

SKIT COLLEGE KD-64

Subject - Entrepreneurship and small business management

BBA DEPARTMENT SEM -5th

Most important questions for students -

Entrepreneurship - BBA 5th Semester: Important Questions

1. Define entrepreneurship. What are the key characteristics of a successful entrepreneur?
2. Discuss the role of entrepreneurship in economic development.
3. Explain the differences between an entrepreneur and a manager.
4. What are the various types of entrepreneurs? Explain with examples.
5. Describe the stages of the entrepreneurial process.
6. What are the major sources of business ideas for entrepreneurs?
7. Explain the concept and significance of a business plan. What are its main components?
8. Discuss the various sources of financing available to startups.
9. What is innovation? How is it important in entrepreneurship?
10. Explain the legal issues involved in starting a new business.
11. What are the common challenges faced by first-generation entrepreneurs?
12. Define social entrepreneurship. How does it differ from commercial entrepreneurship?
13. What is a startup ecosystem? Describe the role of incubators and accelerators.
14. Discuss the importance of market research before launching a new venture.
15. What is risk management in entrepreneurship? How can entrepreneurs minimize business risks?

ANSWER-1.. Define entrepreneurship. What are the key characteristics of a successful entrepreneur?

Entrepreneurship is the process of identifying a business opportunity, gathering resources, and starting a new business to earn profit and create value. Entrepreneurs take risks to innovate and solve problems, driving economic and social progress.

Key characteristics of a successful entrepreneur:

Innovation: Ability to create new ideas, products, or processes.

Risk-taking ability: Willingness to take calculated risks.

Vision: A clear goal and direction for the business.

Leadership: Ability to motivate and guide others.

Persistence: Resilience in the face of failure or setbacks.

Decision-making: Quick and effective problem-solving skills.

Confidence: Belief in their own ideas and abilities.

2. Discuss the role of entrepreneurship in economic development.

Entrepreneurship plays a vital role in economic development by:

Creating employment: Startups and small businesses generate jobs.

Innovation: Entrepreneurs introduce new technologies and services.

Boosting GDP: New businesses increase economic output.

Improving living standards: Entrepreneurs provide better goods/services.

Encouraging investment: Entrepreneurial success attracts both domestic and foreign investors.

Balanced regional development: Entrepreneurs can bring growth to underdeveloped areas.

Overall, entrepreneurship drives productivity, competitiveness, and sustainable economic

growth.

3. Explain the differences between an entrepreneur and a manager.

Aspect	Entrepreneur	Manager
Role	Creates and owns a business	Runs or oversees a business unit
Focus	Innovation and growth	Efficiency and performance
Risk	Bears full risk of business	Has limited or no financial risk
Decision-making	Makes strategic, long-term decisions	Makes operational, short-term decisions
Reward	Profits from business success	Earns salary and performance incentives
Control	Full control over business	Works under the control of others

4. What are the various types of entrepreneurs? Explain with examples.

1. Innovative Entrepreneur – Focuses on innovation and introducing new ideas.

Example: Elon Musk (Tesla, SpaceX)

2. Imitative Entrepreneur – Copies existing business models or products.

Example: Franchise owners.

3. Social Entrepreneur – Focuses on solving social problems through business.

Example: Muhammad Yunus (Grameen Bank)

4. Serial Entrepreneur – Starts multiple businesses one after another.

Example: Richard Branson (Virgin Group)

5. Technopreneur – Uses technology as the main driver of business.

Example: Mark Zuckerberg (Facebook)

6. Lifestyle Entrepreneur – Builds a business to support a particular lifestyle.

Example: Travel bloggers turning into travel consultants.

5. Describe the stages of the entrepreneurial process.

1. Idea Generation – Identifying a problem or opportunity.

2. Feasibility Study – Assessing the market, technical, legal, and financial viability.

3. Business Plan Preparation – Creating a detailed roadmap for the business

4. Resource Mobilization – Gathering funds, human resources, technology, etc.

5. Launching the Business – Starting operations.

6. Growth and Expansion – Scaling operations based on performance.

7. Harvesting/Exit Strategy – Selling the business or handing it over.

6. What are the major sources of business ideas for entrepreneurs?

Market Gaps – Identifying unfulfilled customer needs.

Personal Experiences – Problems faced in daily life can inspire ideas.

Hobbies and Interests – Turning passions into business.

Industry Trends – Observing growing sectors and emerging technologies.

Customer Feedback – Listening to what people want or complain about.

