classic case of entrepreneurs is that of the founders of Adobe, John Warnock and Charles Geschke. They both were employees of Xerox. As employees they were frustrated because their new product ideas were not encouraged. They quit Xerox in the early 1980s to begin their own business. Currently, Adobe has an annual turnover of over \$3 billion.

24. Amal and Kamal, father and son respectively, had built up a thriving retail grocery shop in Haldwani (Uttaranchal). One of their suppliers, having delivered a large consignment of rice and sugar, left the bill with Kamal. He kept that in a small cabinet in the shop. Then both the supplier and Kamal forgot 28 about it. After about eight months or so, at the end of March, Amal began to clear the backlog and looked carefully into the cabinet. He discovered the unpaid bill and informed Kamal. The latter was shocked. Amal asked Kamal to contact the supplier immediately and clear his dues. Kamal replied: “No Father, it is the supplier’s duty to remember and collect his dues. Why should we chase him?” Amal replied, “Son, that is not the way honorable people do business”. It is the innermost belief, i.e., sense of values and business ethics, which guided Kamal to pay what is due to the supplier.

- (i) State the concept of entrepreneurship mentioned above.

Business Ethics

- (ii) State five more examples of the concept identified in (i)

a) **Providing quality and correct quantity of goods to consumers**

b) **Keeping in mind the environmental issues during production**

c) **Paying the minimum and correct wages to the workers**

d) **Not to use child labour in their production**

e) **Judicious use of natural resources**