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Total number of printed pages – 3

MBA
MBA 304

Third Semester Examination – 2013

ENTREPRENEURSHIP AND MANAGEMENT OF SME

QUESTION CODE : C-525

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 & 2 which are compulsory and any **four** from the rest.
The figures in the right-hand margin indicate marks.

1. Answer the following questions : 2×10
 - (a) State any two reasons why imitative entrepreneurs are preferred than innovative ones in developing countries.
 - (b) What is 'ex-ante analysis' and 'post-ante analysis'?
 - (c) 'Entrepreneurship has its own rewards'. Explain.
 - (d) Explain in brief any two leading factors which prompt people to become entrepreneur.
 - (e) Name two major sources of short term fund available to small scale enterprises.
 - (f) State two leading symptoms of sickness in small scale enterprises.
 - (g) Outline the core objectives of PMRY.
 - (h) How debt-equity ratio projects the solvency position of an enterprise ?
 - (i) What is CRM ?
 - (j) Give a brief account about various sources of personnel recruitment in small scale industries.

2. Innovation is so critical to Wipro that the management articulated it in its promise statement in 1998, as one of its four values. The ground work for the initiative, however, started only in January 2000 because other big initiatives such as Six Sigma, brand building and SEI initiatives had to stabilize.

P.T.O.

The initial days were spent studying the concept of innovation from books and the internet. The team entrusted with starting the initiative did a survey among selected employees to understand their perception and understanding of innovation. They also listed Wipro's past successes and failures.

The project was taken so seriously that the team travelled to study organizations such as 3M, Home Depot, Nike and Nokia which are known for their innovations. The team also met academicians and consultants who specialize on the subject.

In the end, these were the findings:

- All successful organizations are innovative.
- You cannot copy an organization. Each organization has its own culture, processes and customer relationship. You can certainly learn from them.
- Organizations who have succeeded in innovations are those who had a strong driver or a need to innovate. The innovation initiative is linked to the business.
- Top management commitment to the initiative is the starting point of the journey.
- Mistakes are part of the innovation journey. We must learn to accept and learn from them. We need the ability to take risk and kill fear of failure. There has to be a culture of forgiveness.
- You need to build a learning organization.
You need to have a lot of organizational support and most importantly perseverance in order to succeed.
- You need to have stability of people. High turnover hits innovation.
- Innovation as an initiative cannot have one framework or methodology that could be readily deployed.
- We need to develop our own framework and methodology that suits our organization in order to succeed.
- Only when innovation is valued by the customer will it give returns. Customer validation of the idea at various stages could be most essential.

- Walls and silos in the organization kill innovation. Communication network is essential. Proximity of teams helps.
- The need to understand the unstated needs of the customer is a necessity for innovation.
- Idea implementation is far more challenging than idea generation.

Finally, Wipro came up with its own definition of innovation: "implementation of new idea resulting in marketable product or service."

Critically analysis the case and enumerate the significance and importance of innovation in business. 10

3. Define the term entrepreneur and entrepreneurship. Discuss the characteristics of a successful entrepreneur. 10
4. What is Small Industries Development Organization (SIDO) ? Discuss its functions as the nodal development agency for small scale industries in India. 10
5. Define sickness in SSI units. Enumerate the causes and symptoms of sickness and also RBI guidelines for rehabilitation of such sick units. 10
6. How would you use SWOT analysis to identify and select a project for Small Scale Industries ? 10
7. "Working Capital is life blood of an enterprise". Explain and also state the major determinants of working capital requirements of an enterprise. 10
8. Define marketing. Show the differences between the traditional concept and modern concept of marketing. Also discuss the various problems of marketing the products of small scale industries in India. 10
