



# CONTENTS

---

	PAGE
<i>About the Author</i>	I-5
<i>Preface to Second Edition</i>	I-7
<i>Syllabus - B. Com [H]</i>	I-9
<i>Syllabus - B.Com [P]</i>	I-11
<i>Acknowledgements</i>	I-25

## UNIT I

### INTRODUCTION

#### 1

#### **MEANING, ELEMENTS, DETERMINANTS AND IMPORTANCE OF ENTREPRENEURSHIP AND CREATIVE, BEHAVIOUR, ENTREPRENEURSHIP AND CREATIVE RESPONSE TO THE SOCIETY PROBLEMS AND AT WORK**

<b>1.1</b>	Understanding an Entrepreneur	4
<b>1.1.1</b>	Meaning & Definitions	4
<b>1.1.2</b>	History of the term 'Entrepreneur'	5
<b>1.1.3</b>	Characteristics/Qualities of an Entrepreneur	5
<b>1.1.4</b>	Risk bearing of entrepreneur	8
<b>1.1.5</b>	Functions of an entrepreneur	8
<b>1.1.6</b>	Different type of entrepreneurial risks	12
<b>1.1.7</b>	Methods to control business risks	13
<b>1.1.8</b>	Techniques and safety programmes for managing risks	14
<b>1.1.9</b>	Shifting of risks by entrepreneur	15
<b>1.1.10</b>	Entrepreneurs - Myths Surrounding the Term and Realities	16
<b>1.1.11</b>	'Late starters' & 'Early starter Entrepreneurs'	18

	PAGE
1.1.12 Difference between corporate manager and entrepreneur	19
1.1.13 Types of Entrepreneurs	19
<b>1.2 Entrepreneurship</b>	<b>21</b>
1.2.1 Meaning, nature & concept of entrepreneurship	21
1.2.2 History of Entrepreneurship, world over	24
1.2.3 History of Entrepreneurship in India	24
1.2.4 Functions of Entrepreneurship	24
1.2.5 Other functions of Entrepreneurship	27
1.2.6 Process involved in Entrepreneurship	28
<b>1.3 Social Entrepreneurship</b>	<b>30</b>
1.3.1 Meaning & concept of a social entrepreneur	31
1.3.2 Meaning of social entrepreneurship	31
<b>1.4 Commercial Entrepreneurship - Concept</b>	<b>32</b>
1.4.1 Characteristics of Commercial Entrepreneurship	32
<b>1.5 Comparison between Social and Commercial Entrepreneurship</b>	<b>33</b>
<b>1.6 Entrepreneurship and Creative Behaviour</b>	<b>34</b>
<b>1.7 Attributes of a Creative Entrepreneur</b>	<b>34</b>
<b>1.8 Role of Creativity and Innovation in Entrepreneurial Process</b>	<b>35</b>
<b>1.9 Factors that Promote Creativity and Innovation</b>	<b>35</b>
<b>1.10 Need for Creativity and Innovation</b>	<b>36</b>
1.10.1 Various creativity stage	36
<b>1.11 Entrepreneurship &amp; Creative Response to the Society's Problems and at Work</b>	<b>38</b>
1.11.1 Significant characteristics/uses of creativity	39
1.11.2 Examples of noted persons/companies which gave creative products/services to the society	39
1.11.3 Need for creative response to the society's problems and at work	40
1.11.4 Principles of creativity in responding to society's demands	41

## 2

### **DIMENSIONS OF ENTREPRENEURSHIP: INTRAPRENEURSHIP, TECHNOPRENEURSHIP, CULTURAL ENTREPRENEURSHIP, INTERNATIONAL ENTREPRENEURSHIP, NETPRENEURSHIP, ECOPRENEURSHIP, AND SOCIAL ENTREPRENEURSHIP, AND IDEA ENTREPRENEURSHIP**

