

Revised Edition

# ENTREPRENEURIAL DEVELOPMENT

For B.Com., M.Com. and MBA Students  
of all Indian Universities



**Dr. S.S. KHANKA**

**S. CHAND**

# ENTREPRENEURIAL DEVELOPMENT

For B.Com., M.Com. and MBA Students of all Indian Universities



**Dr. S.S. KHANKA**

M.Com., Ph.D.

*Professor (HRM)*

*National Institute of Financial Management*

*(Ministry of Finance, Government of India)*

*Sector 48, Pali Road Faridabad-121 001*

**HARYANA (INDIA)**



**S. CHAND & COMPANY LTD.**

**(An ISO 9001 : 2008 Company)**

**RAM NAGAR, NEW DELHI - 110 055**



# S. CHAND & COMPANY LTD.

(An ISO 9001 : 2008 Company)

HEAD OFFICE: 7361, RAM NAGAR, NEW DELHI - 110 055

Phone: 23672080-81-82, 9899107446, 9911310888

Fax: 91-11-23677446

Shop at: [schandgroup.com](http://schandgroup.com); e-mail: [info@schandgroup.com](mailto:info@schandgroup.com)

## Branches :

- Ahmedabad** : 1st Floor, Heritage, Near Gujarat Vidhyapeeth, Ashram Road, **Ahmedabad** - 380 014, Ph: 27541965, 27542369, ahmedabad@schandgroup.com
- Bengaluru** : No. 6, Ahuja Chambers, 1st Cross, Kumara Krupa Road, **Bengaluru** - 560 001, Ph: 22268048, 22354008, bangalore@schandgroup.com
- Bhopal** : Bajaj Tower, Plot No. 243, Lala Lajpat Rai Colony, Raisen Road, **Bhopal** - 462 011, Ph: 4274723, bhopal@schandgroup.com
- Chandigarh** : S.C.O. 2419-20, First Floor, Sector - 22-C (Near Aroma Hotel), **Chandigarh** -160 022, Ph: 2725443, 2725446, chandigarh@schandgroup.com
- Chennai** : 152, Anna Salai, **Chennai** - 600 002, Ph: 28460026, 28460027, chennai@schandgroup.com
- Coimbatore** : No. 5, 30 Feet Road, Krishnasamy Nagar, Ramanathapuram, **Coimbatore** -641045, Ph: 0422-2323620 coimbatore@schandgroup.com (Marketing Office)
- Cuttack** : 1st Floor, Bhartia Tower, Badambadi, **Cuttack** - 753 009, Ph: 2332580; 2332581, cuttack@schandgroup.com
- Dehradun** : 1st Floor, 20, New Road, Near Dwarka Store, **Dehradun** - 248 001, Ph: 2711101, 2710861, dehradun@schandgroup.com
- Guwahati** : Pan Bazar, **Guwahati** - 781 001, Ph: 2738811, 2735640 guwahati@schandgroup.com
- Hyderabad** : Padma Plaza, H.No. 3-4-630, Opp. Ratna College, Narayanaguda, **Hyderabad** - 500 029, Ph: 24651135, 24744815, hyderabad@schandgroup.com
- Jaipur** : 1st Floor, Nand Plaza, Hawa Sadak, Ajmer Road, **Jaipur** - 302 006, Ph: 2219175, 2219176, jaipur@schandgroup.com
- Jalandhar** : Mai Hiran Gate, **Jalandhar** - 144 008, Ph: 2401630, 5000630, jalandhar@schandgroup.com
- Jammu** : 67/B, B-Block, Gandhi Nagar, **Jammu** - 180 004, (M) 09878651464 (Marketing Office)
- Kochi** : Kachapilly Square, Mullassery Canal Road, Ernakulam, **Kochi** - 682 011, Ph: 2378207, cochin@schandgroup.com
- Kolkata** : 285/J, Bipin Bihari Ganguli Street, **Kolkata** - 700 012, Ph: 22367459, 22373914, kolkata@schandgroup.com
- Lucknow** : Mahabeer Market, 25 Gwynne Road, Aminabad, **Lucknow** - 226 018, Ph: 2626801, 2284815, lucknow@schandgroup.com
- Mumbai** : Blackie House, 103/5, Walchand Hirachand Marg, Opp. G.P.O., **Mumbai** - 400 001, Ph: 22690881, 22610885, mumbai@schandgroup.com
- Nagpur** : Karnal Bag, Model Mill Chowk, Umrer Road, **Nagpur** - 440 032, Ph: 2723901, 2777666 nagpur@schandgroup.com
- Patna** : 104, Citicentre Ashok, Govind Mitra Road, **Patna** - 800 004, Ph: 2300489, 2302100, patna@schandgroup.com
- Pune** : 291/1, Ganesh Gayatri Complex, 1st Floor, Somwarpath, Near Jain Mandir, **Pune** - 411 011, Ph: 64017298, pune@schandgroup.com (**Marketing Office**)
- Raipur** : Kailash Residency, Plot No. 4B, Bottle House Road, Shankar Nagar, **Raipur** - 492 007, Ph: 09981200834, raipur@schandgroup.com (Marketing Office)
- Ranchi** : Flat No. 104, Sri Draupadi Smriti Apartments, East of Jaipal Singh Stadium, Neel Ratan Street, Upper Bazar, **Ranchi** - 834 001, Ph: 2208761, ranchi@schandgroup.com (**Marketing Office**)
- Siliguri** : 122, Raja Ram Mohan Roy Road, East Vivekanandapally, P.O., Siliguri-734001, Dist., Jalpaiguri, (W.B.) Ph: 0353-2520750 (**Marketing Office**)
- Visakhapatnam** : Plot No. 7, 1st Floor, Allipuram Extension, Opp. Radhakrishna Towers, Seethammadhara North Extn., **Visakhapatnam** -530 013, (M) 09347580841, visakhapatnam@schandgroup.com (**Marketing Office**)

