

# Characteristics of Entrepreneurship

## Fastrack REVISION

- ▶ **Entrepreneurship:** It is the process of establishing one's own business. It is the capacity and willingness to develop, organise and manage a business venture with all the risks, in order to get the profit. The simplest example of entrepreneurship is starting of a new business.
- ▶ The process of entrepreneurship is characterised by innovation and risk-taking, and is an important part of a nation's development. It provides the ability to succeed in the dynamic and increasingly competitive global marketplace. Entrepreneurship is both the study of how new businesses are formed as well as the actual process of starting a new one.
- ▶ **Entrepreneur:** A person who sets up his/her business is called an entrepreneur. An entrepreneur is someone who has an idea of and the one who works to create a product or service that people will buy. Building an organisation to support the sales and business unit is called an enterprise.



- ▶ **Entrepreneurship Development:** It is the process of developing one's skills in a methodical manner. In simple words, it is a process of improving and enhancing the knowledge and skills of entrepreneurs through training and classroom programs, specifically designed to enhance the entrepreneurial acumen. The main aim of entrepreneurship development is to increase the number of entrepreneurs present in the community. Entrepreneurship development is a process of enhancing the capacity to develop, organise and manage a business venture while keeping in mind the risks involved in it. It involves mentoring entrepreneurs to develop their skills through training, and applying that training. It instills in them the quality of taking better decisions for their businesses.
- ▶ **Process of Entrepreneurship Development:** The process of entrepreneurship development includes the following steps:
  - ▶ **Clear View of the Objective of the Program:** Before starting the training, it is very important to have a clear objective and plan in mind about what the program is going to include and cover. Without following a proper plan and path, the training will not yield desired results. It will lead to wastage of time, money, effort and potential.

- ▶ **Selecting the Potential Targets:** The potential targets are the people who are willing to enhance their skills and have some amount of business insight. Such people can be further divided into two categories:
  - **Educated Target Audience:** It comprises of people who have a good educational background and have the zeal to be entrepreneurs. Such people have the enthusiasm to put their knowledge and education to use by starting a new venture and have the drive to make it happen.
  - **Uneducated Target Audience:** It comprises of people who do not have the privilege of education and knowledge about the market but have the potential to become entrepreneurs. Such people constantly look for alternative ways of earning money to support their family. Hence, they are highly motivated. The right training and direction would help them in becoming exceptional entrepreneurs.
- ▶ **Identifying Local Talents and Markets:** The process of Entrepreneurship Development program becomes more effective and efficient when it is applied in local markets and on local entrepreneurs. These people recognise and absorb knowledge more quickly and can apply it in the current scenario because of which quick and effective results could be achieved.
- ▶ **Choosing the Right Location:** Unfortunately in our country, these programs are launched where supporting institutions and resources are available, but ideally, such programmes should be planned and launched in areas where more people are willing and interested to take advantages of these programmes.
- ▶ **Tying-up with Institutions:** Usually these programmes are conducted by tying-up with institutions such as universities, NGOs and other private entities. It is done to give a practical and real world experience to people alongwith the training.
- ▶ **Characteristics of Entrepreneurship:** There are few characteristics that can be considered necessary. They are as follows:
  - ▶ **Systematic Activity:** Entrepreneurship is a systematic activity. It follows a step-by-step approach and has certain skill, knowledge and

competency-related requirements which could be acquired, learnt and developed through formal or vocational training. The process of training shows that entrepreneurs are not born rather they are mentored.