<b>2.1 Dimensions of Entrepreneurship</b>	<b>46</b>
---	-----------

	PAGE
<b>2.2</b> Intrapreneurship - Meaning and Concept & Definitions	50
<b>2.2.1</b> Definitions of intrapreneur	50
<b>2.2.2</b> History of the term intrapreneur	51
<b>2.2.3</b> Types of intrapreneurs	52
<b>2.3</b> Companies that Encourage Intrapreneurs	53
<b>2.4</b> Entrepreneur vs. Intrapreneur	53
<b>2.5</b> Technopreneurship	54
<b>2.5.1</b> History of Technopreneurship	54
<b>2.5.2</b> Technopreneurship - Meaning & definitions	54
<b>2.5.3</b> Characteristics of a Technoprenuer	55
<b>2.6</b> Entrepreneurial Process and the Technopreneurial Process	57
<b>2.6.1</b> Technopreneurship concept vs. Entrepreneurship concept	57
<b>2.7</b> Cultural Entrepreneurship	58
<b>2.7.1</b> Definitions of cultural Entrepreneurship	58
<b>2.7.2</b> Cultural entrepreneurship in India	59
<b>2.7.3</b> Cultural Entrepreneur	59
<b>2.7.4</b> Definitions of cultural entrepreneurs	60
<b>2.7.5</b> Cultural Entrepreneurship vs. normal Entrepreneurship	61
<b>2.8</b> International Entrepreneurship	61
<b>2.8.1</b> Significance of International Entrepreneurship for the Entrepreneur	62
<b>2.8.2</b> Significance of International Entrepreneurship to the firm	63
<b>2.8.3</b> Difficulties in international entrepreneurship	64
<b>2.8.4</b> Methods of carrying out International Entrepreneurship	65
<b>2.8.5</b> Pre-requisites for a successful International Entrepreneurship	66
<b>2.8.6</b> Difference between international and domestic entrepreneurship	67
<b>2.9</b> International Entrepreneurship Versus Entrepreneurship	67
<b>2.10</b> Netpreneurship	68
<b>2.10.1</b> Distinguishing Characteristics of Netpreneurship	70
<b>2.10.2</b> Essential requirements for a successful Netpreneur	71
<b>2.10.3</b> Uses of net working sites for the Netpreneur	72

	PAGE
2.10.4 Pre-requisites for Social Media Marketing	72
2.10.5 Different Social Media Marketing platforms	73
2.10.6 Advantages of Netpreneurship	75
2.10.7 Disadvantages of Netpreneurship	75
2.10.8 Netpreneurship vs. Entrepreneurship	76
2.11 Ecopreneurship	76
2.11.1 Meaning & Definitions	77
2.11.2 Principles of Ecopreneurship	77
2.11.3 Characteristics of an Ecopreneur	80
2.11.4 Reasons for growth of Ecopreneur	81
2.11.5 Ecopreneurship vs. Entrepreneurship	82
2.12 Social Entrepreneurship	82
2.12.1 History of Social Entrepreneurship	82
2.12.2 Definitions of social entrepreneurship	83
2.12.3 Characteristics of social entrepreneurship	84
2.12.4 Role of social entrepreneurship	85
2.12.5 Types of social entrepreneurs	86
2.12.6 Social Entrepreneurship vs. entrepreneurship	86
2.13 Idea Entrepreneur	87
2.13.1 Characteristics of Idea Entrepreneurs	87
2.14 Concept of Transpreneurship	88
2.15 Opportunistic Entrepreneurship	89
2.16 Acquisitive Entrepreneurship	89
2.17 Incubative Entrepreneurship	89
2.18 Scalable startup entrepreneurship	89

## **UNIT II**

### TYPES OF BUSINESS ENTITIES

## **3**

### **ENTREPRENEURSHIP - MICRO, SMALL AND MEDIUM ENTERPRISES. CONCEPT OF BUSINESS GROUPS AND ROLE OF BUSINESS HOUSES AND FAMILY BUSINESS IN INDIA**

3.1.1 Business Enterprise - Meaning, concept and nature	98
3.1.2 Definitions of Business Enterprises	98

	PAGE
3.1.3 Features/characteristics of Business enterprises	99
3.1.4 Need for Ethical considerations in business enterprises	100
3.1.5 Business enterprises must be ethical towards the following partners	100
3.2 Micro Small & Medium Enterprises (MSMEs)	102
3.2.1 Classification of MSMEs	103
3.2.2 Benefits available to MSMEs	104
3.2.3 Challenges faced by MSMEs	105
3.2.4 Opportunities for MSMEs	107
3.2.5 Procedure to be followed to be classified as a MSME	108
3.2.6 Implication of exceeding the limits prescribed for classification MSME	109
3.2.7 Sectors specifically reserved for MSME	109
3.2.8 Measures taken by government to boost MSMEs	110
3.3 Concept of Business Groups	112
3.3.1 Business groups or group companies	112
3.3.2 Legal independence	113
3.3.3 Advantages of group business	113
3.3.4 Disadvantages of Group business	114
3.4 Examples of Business Groups in India	114
3.5 Role of Business Houses & Family Business in India	115
3.5.1 Stages in its development of Family Business	115
3.6 Role of Family Business in Managing	116
3.7 Challenges before the Family Business	117
3.8 Business Families on Forbes' List of Richest Asian Dynasties	118

