



# **ROHINI**

**COLLEGE OF ENGINEERING & TECHNOLOGY**

**OBJECTIVES:**

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

**UNIT I ENTREPRENEURSHIP 9**

Entrepreneur – Types of Entrepreneurs – Difference between Entrepreneur and Intrapreneur  
Entrepreneurship in Economic Growth, Factors Affecting Entrepreneurial Growth.

**UNIT II MOTIVATION 9**

Major Motives Influencing an Entrepreneur – Achievement Motivation Training, Self Rating, Business Games, Thematic Apperception Test – Stress Management, Entrepreneurship Development Programs – Need, Objectives.

**UNIT III BUSINESS 9**

Small Enterprises – Definition, Classification – Characteristics, Ownership Structures – Project Formulation – Steps involved in setting up a Business – identifying, selecting a Good Business opportunity, Market Survey and Research, Techno Economic Feasibility Assessment – Preparation of Preliminary Project Reports – Project Appraisal – Sources of Information – Classification of Needs and Agencies.

**UNIT IV FINANCING AND ACCOUNTING 9**

Need – Sources of Finance, Term Loans, Capital Structure, Financial Institution, Management of working Capital, Costing, Break Even Analysis, Taxation – Income Tax, Excise Duty – Sales Tax.

**UNIT V SUPPORT TO ENTREPRENEURS 9**

Sickness in small Business – Concept, Magnitude, Causes and Consequences, Corrective Measures - Business Incubators – Government Policy for Small Scale Enterprises – Growth Strategies in small industry – Expansion, Diversification, Joint Venture, Merger and Sub Contracting.

**TOTAL : 45 PERIODS****OUTCOMES :**

- Upon completion of the course, students will be able to gain knowledge and skills needed to run a business successfully.

**TEXT BOOKS :**

- Khanka. S.S., "Entrepreneurial Development" S.Chand & Co. Ltd., Ram Nagar, New Delhi, 2013.
- Donald F Kuratko, "Entrepreneurship – Theory, Process and Practice", 9<sup>th</sup> Edition, Cengage Learning, 2014.

**REFERENCES :**

- Hisrich R D, Peters M P, "Entrepreneurship" 8<sup>th</sup> Edition, Tata McGraw-Hill, 2013.
- Mathew J Manimala, "Entrepreneurship theory at cross roads: paradigms and praxis" 2<sup>nd</sup> Edition Dream tech, 2005.
- Rajeev Roy, "Entrepreneurship" 2<sup>nd</sup> Edition, Oxford University Press, 2011.
- EDII "Faulty and External Experts – A Hand Book for New Entrepreneurs Publishers: Entrepreneurship Development", Institute of India, Ahmadabad, 1986.

UNIT - 1

ENTREPRENEURSHIP.

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Entrepreneurship:

It is a dynamic activity which helps the entrepreneurs to bring changes in the process of production, innovation in production, new usage of materials, creator of materials, creator of market etc.

Entrepreneur → derived from the french language.

→ meant to designate an organizer of musical (or) other entertainments.

Entrepreneur:

"One who undertakes an enterprise, especially (or) contractor acting as intermediary between capital and labour"

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## Characteristics of an Entrepreneur:

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- a) Risk Bearer
- b) Hard work
- c) Clear objectives
- d) Success and Achievement.
- e) Independence.
- f) self - confidence
- g) Innovativeness

## Functions of an Entrepreneur:-

1. Searching market opportunities
2. obtaining the available resources
3. Purchasing inputs.
4. Marketing of the products and overcome competition.
5. Recruitment of persons.
6. Managing Customer and Supplier relations.
7. Managing Production.
8. Raising necessary funds.
9. Upgrading Process and product quality.

## Types of Entrepreneurs:-

1. Innovating Entrepreneur
2. Adaptive (or) Imitative Entrepreneur
3. Fabian Entrepreneur
4. Drone Entrepreneur

Entrepreneur → a) one who is an independent businessman.

b) Bears the risk fully.

c) Raises funds himself required for the business.

d) operates from outside.

Intrapreneur → a) semi-independent businessman

b) will not bear the risks

c) will not raise fund by himself.

d) operates from within the organisation itself.

## Entrepreneurship in Economic Growth:

\* It is meant by the function of seeking investment and production opportunity.

\* It is based on purposeful and systematic innovation.

\* It is the purposeful activity of an individual (or) a group of associated individuals undertaken to initiate, maintain the profit by production.

\* It is a set of activities performed by an entrepreneur.

## Nature and characteristics of Entrepreneurship:

- a) Innovative function
- b) Organising function.
- c) A function of group level pattern
- d) Managerial and leadership function.
- e) Gap filling function.

# Role of Entrepreneurship in Economic

## Growth:

### Development - Change

\* It means an increase in per capita income of a country over a long period of time.

\* Entrepreneur who fully explore the available resources of a country. Resources like (a) Labour, (b) Technology (c) Capital.

\* Key factor in economic development is the role in introducing innovation.

\* By improving in Productivity.

\* Capital formation for the process

\* Have to identify the psychological needs of the people.

↳ Entire entrepreneurship converts the idle saving of the public into capital formation.

\* It provides large-scale employment.

\* It promotes balanced regional development.

\* It stimulates the equal distribution of wealth.

\* It induces backward class (or) areas.

### Barriers of Entrepreneurship:

1. Lack of Concept.
2. Lack of Market knowledge.
3. Lack of Technical skill.
4. Lack of Initial capital.
5. Lack of Business know How.
6. Lack of Motivation.
7. Time Pressures and Distractions.
8. Legal constraints and Regulations.



# Factors affecting Entrepreneurial Growth.

- a) Economic factors
- b) Non-Economic factors
- c) Government Action.

## a) Economic factors:

It consists of

- \* Capital
- \* Labour
- \* Raw Material
- \* Market

## b) Non-Economic factors:

- \* Marginality
- \* Social Mobility
- \* Security
- \* Psychological factor
- \* Legitimacy of Entrepreneurship.

1. **Retreatist** - Continues to work in a job but remains different to his work and position.
2. **Ritualist** - a kind of defensive behaviour and acts in way of accepted and approved in society but no hopes of improving his position.
3. **Reformist** - Attempts to establish a new society.
4. **Innovator** - creative individual and is likely to be an entrepreneur.

### c) Government / Political Action :

\* Government encourages by creating basic facilities, utilities and services and by providing incentives and concessions.

\* It can develop through expressed industrial policy, promote entrepreneurship in one way or other.