- **Innovation:** In a world where everything is growing and moving at such a fast pace, innovation is the buzzword. Innovation basically means discovery, generating new ideas for establishing businesses and acquire generous profits. Innovation can be in the form of a product, *i.e.*, selling a product which is not available in the market or nobody else is selling. It can also be in the form of process, *i.e.*, doing the same work more efficiently in less time.
- **Lawful and Purposeful Activity:** Entrepreneurship is a lawful and purposeful activity. Establishing a new venture involves permission from certain authorities, rules and regulations also need to be followed. The establishment of any new venture is done with the purpose of earning profit and making money out of it.
- **Ability to Take Risks:** It is the first and primary trait of entrepreneurship. Any business needs continuous supply and inputs for the project. The entrepreneur takes risks of paying them off whether or not the venture succeeds. There is no assurance of profit to the entrepreneur. Starting a new business involves a huge amount of risk and failure. And it is the entrepreneur who has the courage and capacity of taking the risk. In a new venture, usually the realised profit is lesser than the expected profit.
- **Visionary Approach:** An entrepreneur has to be a visionary. Without a vision for the success of the venture, he/she would be just working without reaching the point of success.
- **Leadership:** A lot of resources are required to establish a business. The main resource are the people who need to be hired to perform various tasks of production, supply and accounting, etc. It is not possible for a single person to handle everything and perform all the tasks. An entire team is required to run any venture.
- **Open Minded:** A good entrepreneur treats every situation as a business opportunity and utilises it for the benefit of the organisation.
- **Confident and Well Informed:** An entrepreneur needs to be confident about his/her skills and ideas.

This confidence also motivates people working for him/her as well as other associates and stakeholders involved in the business. The confidence comes from thorough knowledge about the industry and environment.

➤ **Role of Entrepreneurship:** The role of entrepreneurship are as follows:

- **Wealth Generation and Sharing:** By starting a business entity, entrepreneurs invest their own resources and also attract funds (in the form of debt, equity, etc.) from investors, lenders and the

public. This mobilises public wealth and allows people to benefit from the success of entrepreneurs and growing businesses. This kind of pooled capital results in wealth creation and distribution. It is the essence of the economic development of a country.

- **Creating Employment:** Entrepreneurs are job creators. When one becomes an entrepreneur, there is one less job seeker in the economy who later on, provides employment facilities to many others. The generation of employment is one of the basic aim of economic development.
  - **Balanced Regional Development:** New businesses and industrial units are usually set up in less developed and backward areas to promote regional development. The establishment of industries and businesses in these areas leads to improvement in the infrastructure, such as better roads, stable electricity, schools, airports, rail links, water supply, hospitals, etc. It creates an abundance of job opportunities which help in improving the regional economy.
  - **Growing GDP and Per Capita Income:** India's MSME (Micro, Small and Medium Enterprises) sector, which comprises 36 million units and provides employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like labour, land and money to develop products and services that add to the national income, products and per capita income of the country. This growth in GDP and per capita income is one of the essential goals of the economic development.
  - **Improved Standard of Living:** Enhanced and improved standard of living of people is another key goal of economic development of a nation. Entrepreneurship plays a vital role in attaining this goal as it creates job opportunities for people, which leads to improvement in the quality of life.
  - **Increase in Exports:** Growing businesses would eventually desire to export and expand to foreign markets. This is an important aspect of economic development since it provides access to bigger markets and leads to currency inflows and access to the latest, cutting-edge technologies and processes that are being used in more developed foreign markets.
  - **Helps in Community Development:** It is not necessary that economic development always translates into community development. Community development requires good infrastructure for education and training, healthcare and other public services.
- ▶ **The Rewards of Entrepreneurship**
- **You are the Boss:** This is the most important and self-satisfactory reward. Being an entrepreneur, you get the authority to finalise all decisions. You are the sole person responsible for all the activities



of your business. The role of a boss is prominent and gives huge self-satisfaction.

- **Do What You Enjoy:** Entrepreneurs are the luckiest people because they get to do what they love. This passion and love motivates entrepreneurs to give their best so the job will always be done well.
- **Creativity:** Starting a new venture involves a lot of risks and the entrepreneur learns how to manage and tackle tricky situations. In order to find solutions to different issues and problems in the most effective way possible, entrepreneurs develop creativity. New ideas bring new ways to solve the existing problems.
- **Own Schedule:** The rewarding achievement of being self-employed is that the entrepreneur can fix his own schedule. It is the routine working office hours which make you tired. Being an entrepreneur, you get the flexibility to set your own time.
- **Building an Enterprise:** Building an enterprise is itself a very rewarding achievement. The joy of being the creator is inexpressible in words. A person who creates something with his/her own hand can better understand the glory of it.
- **You can Work from Anywhere:** The biggest privilege probably anyone can think of is staying and working from home or any other place - even while travelling. Entrepreneurship gives one this flexibility.
- **You Believe in What You Do:** Working in entrepreneurship is exciting. Instead of being a cog in the wheel for a giant, you will be able to see your ideas grow, make a difference, contribute to the creation of a brand new business and also help in economic growth.
- **You Become a Business Leader:** Being able to see how your business has contributed to the local

economy and provided jobs, is incredibly rewarding. Your role as a business leader in your community is important and respectable.