## 4

### **THE CONTEMPORARY ROLE MODELS IN INDIAN BUSINESS: THEIR VALUES, BUSINESS PHILOSOPHY AND BEHAVIOURAL ORIENTATIONS. CONFLICT IN FAMILY BUSINESS AND ITS RESOLUTION**

4.1 Contemporary Role Models in Indian Business	124
4.1.1 Women Entrepreneurs in India	125
4.1.2 Dalit Entrepreneurs in India	134
4.1.3 Role Models in the Startup Domain	138

	PAGE
<b>4.2</b> Values Generally followed by Ethical Business Entrepreneur	<i>141</i>
<b>4.3</b> Business Philosophies - Meaning	<i>143</i>
<b>4.4</b> Purpose of Corporate Philosophy	<i>144</i>
<b>4.5</b> Modes of Creating a Corporate Philosophy	<i>145</i>
<b>4.6</b> Benefits of Corporate Philosophy	<i>145</i>
<b>4.7</b> Formulation of a Business Philosophy	<i>146</i>
<b>4.8</b> Communicating the Business Philosophy	<i>146</i>
<b>4.9</b> Business Philosophies, adopted by famous and successful entrepreneurs	<i>147</i>
<b>4.10</b> General Behavioural Orientations of Role Models of Business	<i>149</i>
<b>4.11</b> Reasons for Conflict in Family Business	<i>150</i>
<b>4.12</b> Methods to Resolve the Conflicts	<i>152</i>

### **UNIT III**

#### ENTREPRENEURIAL SUSTAINABILITY

### **5**

#### **PUBLIC AND PRIVATE SYSTEM OF STIMULATION, SUPPORT AND SUSTAINABILITY OF ENTREPRENEURSHIP, REQUIREMENT, AVAILABILITY AND ACCESS TO FINANCE, MARKETING ASSISTANCE, TECHNOLOGY, AND INDUSTRIAL ACCOMMODATION**

<b>5.1</b> Support System for Entrepreneurs	<i>155</i>
<b>5.1.1</b> Entrepreneurship development/training institutes	<i>157</i>
<b>5.1.2</b> Levels of institutional support	<i>157</i>
<b>5.2</b> (a) Central Government institutions	<i>157</i>
<b>5.2.1</b> (i) Small Scale Industries Board (SSIB)	<i>158</i>
<b>5.2.2</b> (ii) National Bank for Agriculture and Rural Development (NABARD)	<i>158</i>
<b>5.2.3</b> (iii) Small Industries Development Organisation (SIDO)	<i>159</i>
<b>5.2.4</b> (iv) National Small Industries Corporation (NSIC)	<i>161</i>
<b>5.2.5</b> (v) Small Industries Development Bank of India (SIDBI)	<i>163</i>
<b>5.2.6</b> (vi) National Board for Micro, Small and Medium Enterprises (NBMSME)	<i>164</i>
<b>5.2.7</b> (vii) Khadi and Village Industries Commission (KVIC)	<i>164</i>

	PAGE
5.2.8 (viii) Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)	165
5.2.9 (ix) Coir Board	165
5.2.10 (x) National Institute for Small Industry Extension Training (NISIET)	166
5.3 (B) State Government Institutions	166
5.3.1 (i) State Financial Corporation (SFC)	166
5.3.2 (ii) State Small Industries Development Corporation (SSIDC)	167
5.3.3 (iii) Technical Consultancy Organisations (TCOs)	167
5.3.4 (iv) Khadi and Village Industries Commission (KVIC)	167
5.4 (C) Non-Government Institutions	168
5.4.1 (i) Indian Council of Small Industries (ICSI)	168
5.4.2 (ii) Laghu Udyog Bharti (LUB)	168
5.4.3 (iii) India SME Technology Services Ltd.	169
5.4.4 (iv) Credit Guarantee Fund Trust for Micro and Small Industries	169
5.4.5 (v) Federation of Associations of Small Industries of India (FASII)	169
5.4.6 (vi) World Association of Small And Medium Enterprises (WASME)	170
5.4.7 (vii) Federation of Indian Chambers of Commerce and Industry (FICCI)	170
5.4.8 (viii) Small and Medium Business Development Chamber of India (SME Chamber of India)	170
5.4.9 (ix) Associated Chambers of Commerce and Industry of India (ASSOCHAM)	171
5.4.10 (x) Confederation of Indian Industry (CII)	171
5.4.11 (xi) Federation of Indian Exporters Organisation (FIEO)	171
5.4.12 (xii) Rural Small Business Development Centre (RSBDC)	172
5.4.13 (xiii) Entrepreneurship Development Institute of India (EDI)	172
5.4.14 (xiv) Indian Investment Centre (IIC)	173
5.5/6 (D) District Industries Centres (DIC) & Industrial Estates	175
5.5/6.1 Objectives of District Industries Centres (DIC)	176

