

May 2015

Bachelor of Business Administration (BBA) Examination
IV Semester

Entrepreneurship

Time : 3 Hours]

[Max. Marks : 80

Note : Attempt any four questions from Section A. Section B is compulsory. All questions carry equal marks.

Section A

1. Why does only a small proportion of the population set up new business ventures and become independent entrepreneurs? What are the main benefits of entrepreneurship?
2. Discuss the various sources of new ideas and methods of generating ideas in creating and starting the venture.
3. Describe the steps involved in writing business plan.
4. What are the various sources of capital for financing and managing the new venture?
5. What is Intellectual Property? What is the difference between a patent and a trademark?
6. Discuss the contribution of commercial banks to Small Scale Industries Development Corporations (SSIDCs) and National Small Industries Corporation (NSIC) in providing institutional support to entrepreneurship.

Section A

Mahesh and Raja met while working at a Compaq disc production company. Mahesh was in charge of editorial and production. Raja ran the sales force. Mahesh decided to start his own company and invited Raja to join him; Raja would handle sales and administration, while Mahesh managed the clients and directed production.

MR communications seemed like a perfect partnership. Things seemed to be going well and they even landed a major project.

As time went by, Raja decided that he wanted a "creative" job too. He spent most of his time producing Compaq discs rather than looking for new business. Mahesh's loyalty to Raja made him blind to many things that were obvious to others. Because of their friendship, he trusted that Raja was taking care of his side of the business. As it turned out, Raja was not very good at the tasks he had taken on. He made mistakes

that reduced expected profits. He was not making new sales contacts, which was supposed to be the main part of his job. If that were not enough, the feeling that he was letting his friend down made Raja feel even worse. Raja began to avoid talking to Mahesh. He stopped coming into the office. Finally, he stopped returning/phone calls.

By the time Mahesh realised what was happening to the business, it was too late. There were no new sales. What Mahesh thought were profits was the result of Raja not paying their bills. Mahesh was left with more than Rs. 5,50,000 in unpaid bills and other debts. A tearful message on the answering machine from Raja ``I'm moving out to Chennai for a while. Sorry it didn't work out."

It took Mahesh three years to dig out of the financial mess and get his new company up and running successfully.

Case Questions :

1. How could Mahesh and Raja have avoided the problems that led to the end of their partnership?
2. Why is this situation a good example of the difficulty in maintaining partnerships between friends?

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