- **Sense of Independence:** Entrepreneurship gives a sense of independence culminating into a desire, a desire to achieve in spite of obstructions and limitations, only to be successful. It makes a person more determined with a strong will to sustain during hardships.
- **Adds to One's Intelligence:** For starting a business, it is not necessary to have high qualifications. Certain qualities are desirable such as aggressiveness, being good at mental mathematics, social exposure, networking, street-smartness, and ability to grasp things quickly. The ability to think imaginatively and finding solutions are some other important characteristics which help in becoming a successful entrepreneur.
- **Patience and Perseverance:** Patience and perseverance are the most essential traits in doing business. The ability to compromise in extreme situations and have a steady vision of a bright future are qualities of merit. Scaling down or scaling up are strategic decisions and are not inactive processes confined to the boundaries of management.
- **Franchise Business Opportunities:** A new business opens up numerous opportunities for an eagle-eyed entrepreneur. An established business with reputable brand equity may offer franchise in selected locations. All good companies embellish further growth and capitalise market by following the Franchise Model. All FMCG (Fast Moving Consumer Goods) companies are practising this model for the marketing of their products. It helps young entrepreneurs to start a business with the assurance of definite and measured business outlay and strategies.

## Practice Exercise

### ? Multiple

Choice Questions

- Q1. Which of the following are the two mandatory features of entrepreneurship?
  - a. Innovation and risk taking
  - b. Innovation and development
  - c. Innovation and employment
  - d. Innovation and knowledge
- Q2. Which of the following statements about entrepreneurship is incorrect?
  - a. It is characterised by innovation and risk taking.
  - b. It is the study of how new businesses are formed and the actual process of starting a new business.
  - c. It gives the ability to succeed in a dynamic and increasingly global market.
  - d. It is an art of generating money.

- Q3. What do we call a person who sets up his own business?
  - a. Manager
  - b. Board of director
  - c. Entrepreneur
  - d. Head
- Q4. Which of the following are the characteristics of entrepreneurship?
  - a. Systematic activity
  - b. Visionary approach
  - c. Lawful and purposeful activity
  - d. All of the above
- Q5. Which of the following initiatives of the government are related to entrepreneurship?
  - a. Beti Bachao, Beti Padhao
  - b. Startup India
  - c. Aadhar Sabka Adhikar
  - d. Pradhan Mantri Jan Dhan Yojna



Q 6. Which of the following is an example of franchise business?

- a. McDonald
- b. Facebook
- c. Amazon
- d. Flipkart

Q 7. Innovation can be categorised into which of the two types?

- a. Project-related innovation and product-related innovation
- b. Product-related innovation and capital-related innovation
- c. Product-related innovation and process-related innovation
- d. Process-related innovation and technology-related innovation

Q 8. What is/are the essential goal(s) of Economic development?

- a. Growth in GDP
- b. Growth in Per Capita Income
- c. Both a. and b.
- d. Growth in Population

Q 9. Which of the following salient feature(s) are the reward(s) for an entrepreneur?

- a. Own schedule and independence to work from anywhere
- b. Patience and perseverance
- c. Franchise business opportunities and creativity
- d. All of the above

Q 10. What is the full form of FMCG?

- a. Fast Moving Consumer Goods
- b. Full Moving Consumer Goods
- c. Fix Moving Consumer Goods
- d. None of the above

## ? Fill in the Blanks

Type Questions

Q 11. The process of entrepreneurship development program becomes more effective when applied in local markets and on the local .....

Q 12. .... is an important and the last step of entrepreneurship development.

Q 13. .... and .... are the two most important traits in doing business.

Q 14. All FMCG companies are practicing the ..... model for the expansion and marketing of their businesses.