	PAGE
<b>5.5/6.2</b> Functions of DICs	176
<b>5.5/6.3</b> The important functions of DICS are discussed as follow	177
<b>5.7</b> Concept & relevance of Finance for the Entrepreneur	179
<b>5.7.1</b> Steps in managing finance	179
<b>5.7.2</b> Objectives of Financial Planning for the entrepreneur	180
<b>5.7.3</b> Financial Policies of the entrepreneur	180
<b>5.7.4</b> Factors influencing financial planning for an entrepreneur	180
<b>5.7.5</b> Estimation of Capital Requirements	181
<b>5.8</b> Financial Support by Ministries/Departments/Organizations	181
<b>5.9</b> National Level Financial Institutions	182
<b>5.10</b> State Financial Corporations Offering Specialized SSI Schemes	185
<b>5.11</b> Government and Bank Schemes for Women Entrepreneurs	186
<b>5.11.1</b> Government Schemes for women entrepreneurs	186
<b>5.11.2</b> Bank schemes for women entrepreneurs	187
<b>5.12</b> Special Economic Zones (SEZs)	189
<b>5.12.1</b> Objectives of the SEZs	190
<b>5.12.2</b> Various sops to SEZs	190
<b>5.12.3</b> Benefits of SEZ policy	191
<b>5.12.4</b> Disadvantages of SEZ	191
<b>5.12.5</b> A glance at the various types of SEZs, objective, activities & Markets	192
<b>5.13</b> Marketing Assistance to Entrepreneurs	192
<b>5.13.1</b> Types of markets available to an entrepreneur	193
<b>5.13.2</b> Marketing for entrepreneurs	193
<b>5.13.3</b> Steps in Marketing of the product by a new Entrepreneur	194
<b>5.13.4</b> Agencies that provide marketing assistance	194
<b>5.14</b> Technology & Industrial Accommodation	196
<b>5.14.1</b> Technology - Meaning & Concept	196
<b>5.14.2</b> Need for technology for entrepreneurs	197
<b>5.14.3</b> Role of Technology in entrepreneurship	197
<b>5.14.4</b> Technology management for entrepreneurs (TM)	198
<b>5.14.5</b> Technology life cycle	200



## 6

### **ROLE OF INDUSTRIES/ENTREPRENEUR'S ASSOCIATIONS AND SELF-HELP GROUPS, THE CONCEPT, ROLE AND FUNCTIONS OF BUSINESS INCUBATORS, ANGEL INVESTORS, VENTURE CAPITAL AND PRIVATE EQUITY FUND**

<b>6.1</b>	Meaning of Trade Associations	206
<b>6.1.1</b>	Need for trade associations	207
<b>6.1.2</b>	Features of Trade associations	207
<b>6.1.3</b>	Objectives/Functions of Trade associations	208
<b>6.1.4</b>	Advantages of Trade associations	208
<b>6.2</b>	Entrepreneurship Associations	209
<b>6.3</b>	Entrepreneurial development	213
<b>6.3.1</b>	Sustainable entrepreneurship development	214
<b>6.3.2</b>	Ingredients of Entrepreneurial development programmes	215
<b>6.3.3</b>	Entrepreneurship Development Cycle	216
<b>6.4</b>	Self-Help Groups (SHG)	217
<b>6.4.1</b>	Need of Self-Help Group (SHG)	217
<b>6.4.2</b>	Objectives of SHG	218
<b>6.4.3</b>	Advantages of SHGs	218
<b>6.4.4</b>	Disadvantages of self help groups	218
<b>6.5</b>	Business Incubators	219
<b>6.5.1</b>	Definitions of business incubation	220
<b>6.5.2</b>	Types of incubation services	221
<b>6.5.3</b>	Three stages of business incubation development	221
<b>6.5.4</b>	Types of incubators	222
<b>6.5.5</b>	Incubation centers in India	224
<b>6.6</b>	Angel Investors	232
<b>6.6.1</b>	Essential considerations for Angel Investors	234
<b>6.6.2</b>	Types of Angel investors	234
<b>6.6.3</b>	Personality traits of Angel investors	236
<b>6.7</b>	Venture capital	237
<b>6.7.1</b>	Definitions	237
<b>6.7.2</b>	History of venture capital	238

