

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

PAPER ID : 2784

Roll No.

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

**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 ?