© 1999, Dr. S.S. Khanka

All rights reserved. No part of this publication may be reproduced or copied in any material form (including photo copying or storing it in any medium in form of graphics, electronic or mechanical means and whether or not transient or incidental to some other use of this publication) without written permission of the copyright owner. Any breach of this will entail legal action and prosecution without further notice.

Jurisdiction : All disputes with respect to this publication shall be subject to the jurisdiction of the Courts, tribunals and forums of New Delhi, India only.

First Edition 1999

Subsequent Editions and Reprints 1999, 2000, 2002, 2003, 2004 (Twice), 2005, 2006, 2007, 2008 (Twice), 2009 (Thrice), 2010 (Fourth), Reprint, 2012

Revised Edition 2012

ISBN : 81-219-1801-4

Code : 07A 307

PRINTED IN INDIA

By Rajendra Ravindra Printers Pvt. Ltd., 7361, Ram Nagar, New Delhi -110 055  
and published by S. Chand & Company Ltd., 7361, Ram Nagar, New Delhi -110 055.

## PREFACE TO THE FOURTH EDITION

Entrepreneur, enterprise and entrepreneurship have been evolving and coeval concepts but new terms. Change in the intents and contents of these terms have become *sine quo non* with change in business environment which is dynamic in nature. As such, emergence of new topics and themes in the contents of the subject like entrepreneurial development has been an ongoing phenomenon. Since the publication of the third edition of my book '*Entrepreneurial Development*,' there have been two major driving forces necessitating the revision of the book. *One*, the constructive feedback on the book received on regular basis from the discernible readers - both students and teachers - and *two*, changes over the period in the course contents of the paper 'Entrepreneurial Development' offered in various universities and management institutes. Both feedback and changes in the course contents were made me available on regular basis mainly by my caring and nurturing publishers S. Chand & Company Limited, New Delhi.

It is against this backdrop, in order to make the book more presumptuous, comprehensive and contemporaneous in its contents and coverage, the book has been thoroughly revised. While we have retained material intact that was well received over the years, much new information and material have also been added. Although not all changes can be mentioned here, certain significant ones still need to be mentioned.

Following are the *salient features of this fourth revised edition* of the book:

1. Each chapter begins with quotation(s) focusing the theme of the chapter.
2. Almost all existing chapters have been rehashed, revised and enlarged. While some topics have been condensed, others have been expanded.
3. The *six new* contemporaneous chapters have been incorporated in this fourth edition of the book:
  - Tourism Entrepreneurship (Chapter 5)
  - Agri-Entrepreneurship (Chapter 6)
  - Social Entrepreneurship (Chapter 7)
  - Family Business in India (Chapter 8)
  - Intellectual Property Rights (IPR) and Micro, Small and Medium Enterprises (MSMEs) (Chapter 31)
  - Social Responsibility of Business (Chapter 38).

