62211

Reg. No. | | | | | | | | |

II Semester M.B.A. (Day and Eve.) Degree Examination, December - 2022

MANAGEMENT

Entrepreneurship and Start-ups Management

(CBCS Scheme 2019-20 Onwards)

Paper : 2.1

Time : 3 Hours **Maximum Marks : 70**

SECTION - A

Answer any **FIVE** questions from the following. Each question carries **5** marks.(5×5=25)

1. What are the main factors on which the success of an entrepreneurship depends?
2. How does practicing a structured approach enhance chances of entrepreneurial success?
3. What are the common myths associated with writing a business plan?
4. How would you go about selecting a venture capitalist to finance your project?
5. Explain how a social cause can become the base mission of a social enterprise.
6. Discuss the Legal aspects involved in setting up new ventures.
7. Analyze the challenges and problems faced by Women Entrepreneurs in India. Also suggest the Remedial Measures.

SECTION - B

Answer any **THREE** questions from the following. Each question carries **10** marks.
(3×10=30)

8. Entrepreneurship development can go a long way in solving the economic and non-economic problems of a developing country like India. Do you agree? Explain.
9. List out the stages of an entrepreneurship process and explain in brief what happens in each of them.
10. Social enterprises are self-sustaining cause-driven business entities that create social impact by offering solutions to social challenges and reinvesting their surplus to sustain and generate greater impact. In view of this throw light on social enterprises.
11. Start-ups are recognized as important engines for growth and jobs generation. Discuss various challenges that act as a hindrance in realizing true potential of start-ups in India.

[P.T.O.

SECTION- C
(Case Study)
(Compulsory)

12. Name of the Case Study: Looking for Capital (1×15=15)

When Joyce and Phil Abrams opened their bookstore one year ago, they estimated it would take those six months to break even. Because they had gone into the venture with enough capital to keep them afloat for nine months, they were sure they would need to outside financing. However, sales have been slower than anticipated, and most of their funds now have been used to purchase inventory or meet monthly expenses. On the other hand, the store is doing better each month, and the Abramses are convinced they will be able to turn a profit within six months.

At present, Joyce and Phil want to secure additional financing. Specifically, they would like to raise Rs. 1,00,000 to expand their product line. The store currently focuses most heavily on how-to-do-it books and is developing a loyal customer following. However, this market is not large enough to carry the business. The Abramses feel that if they expand into an additional market such as cookbooks, they can develop two market segments that-when combined - would prove profitable. Joyce is convinced that cookbooks are an important niche, and she has saved a number of clipping from national newspapers and magazines reporting that people who buy cookbooks tend to spend more money per month on these purchases than does the average book buyer. Additionally, customer loyalty among this group tends to be very high.

The Abramses own their entire inventory, which has a retail market value of Rs. 2, 80,000. The merchandise cost them Rs. 1,40,000. They also have at a local bank a line of credit of Rs. 10,000 of which they have used Rs. 4,000. Most of their monthly expenses are covered out of the initial capital with which they started the business (Rs. 1,80,000 in all). However, they will be out of money in three months if they are not able to get additional funding.

The owners have considered investigating a number of sources. The two primary ones are a loan from their bank and a private stock offering to investors. They know nothing about how to raise money, and these are only general ideas they have been discussing with each other. However, they do have meeting scheduled with their accountant, a friend, who they hope can advise them on how to raise more capital. For the moment, the Abramses are focusing on writing a business plan that spells out their short business history and objectives and explains how much money they would like to raise and where it would be invested. They hope to have the plan completed before the end of the week and take it with them to the accountant. The biggest problem they are having in writing the plan is that they are unsure of how to direct their presentation. Should they aim it at a banker or a venture capitalist? After their meeting with the accountant, they plan to refine the plan and direct it toward the appropriate source.

Questions:-

a) Would a commercial banker be willing to lend money to Abramses? How much? On what do you base your answer?

b) Would this venture have any appeal for a venture capitalists? Why or why not?

c) If you were advising the Abramses, how would you recommend they seek additional capital? Be complete in you answer.