Franchises and Existing Models – Adapting proven models to new markets.

Research and Development (R&D) – Innovation through research.

7. Explain the concept and significance of a business plan. What are its main components?

A business plan is a formal document that outlines the goals of a business, the strategy for achieving them, and the resources required. It helps in planning, securing funding, and guiding operations.

Significance:

Provides direction and structure.

Helps attract investors or loans

Assists in risk management.

Acts as a performance evaluation tool.

Main Components:

1. Executive Summary
 2. Business Description
 3. Market Analysis
 4. Organization & Management
 5. Product/Service Line
 6. Marketing and Sales Strategy
 7. Funding Request
 8. Financial Projections
 9. Appendix (licenses, legal documents, etc.)
8. Discuss the various sources of financing available to startups.
1. Personal Savings – Self-funding by the entrepreneur.
 2. Friends and Family – Informal loans or investments.

3. Angel Investors – Wealthy individuals investing in startups.
4. Venture Capital – Investment firms funding high-growth businesses.
5. Bank Loans – Formal borrowing from banks with interest.
6. Crowdfunding – Raising small amounts from many people online.
7. Government Grants/Subsidies – Financial help from government schemes.
8. Incubators/Accelerators – Provide both funding and mentorship.
9. What is innovation? How is it important in entrepreneurship?

Innovation is the process of developing new ideas, products, or methods to improve existing solutions or create entirely new ones.

Importance in entrepreneurship:

Creates competitive advantage.

Increases efficiency and productivity.

Satisfies changing customer needs.

Opens up new markets.

Enables differentiation in crowded industries.

Entrepreneurship thrives on innovation as it helps in solving real-world problems and adds value to society.

10. Explain the legal issues involved in starting a new business.

Entrepreneurs must address several legal aspects, including:

Business Registration: Selecting the right business structure (sole proprietorship, partnership, company).

Licenses and Permits: Required for legal operation (trade license, GST registration).

Intellectual Property Rights: Trademark, patent, copyright protection.

Labor Laws: Hiring employees, ensuring compliance with minimum wages, working hours.

Taxation: Income tax, GST, and other local taxes.

Contracts and Agreements: Clear contracts with partners, vendors, and customers.

Neglecting legal issues can lead to fines, lawsuits, or business closure.

11. What are the common challenges faced by first-generation entrepreneurs?

Lack of experience: Limited exposure to business operations.

Funding issues: Difficulty in raising capital.

No business network: Lack of mentorship or industry contacts.

Family pressure: Cultural and social resistance.

Skill gaps: Deficiency in managerial or technical skills.

Regulatory hurdles: Difficulty understanding legal and tax compliances.

Overcoming these challenges requires resilience, learning, and support from mentors or incubation centers.

12. Define social entrepreneurship. How does it differ from commercial entrepreneurship?

Social entrepreneurship is the process of creating and managing ventures that aim to solve social, cultural, or environmental problems while maintaining financial sustainability.

Differences from commercial entrepreneurship:

Aspect	Social Entrepreneurship	Commercial Entrepreneurship
Objective	Social impact	Profit-making
Success Measure	Social change and community development	Financial growth and ROI
Funding	Grants, donations, impact investors	Sales, investors, loans
Examples	Grameen Bank, Araku Coffee	Amazon, Flipkart

13. What is a startup ecosystem? Describe the role of incubators and accelerators.

A startup ecosystem includes all individuals, organizations, and resources that support the development and growth of startups in a region. It includes entrepreneurs, investors, mentors, institutions, government bodies, and service providers.

Incubators:

Provide early-stage startups with space, mentoring, and basic funding.

Focus on idea development and prototyping.

Long-term support (6 months to a year or more).

Accelerators:

Help existing startups grow faster with intensive mentoring and investment.

Short-term programs (usually 3-6 months).

End with a demo day to pitch to investors.

14. Discuss the importance of market research before launching a new venture.

Market research helps entrepreneurs understand the industry, target customers, and competition. It is crucial for:

Identifying customer needs and preferences.

Analyzing competitors' strengths and weaknesses.

Estimating market size and demand.

Pricing decisions.

Reducing risks and making informed decisions.

Without market research, a business might launch a product that no one needs or enter a saturated market, leading to failure.

15. What is risk management in entrepreneurship? How can entrepreneurs minimize business risks?

Risk management involves identifying, analyzing, and mitigating potential threats to a business.

Types of risks:

Financial risk

Market risk

Operational risk