	PAGE
<b>6.7.3</b> Factors to be considered by a Venture Capitalist	239
<b>6.7.4</b> Important factors for selecting the venture capital by the Entrepreneur	240
<b>6.7.5</b> Stages in venture capital financing	241
<b>6.8</b> Angel Investors and Venture Capital Firms	242
<b>6.9</b> Private Equity Fund - Meaning & concept	243
<b>6.9.1</b> Advantages of private equity	244
<b>6.9.2</b> Disadvantages of private equity	244
<b>6.9.3</b> Private equity investment process	245
<b>6.9.4</b> Private Equity Firms in India	245
<b>6.10</b> Private equity firms vs. venture capital firms	246

## **UNIT IV**

### **BUSINESS PLAN PREPARATION**

## **7**

**SOURCES OF BUSINESS IDEAS AND TESTS OF FEASIBILITY, SIGNIFICANCE OF WRITING THE BUSINESS PLAN/PROJECT PROPOSAL, CONTENTS OF BUSINESS PLAN/PROJECT PROPOSAL, DESIGNING BUSINESS PROCESSES, LOCATION, LAYOUT, OPERATION, PLANNING & CONTROL; PREPARATION OF PROJECT REPORT (VARIOUS ASPECTS OF THE PROJECT REPORT SUCH AS SIZE OF INVESTMENT, NATURE OF PRODUCT, MARKET POTENTIAL MAY BE COVERED). PROJECT SUBMISSION/PRESENTATION AND APPRAISAL THEREOF BY EXTERNAL AGENCIES, SUCH AS FINANCIAL/NON-FINANCIAL INSTITUTIONS**

<b>7.1</b> Innovation, creativity and business ideas	255
<b>7.1.1</b> Sources of innovation	256
<b>7.1.2</b> Causes of failure of innovations	257
<b>7.1.3</b> Innovation Life Cycle	258
<b>7.1.4</b> Sustaining vs. Disruptive Innovation	259
<b>7.2</b> Creativity	259
<b>7.2.1</b> Creative process	260
<b>7.2.2</b> Measures to promote Creativity	260
<b>7.3</b> Business ideas	261
<b>7.3.1</b> Features of a good business idea	262
<b>7.3.2</b> Business idea cycle	262

	PAGE
7.3.3 Techniques of finding new business ideas	263
7.3.4 Need for good business ideas	269
7.4 Feasibility Analysis - Meaning & Concept	271
7.4.1 Types of Feasibility Analysis	273
7.4.2 Steps involved in Conducting a Feasibility Study	277
7.4.3 Objectives of feasibility analysis	280
7.4.4 Advantages of feasibility analysis	280
7.5 Designing a feasibility report	281
7.5.1 Feasibility Study Report (FSR) meaning	281
7.5.2 Importance of FSR	282
7.5.3 Steps in Writing A FSR	282
7.5.4 Contents of a Feasibility Report	283

## 8

### **BUSINESS PLANS AND PROJECT REPORT**

8.1 Business Plan-meaning & concept	289
8.1.1 Contents of a good Business Plan	290
8.1.2 Logical questions before making a business plan	300
8.1.3 Advantages of making a Business Plan	300
8.1.4 Essentials ingredients for Business Plan for e-business	301
8.2 Project report-meaning	302
8.2.1 Specific sections of the project report	302
8.2.2 Contents of a project report	303
8.2.3 Guidelines for structuring good Project Report	305
8.2.4 Benefits of Project Reporting	306

## UNIT V

### SMALL BUSINESS MANAGEMENT

## 9

### **MOBILIZING RESOURCES FOR START-UP, ACCOMMODATION AND UTILITIES, PRELIMINARY CONTRACTS WITH THE VENDORS, SUPPLIERS, BANKERS, PRINCIPAL CUSTOMERS; CONTRACT MANAGEMENT: BASIC START-UP PROBLEMS**

9.1 Resource Mobilization for Startups	313
9.1.1 Types of Resource Mobilization for Startups	314

	PAGE
<b>9.2</b> Preliminary contracts with the vendors, suppliers, bankers, principal customers; Contract management	318
<b>9.2.1</b> Basic Requirements for a Contract	319
<b>9.2.2</b> General Principles for Entering into Contracts	320
<b>9.2.3</b> Ending a contract by consumer	321
<b>9.3</b> Basic start-up problems	322
<b>9.4</b> Methods to solve startup problems	325
<b><u>APPENDIX</u></b>	
<b>Success Stories of some Entrepreneurs of India</b>	333