

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 2784

Roll No.

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B.Tech.

(SEM. VII) ODD SEMESTER THEORY

EXAMINATION 2013-14

ENTREPRENEURSHIP DEVELOPMENT

Time : 3 Hours

Total Marks : 100

Note :— Attempt all questions. Each question carries equal marks.
Draw neat sketch wherever required.

1. Attempt any **four** parts of the following :
 - (a) Who is an entrepreneur ? What these small business owners contribute to the national economy ?
 - (b) Explain the growth of small scale industries in India.
 - (c) How does the government help small sector units and why does it do ?
 - (d) What is entrepreneurial decision process ? Explain the various stages involved in this process.
 - (e) Explain the stages in starting a small scale industry. What is service industry ?
 - (f) Describe how developing a good organization is an important phase of the entrepreneurship process. What kind of business activities are found in small business ?
2. Attempt any **four** parts of the following :
 - (a) Explain Demand Analysis.
 - (b) Explain what are the important factors do you consider before preparing a project report ?

- (c) What are the phases involved in the Project Identification ?
- (d) A medical clinic wishes to invest in new equipment. It will generate Rs. 70,000 in receipts for next 5 years. What is the present value of this cash flow ?
- (e) An investment has an initial cost of Rs. 2,50,000. The cash flow of the invest for next 4 years are Rs. 1,00,000, Rs. 90,000, Rs. 80,000 and Rs. 70,000. What is its NPV at interest rate of 8% ?
- (f) For the above problem (question No. 2(e)) suggest the Internal Rate of Return (IRR).

3. Attempt any two parts of the following :

- (a) How the Selling price of a product is determined ?
- (b) What are different types of inventory small manufacturing firms can hold ? How can the entrepreneur decide how much to order and when to order ? What is inventory turnover ?
- (c) Given the information shown below for Jacks Inc., show the accounting equation. Then present the balance sheet and income statement :

Building	\$ 22,500	Cash	\$ 10,000
Loans payable	2,500	Retained earnings	17,500
Supplies Expenses	5,000	Utility Expenses	750
Miscellaneous Expenses	7,000	Accounts payable	5,000
Supplies on hand	3,750	Sales	25,000
Accounts receivable	12,500	Capital stock	61,500
Salaries	12,500	Land	37,500

4. Attempt any two parts of the following :

- (a) What are different ways of financing a company's financial needs ? What is called a leveraged company ? How the cost of capital is calculated ?
- (b) Why a cash flow statement is needed ? Explain by giving an example. How cash flows can be improved ? Suggest some methods.
- (c) What is Business risks and how to manage them ? Several types of risks that develop into business losses, enlist at least five risks and suggest methods of dealing with it.

5. Attempt any four parts of the following :

- (a) Can you visualize just what is involved in developing a successful business plan ?
- (b) What are the advantages and disadvantages of the partnership ?
- (c) How to form a company ? What are the advantages of a company over partnership firm ?
- (d) How is legitimate business deductions defined ? What is double taxation as related to a company ?
- (e) Name some of the Financial Institutions, who help in setting of small scale industry ? What do they see before extending a loan to them ?
- (f) What are some of the areas of legal implications for a small company ?