Thus, the number of chapters has been increased from thirty-five in the previous edition to thirty-eight in this edition.

4. 'Key Terms' are given at the end of each chapter and these are defined under 'Glossary' at the end of the book.
5. 'Self-Assessment Questions' have been given at the end of each chapter to enable the students to assess the progress made by them in understanding the subject matter of the chapter.
6. Each chapter at its end contains 'Class Assignments' that enable the students to knead their theoretical knowledge with empirical evidences and, thus, prune and sharpen their knowledge in the topic.

7. Most of the chapters end with real-life cases of entrepreneur and / or entrepreneurship reflecting the themes of the chapters to help the students combine both theory and practice of entrepreneurship involved in the chapters.
8. Anecdotes, boxes, caselets, and couplets have been used throughout the book to illustrate the subject material in more authentic and convincing manner.

It is hoped that the discernible students, teachers, entrepreneurs and people having interest in the subject of entrepreneurship development will find the present edition of the book more useful and rewarding in fulfilling their requirements. If it happens so, I shall feel duly rewarded for the humble efforts I have put in revising the book. Since improvement in a book is a continuous process and there is always scope for improvement, the constructive feedback on the book is, therefore, welcome as usual from the discernible readers to further improve the book in its subsequent editions in the future.

Faridabad

Dr. S.S. Khanka

Disclaimer : While the author of this book have made every effort to avoid any mistake or omission and have used their skill, expertise and knowledge to the best of their capacity to provide accurate and updated information. The author and S. Chand do not give any representation or warranty with respect to the accuracy or completeness of the contents of this publication and are selling this publication on the condition and understanding that they shall not be made liable in any manner whatsoever. S.Chand and the author expressly disclaim all and any liability/responsibility to any person, whether a purchaser or reader of this publication or not, in respect of anything and everything forming part of the contents of this publication. S. Chand shall not be responsible for any errors, omissions or damages arising out of the use of the information contained in this publication. Further, the appearance of the personal name, location, place and incidence, if any; in the illustrations used herein is purely coincidental and work of imagination. Thus the same should in no manner be termed as defamatory to any individual.

## PREFACE TO THE FIRST EDITION

Entrepreneurship plays a *primum mobile* role in industrial development. The industrially developed countries like U.S.A., Germany and Japan bear the evidence that an economy is an effect for which entrepreneurship is the cause. Entrepreneurship has now emerged as a profession. That like other professions, it can also be developed and fostered through specific educational and training programmes is well evidenced by behavioural studies and experiments conducted across the regions. In fact, in this lies the rationale and realization why several entrepreneurship development institutes and centers have sprung up all over the country in the recent years. So much so, while some Universities have already introduced Entrepreneurial Development as a subject in their syllabi at the graduate and post-graduate levels, several others are thinking so.

Entrepreneurship being a relatively new subject, the available literature on it is expectedly so far scanty and that too scattered in some articles and edited volumes. As such, there has not been a single comprehensive, critical and analytical book on this subject of great contemporary importance explaining, analysing and assessing the various aspects to fill this gap. The book earnestly attempts to present the various aspects of entrepreneurship and what a prospective entrepreneur must know before embarking on an industrial/ business venture.

The book has been written in a simple and self-learning style. Clarity has been given top priority throughout. Attempt has been made to narrate even the most difficult ideas in a simple and easy to follow style. Key concepts and ideas in every chapter are highlighted in bolds/italics. This is the distinctive feature of this book.

It is hoped that the readers will not only gain a perspective of the entrepreneurial function, but will also be able to adopt and implement the various practices in an enterprise, if called upon to do so. In other words, it is intended as an indepth knowledge source for an intending practitioner/entrepreneur in the field of entrepreneurship. Therefore, the book will be useful to the students as well as practitioners in the field of entrepreneurship development.

While preparing this book, I have collected the relevant material from government publications, published and unpublished sources, books, journals and articles by eminent scholars. My teachers, colleagues and friends offered me valuable suggestions in the preparation of the manuscript. My sincere thanks are due to all of them.