## ? Assertion and Reason

Type Questions

**Directions (Q. Nos. 15-19):** In the questions given below, there are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the correct option.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not correct explanation of Assertion (A).

c. Assertion (A) is true, but Reason (R) is false.

d. Assertion (A) is false, but Reason (R) is true.

Q 15. Assertion (A): The process of Entrepreneurship Development program becomes more effective and efficient when it is applied in local markets and on local entrepreneurs.

Reason (R): Before starting the training, it is very important to have a clear objective and plan in mind about what the program is going to include and cover.

Q 16. Assertion (A): Any business needs continuous supply and inputs for the project.

Reason (R): Starting a new business involves a huge amount of risk and failure.

Q 17. Assertion (A): New businesses and industrial units are usually set up in less developed and backward areas to promote regional development.

Reason (R): Both the central government and state governments promote these initiatives by providing registered MSME businesses, various benefits and concessions.

Q 18. Assertion (A): Establishing a new venture involves permission from certain authorities and rules and regulations also need to be followed.

Reason (R): An entrepreneur has to be a visionary. Without a vision for the success of the venture, he/she would be just working without reaching the point of success.

Q 19. Assertion (A): A good entrepreneur treats every situation as a business opportunity and utilises it for the benefit of the organisation.

Reason (R): The main resource are the people who need to be hired to perform various tasks of production, supply and accounting, etc.

## Answers

- 1. (a)    2. (d)    3. (c)    4. (d)    5. (b)
- 6. (a)    7. (c)    8. (c)    9. (d)    10. (a)
- 11. Entrepreneurs    12. Analysing
- 13. Patience and perseverance    14. franchise
- 15. (b)    16. (b)    17. (b)    18. (b)    19. (b)

## ? Case Study Based

Questions

### Case Study 1

Poonam makes handmade purses for women in Odisha. She takes the help of local women who know embroidery to make the purses. Poonam used to sell these in Kolkata. She however, could not sell many pieces and also had to spend a lot of time and money on travelling to Kolkata.



Poonam then tried to sell this by going door-to-door but only few more people bought her products. In fact, people were rude and did not talk to her respectfully. However, she did not give up hope and continued to go to more people to sell the purses. She even added new styles and designs to the purses and began making them in different sizes and colours.

Then someone told her about a shopping website through which she could sell her products without going to big cities. She immediately registered her company and started getting orders. Earlier she could sell maximum 50 purses in a month, but now she sells more than 500 purses every month.

- Q 1. Poonam immediately registered her ..... and started getting orders.**  
 a. firm                                      b. society  
 c. company                                  d. None of these
- Q 2. Poonam then tried to ..... purse by going door-to-door but only few more people bought her products.**  
 a. buy                                        b. rent  
 c. sell                                         d. make
- Q 3. Poonam however, could not sell many pieces and also had to spend a lot of time and money on ..... to Kolkata.**  
 a. searching                                b. travelling  
 c. purchasing                               d. None of these
- Q 4. Poonam makes handmade purses for women in .....  
 a. Kerala                                      b. Odisha  
 c. Bengaluru                                 d. Chennai**

**Answers**

1. (b)      2. (c)      3. (b)      4. (b)

**Case Study 2**

Pratap was a vegetable seller in Agra. He was well known in the market for always selling fresh vegetables. He used to wake up every morning at 3 am to get there. However, during summers, a lot of his leftover vegetables used to get wasted at the end of the day.

To stop this wastage, he started selling the stale vegetables. This earned him a bad name in the market and people stopped going to his shop. Pratap then came-up with an idea! Vegetables home-delivery services — people could order the type and quantity of vegetable they wanted a day before and Pratap would buy exactly that much from the wholesale market and deliver it fresh to their house.

Now his customers do not have to go through the inconvenience of commuting to the market and thus can have the vegetables delivered at their

doorstep. All they have to do is call Pratap on his mobile phone and place an order.

