

(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 2012-13

**ENTREPRENEURSHIP DEVELOPMENT**

Time : 3 Hours

Total Marks : 100

**Note :** Attempt *ALL* questions. Each question carries equal marks.

*Draw neat sketch whenever required.*

1. Attempt any **FOUR** parts of the following. Each part carries equal marks :

- (a) Stating missions and strategies for a new project, suggest its business plan.
- (b) What are the stages through which a small sector entrepreneur has to go through while obtaining a loan from a financial institution ?
- (c) Explain the role of Small scale industries in the national economy.
- (d) Describe the traits found in successful entrepreneurs.
- (e) Why are markets, money and motivation considered essential ingredients to small firm planning ?
- (f) What is entrepreneurship ? Describe how risk taking is an important element of entrepreneurship.

2. Attempt any **FOUR** parts of the following. Each part carries equal marks :

- (a) An investment of Rs. 1,00,000 yields cash flows for 5 years as Rs. 25,000, Rs. 40,000, Rs. 50,000, and Rs. 30,000. Calculate the cost benefit ratio, interest rate is 12%.
- (b) What is the IRR for the above problem ?
- (c) For a project for which initial investment is Rs. 3,00,000 and future cash flows are Rs. 60,000, Rs. 1,00,000, Rs. 1,20,000 and Rs. 1,50,000 for next 4 years. What is its NPV ?
- (d) What are mission and strategies ? How does SWOT analysis help in setting up strategy for small business ?
- (e) Successful entrepreneurs are said to have certain common characteristics. Explain them.
- (f) Why are markets, money and motivation considered essential ingredients to small business ?

3. Attempt any **TWO** parts of the following. Each part carries equal marks :

- (a) Give examples of assets, liabilities, net worth, revenues, expenses, direct material, direct labour and overhead.
- (b) What are manufacturing overheads ? How are they allocated ?
- (c) Define Quality management. Total Quality revolves on some concepts, what are these concepts ?

4. Attempt any **TWO** parts of the following. Each part carries equal marks :

- (a) What is the difference between capital funding and operation funding in the business ? What are different source of fund for small business ?
- (b) Entrepreneurs planning a business will most likely be asked for cash flow statements. The statement would help you plan expenditure and receipts of cash. Can you describe the steps that are needed to make a cash flow statement ?
- (c) Prepare a Balance Sheet and Profit and Loss Account for a company from the data given :

Cost of goods sold	Rs. 1,20,000.00
Sales	Rs. 2,00,000.00
Operating expenses	Rs. 75,000.00
Total Assets	Rs. 1,60,000.00
Total Liabilities	Rs. 70,000.00
Net Owner's Equity	Rs. 90,000.00

5. Attempt any **FOUR** parts of the following. Each part carries equal marks :

- (a) What is meant by 'limited liability' in a limited partnership ? What are the advantages of changing the ownership (partnership) to a company form ?
- (b) Why is it important to be aware of the laws concerning labour management relations ?

- (c) State the implications of the "Consumer Protection Act" on the business unit. What is the difference between a copy right and a patent ?
- (d) Explain the term EBIT (earnings before income tax). How it is determined in an income statement ? What are excise duty, tangible property tax, capital gain tax and income tax ?
- (e) What is depreciation and why it is charged ? Why it is called non cash flow ?
- (f) What is the role of government financial institution in financing business ? What tax benefits they offer to export oriented goods ?

Date - 18/12/12  
Shift - II