I feel great pleasure in expressing my profound gratitude to my revered Ph. D. Supervisor Professor T.S. Papola, Head, Mountain Enterprises and Infrastructure Division, International Centre for Integrated Mountain Development, Kathmandu, Nepal for his incessant guidance, goadings and encouragements in my academic endeavours. No amount of footnoting can ever exonerate the debt I owe to Professor J. B. Bhattacharjee, the Founder Vice Chancellor of Assam University, Silchar for rewarding me in my career. Yet, I am very grateful to him.

The academic encouragement received from my teachers, colleagues, and students in preparing this book is acknowledged with great encomiums.

I request colleagues in the teaching profession, students, and all others who are interested in the study of entrepreneurship development to send their valuable suggestions for the further improvement of the book.

Silchar  
15<sup>th</sup> August, 1998

Dr. S. S. Khanka

## ACKNOWLEDGEMENTS

Hardly any textbook is of an author's exclusive contribution. The present book is also not an exception to it. Since the publication of the first edition (in 1999) of the book to the present one, several persons have helped me in one way or other in writing and revising the book. Mentioning each of them here will be a long list to complete. Nonetheless, I would like to acknowledge the help, support and encouragement received from some special ones.

First of all, I owe a great amount of gratitude to my erudite Ph. D. Supervisor Professor T. S. Papola, Former Director, the Giri Institute of Development Studies (An ICSSR Institute), Lucknow for his valuable guidance and encouragement in my academic pursuits. Whatever I could so far understand and write in my subject is but due to the kindle he lit in me. I express my sincere thanks and gratitude to the discernible readers of my book '*Entrepreneurial Development*' who from time to time gave me their encouraging complements and constructive comments on the book. Their feedback had been of immense benefit for me to revise and improve the book edition after edition and, thus, enable me to present this edition of the book in the hands of the discernible readers.

I am very much thankful to my publishers S. Chand & Company Limited, New Delhi especially of Mrs. Nirmala Gupta, Chairperson & Managing Director; Shri Himanshu Gupta, Joint Managing Director; Shri Navin Joshi, Executive Vice President; and Mr. Shishir Bhatnagar for reposing their unflinching trust and confidence in me for one assignment to another over the period. The Head Office, the Branch and Regional offices of my publishers have been continuously sending me the constructive feedback from the readers of the book - both students and teachers - and course contents on the subject prescribed in different universities and institutions in the country. I could revise and improve the book to this level but for their keen interest and support in various ways and forms extended to me by my publishers on regular basis over the period.

The burden of typing the entire manuscript was borne by my secretarial staff Ms. Meenu Handa. I do not have the appropriate words to express my sincere appreciation to Ms. Handa for typing and retyping the manuscript so meticulously and diligently throughout.

Finally, I sincerely thank my family - my wife Geetu and sons Abhineet and Abhinav - who always extended me the profound love and affection, needed help, moral support, and encouragement to undertake and complete this and other academic assignments. I, in exoneration, humbly dedicate this book as a token of my deep love and affection to all three of them.

The year 2011, the year when I revised this book, turned out as an extreme and unforgettable year in my life with full of thorns as well as roses. While I underwent the toughest phase of extreme mental torture for none of my fault (which the Almighty knows the best) during the year, on the one hand, the Almighty also blessed me with recognition by bestowing two national level academic awards on me, on the other. The Almighty gave me enough strength and courage to face the toughest trial and remain firm on my work and duty during the toughest-testing period of my life. I most humbly bow on THY feet for the blessings.