- Q 1. Pratap was a vegetable seller in .....**  
**Q 2. To stop this wastage, he started selling the ..... vegetables.**  
**Q 3. Pratap came-up with an idea! .....**  
**Q 4. .... do not have to go through the inconvenience of commuting to the market and thus can have the vegetables delivered at their doorstep.**

**Answers**

1. Agra  
 2. stale  
 3. Vegetables home-delivery services  
 4. Customers

**? Very Short Answer**

Type Questions

- Q 1. What do you mean by the term entrepreneurship development?**  
**Ans.** Entrepreneurship development is the process of developing one's skills in a methodical manner. In simple words, it is a process of improving and enhancing the knowledge and skills of entrepreneurs through training and classroom programs, specifically designed to enhance the entrepreneurial acumen.
- Q 2. Define enterprise.**  
**Ans.** Building an organisation to support the sales and business unit is called an enterprise.
- Q 3. Define the term capital.**  
**Ans.** Wealth in the form of money or other assets owned by a person or organisation or available for a purpose such as starting a company or investing.
- Q 4. Give any two advantages of entrepreneurship.**  
**Ans.** The two advantages of entrepreneurship are as follows:  
 (i) It helps in creating employment opportunities.  
 (ii) It makes an individual independent, confident and also instills leadership skills.
- Q 5. List main characteristics of entrepreneurship.**  
**Ans.** The main characteristics of entrepreneurship are as follows:  
 (i) Systematic Activity  
 (ii) Innovation  
 (iii) Lawful and Purposeful Activity  
 (iv) Ability to Take Risks  
 (v) Visionary Approach  
 (vi) Leadership  
 (vii) Open Minded  
 (viii) Confident and Well Informed
- Q 6. Enlist any two rewards of entrepreneurship.**  
**Ans.** The two rewards of entrepreneurship are as follows:  
 (i) It gives the freedom to work from anywhere.

- (ii) It gives the privilege to have one's own schedule which can be altered as per one's convenience.

**Q 7. What is the main aim of entrepreneurship development?**

**Ans.** The main aim of Entrepreneurship Development is to increase the number of entrepreneurs present in the community.

**Q 8. Name the two categories of target audience.**

**Ans.** The two categories of target audience are as follows:

- (i) Educated target audience
- (ii) Uneducated target audience

**Q 9. How is entrepreneurship a systematic activity?**

**Ans.** Entrepreneurship is a systematic activity. It follows a step-by-step approach and has certain skill knowledge and competency-related requirements which can be acquired, learnt and developed through formal or vocational training.

**Q 10. Why leadership is an important characteristics of entrepreneurship?**

**Ans.** Leadership is an essential component which the entrepreneur must have. Without appropriate leadership, everybody will be working independently and it will not be possible to yield desired results.

**Q 11. How does entrepreneurship create employment?**

**Ans.** Entrepreneurs are job creators. When one becomes an entrepreneur, there is one less job seeker in the economy who later on, provides employment facilities to many others.

## ? Short Answer

### Type Questions

**Q 1. Discuss the first step of process of entrepreneurship development.**

**Ans.** The first step of process of Entrepreneurship Development is clear view of the objective of the program.

Before starting the training, it is very important to have a clear objective and plan in mind about what the program is going to include and cover. Without following a proper plan and path, the training will not yield desired results. It will lead to wastage of time, money, effort and potential.

**Q 2. Discuss the role of entrepreneurship.**

**Ans.** The role of entrepreneurship are as follows:

- (i) Wealth Generation and Sharing:** By starting a business entity, entrepreneurs invest their own resources and also attract funds (in the form of debt, equity, etc.) from investors, lenders and the public.
- (ii) Balanced Regional Development:** New businesses and industrial units are usually set up in less developed and backward areas to promote regional development.

**Q 3. Is entrepreneurship development important for existing entrepreneurs?**

**Ans.** Entrepreneurship development programs are

developed for both aspiring as well as existing entrepreneurs. This is because these programs are also designed to help entrepreneurs expand their existing enterprise. These programs are more effective on existing entrepreneurs.

**Q 4. Are the characteristics of entrepreneurship inherent or can they be learned?**

**Ans.** Entrepreneurial qualities like leadership, knowledge, risk management and confidence can be learned overtime with learning, practice and application in the real world situations. Most of the skills develop with experience and practical knowledge in real life situations.

**Q 5. List the various forms of business ownership.**

**Ans.** The various forms of business ownership are:

- (i) Sole Proprietorship
- (ii) Partnership
- (iii) Corporation
- (iv) Limited Liability Company
- (v) Cooperative

**Q 6. How sole proprietorship is different from Corporation?**

**Ans.** A sole proprietorship business is owned by only one person. A corporation is a business organisation that has a separate legal personality from its owners. It is suitable for small businesses and least costly among all forms of ownership. The liabilities of entire business are faced by the owner. In corporation, ownership in a stock corporation is represented by shares of stock. The owners enjoy limited liability but have limited involvement in the company's operations.

**Q 7. How cooperative is different from corporation?**

**Ans.** A cooperative is a business organisation owned by a group of individuals and is operated for their mutual benefit. The persons making up the group are called members. Some examples of cooperatives are water and electricity cooperatives and housing cooperatives.

A corporation is a business organisation that has a separate legal personality from its owners. Ownership in a stock corporation is represented by shares of stock. The owners enjoy limited liability but have limited involvement in the company's operations. The board of directors, an elected group from the stockholders, controls the activities of the corporation.

**Q 8. Why entrepreneurship development program required?**

**Ans.** Entrepreneurship development programs are required to promote and support entrepreneurship. This is achieved by deploying various training programs focusing on developing entrepreneurial skills. The process of entrepreneurship development aids the entrepreneurs to develop their skills by applying what they learn in the training for improved business activities.



**Q 9. How do entrepreneurs aid in promoting nation's economy?**

**Ans.** Entire entrepreneurship approach is focused on economic activities since all the activities are centrally focused on creation of wealth and value for organisation. All operations are planned in such a way that ensures optimum utilisation of all available resources. Since entire system works on the foundation of uncertainty and adapting to constant challenges, entrepreneurship is regarded as a dynamic force.

**Q 10. How do entrepreneurs contribute to industrial and social development?**

**Ans.** Entrepreneurs give to society. Entrepreneurs often do more for the greater good than the average person. They make honest money with great struggle and pay for taxes and public services thereby contributing and returning to the economy. Many of them take green initiatives for environment and contribute to the charities for social causes.

Entrepreneurship, in its core, has the process of looking for new, viable ideas. Working environment of an entrepreneur entity encourages regular reviews and analyses of the processes and their outcomes. Such constant evaluations lead to the birth of innovative ideas and improvements in the existing modes of business operations.

**Q 11. How can you say that entrepreneurs are innovative and independent?**

**Ans.** Entrepreneurship, in its core, has the process of looking for new, viable ideas. Working environment of an entrepreneur entity encourages regular reviews and analyses of the processes and their outcomes. Such constant evaluations lead to the birth of innovative ideas and improvements in the existing modes of business operations. Despite responsibilities there is greater independence since entrepreneurship invites abilities to work independently yet in coordination with flexible decision-making system.

## CHAPTER TEST

### Multiple Choice Questions

**Q 1. Basic raw material is broken into several useful materials in manufacturing business type:**

- a. Analytical
- b. Synthetical
- c. Processing
- d. None of these

**Q 2. Manufactured components or parts are combined together in manufacturing business type:**

- a. Analytical
- b. Processing
- c. Assembling
- d. None of these

**Q 3. The head of this form of business enterprise is known as 'Karta':**

- a. Sole Proprietorship
- b. Partnership
- c. Joint Hindu Family
- d. None of these

**Q 4. Business characteristics of entrepreneurship is:**

- a. creative activity
- b. risk bearing activity
- c. Both a. and b.
- d. None of these

### Fill in the Blanks

**Q 5. The primary trait of entrepreneurship is taking .....**

**Q 6. Creating ..... is basic aim of economic development.**

**Q 7. .... is the process of developing one's skills in a methodical manner.**

### Assertion-Reason Type Questions

**Directions (Q. Nos. 8-10):** In the questions given below, there are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the correct option.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not correct explanation of Assertion (A).

c. Assertion (A) is true, but Reason (R) is false.

d. Assertion (A) is false, but Reason (R) is true.

**Q 8. Assertion (A): An entrepreneur needs to be confident about his/her skills and ideas.**

**Reason (R):** By starting a business entity, entrepreneurs does not invest their own resources and also attract funds (in the form of debt, equity, etc.) from investors, lenders and the public.

**Q 9. Assertion (A):** The establishment of industries and businesses in these areas leads to improvement in the infrastructure, such as better roads, stable electricity, schools, airports, rail links, water supply, hospitals, etc.

**Reason (R):** India's MSME (Micro, Small and Medium Enterprises) sector, which comprises 36 million units and provides employment for more than 80 million people, now accounts for over 37% of the country's GDP.

**Q 10. Assertion (A):** Enhanced and improved standard of living of people is another key goal of economic development of a nation.

**Reason (R):** The rewarding achievement of being self-employed is that the entrepreneur can fix his own schedule.

### Case Study Based Questions

**Q 11.** Sunita used to live in Kochchi with her parents. During her summer holidays, she went to meet her grandparents who lived in a small town. They were very old and had to take a lot of medicines during the day. They often used to be tired to

go to the market to buy their medicines and sometimes forgot to take it, as they did not have help. This affected their health. She then saw that other old people living around face the same problem. Sunita felt very bad about the situation and wanted to help them.

Sunita thought of many ways to solve this problem, so that her grandparents and other old people living in the colony remain healthy and get their medicines on time. She then thought of an idea! — to make a special remote, with just one button. This remote would send the signal to the nearest medical shop, who would deliver the medicine within a day. The remote also had an in-built, easy-to-use alarm system which old people could use to set reminders for taking the medicines.

Every time the alarm went on, they would take the medicines and turn the alarm off by merely touching the button on the remote. She made this and tried it out at her grandparents' house, and it worked! They now did not have to travel long distances to buy the medicine or need help to remind them to take their medicines on time. This 'Remote control' became very popular in her village and soon, in all of Kerala. She now runs a business and sells these remote controls all over India.

- (i) Sunita used to live in Kochchi with her .....
- a. guardians                      b. grand parents  
c. parents                          d. None of these
- (ii) The remote would send ..... to the nearest medical shop, who would deliver the medicine within a day.
- a. signal                              b. message  
c. alert                                d. notification
- (iii) Every time the alarm went on, they would take the medicines and turn the alarm off by merely touching the button on the .....
- a. television                        b. laptop  
c. remote                              d. None of these
- (iv) The 'Remote control' became very popular in her village and soon, in all of .....
- a. Kerala                              b. Mathura  
c. Bengaluru                        d. Chennai

Q 12. Rakesh came from a small village in Uttar Pradesh to Mumbai when he was very young. He had come to make money for his family. His friends gave him an idea of buying an auto to make enough money. For many years, Rakesh was driving around like any other auto-wala. But with time, he really started enjoying his work. He loved talking to his customers and listening about their life. This gave him idea, which turned him from an auto-wala to an entrepreneur.

He came up with the idea of a 'Special auto experience', in which a customer would get special services—snacks, cold-drink, songs of their choice, newspaper, and Wi-Fi for their mobile. In addition to this, Rakesh would take them through special routes and tell stories. He shared his mobile number so that his clients could call and pre-book his service. People started using Rakesh's services and would stand in queues to get one ride with him. Rakesh now has many auto-walas working under him. He has trained them to serve on the same standards to the customers. He has a flourishing business now.

- (i) Rakesh friends gave him an idea of buying an auto to make enough .....
- (ii) Why Rakesh shared his mobile number with clients?
- (iii) Rakesh came up with what kind of idea?
- (iv) Rakesh came from a small village in ..... when he was very young. He had come to make money for his family.

### Very Short Answer Type Questions

- Q 13. What do you mean by hybrid business type?  
Q 14. What do you mean by human resource?  
Q 15. How customer service is important for business?  
Q 16. What do you mean by sales and marketing?

### Short Answer Type Questions

- Q 17. How entrepreneurs positively contribute to society?  
Q 18. How is an entrepreneur different from businessman?  
Q 19. List the steps of entrepreneurship development program.  
Q 20. Discuss any two characteristics of entrepreneurship.