Faridabad

Dr. S. S. Khanka

# CONTENTS

## PART - I: PERSPECTIVE

<b>1. Entrepreneur</b>	<b>3–35</b>
1.1 Introduction	3
1.2 Evolution of the Concept of Entrepreneur	4
1.3 Characteristics of Successful Entrepreneurs	8
1.4 The Charms of Becoming an Entrepreneur	13
1.5 The Entrepreneurial Decision Process	15
1.6 Functions of Entrepreneur	17
1.7 Need for an Entrepreneur	22
1.8 Types of Entrepreneurs	23
1.9 Distinction between an Entrepreneur and a manager	25
1.10 Intrapreneur	26
1.11 Social Entrepreneur	27
1.12 Summary	29
Key Terms	29
References	30
Self-Assessment Questions	31
Discussion Questions	31
Exercises 1-1 : Can I Become an Entrepreneur ?	32
Class Assignments	34
<i>Case Study 1.1:</i> N. R. Narayana Murthy: An Exemplary Risk-Taker	34
<b>2. Entrepreneurship</b>	<b>36–50</b>
2.1 Concept of Entrepreneurship	36
2.2 Growth of Entrepreneurship in India	38
2.2.1 Entrepreneurship during Pre-Independence	38
2.2.2 Entrepreneurship during Post-Independence	42
2.3 Role of Entrepreneurship in Economic Development	43
2.4 Summary	46
Key Terms	46
References	46
Self-Assessment Questions	47
Discussion Questions	48
Class Assignments	48
<i>Case Study 2.1:</i> Jayabharati Viswanath: A Case of Ladel to Leather	48
<b>3. Women Entrepreneurship</b>	<b>51–66</b>
3.1 Concept of Women Entrepreneur	52
3.2 Functions of Women Entrepreneurs	53
3.3 Growth of Women Entrepreneurship in India	53
3.4 Problems of Women Entrepreneurs	55
3.5 Developing Women Entrepreneurship	56

3.6	Limitations of Women Entrepreneurship	58
3.7	Summary	58
	Key Terms	59
	References	59
	Self-Assessment Questions	60
	Discussion Questions	60
	Class Assignments	60
	<i>Case Study 3.1:</i> Shahnaz Hussain: A World Famous Women Entrepreneur	60
	<i>Case Study 3.2:</i> Making of Dr. Kiran Mazumdar-shaw as an Entrepreneur	63
<b>4.</b>	<b>Rural Entrepreneurship</b>	<b>67–81</b>
4.1	Meaning of Rural Entrepreneurship	68
4.2	Need for Rural Entrepreneurship	69
4.3	Rural Entrepreneurship / Industrialization in Retrospect	69
4.4	Problems of Rural Entrepreneurship	72
4.5	How to Develop Rural Entrepreneurship?	73
4.6	NGOs and Rural Entrepreneurship	74
4.7	Summary	76
	Key Terms	77
	References	77
	Self-Assessment Questions	77
	Discussion Questions	77
	Class Assignments	78
	<i>Case Study 4.1:</i> YCB: Dedicated to Rural Entrepreneurship Development	78
	<i>Case Study 4.2:</i> Greenway Smart Stove: Prometheus of the Rural Poor	79
<b>5.</b>	<b>Tourism Entrepreneurship</b>	<b>82–102</b>
5.1	Meaning of Tourism Entrepreneurship	82
5.2	The Perspective	83
5.3	Tourism Enterprise, Entrepreneur and Entrepreneurship	86
5.4	Policy Measures for Tourism Entrepreneurship in India	87
5.5	Eco-Tourism/Nature Tourism/Rural Tourism	88
5.6	Tourism in Indian Economy: A Retrospect	91
5.7	Summary	94
	Key Terms	95
	References	95
	Self-Assessment Questions	96
	Discussion Questions	96
	Class Assignments	96
	<i>Case Study 5.1:</i> Captain Gorur Ramaswamy Gopinath: The Man Who Made Flying Cheap	97

<b>6. Agri-Preneurship</b>	<b>103–117</b>
6.1 Introduction	103
6.2 Need for Developing Agri-preneurship in India	103
6.3 Opportunities for Developing Agri-preneurship	105
6.4 Challenges Involved in Developing Agri-preneurship	110
6.5 Suggestions for Developing Agri-preneurship	112
6.6 Summary	112
Key Terms	113
References	113
Self-Assessment Questions	114
Discussion Questions	114
Class Assignments	114
<i>Case Study 6.1:</i> e-Choupal of Indian Tobacco Company (ITC)	115
<b>7. Social Entrepreneurship</b>	<b>118–134</b>
7.1 Introduction	118
7.2 Meaning of Social Entrepreneurship	119
7.3 The Perspective of Social Entrepreneurship	121
7.4 Social Entrepreneurship in Practice	123
7.5 Boundaries of Social Entrepreneurship	127
7.6 Summary	128
Key Terms	129
References	129
Self-Assessment Questions	130
Discussion Questions	130
<i>Case Study 7.1:</i> SEWA for Women Empowerment	130
<i>Case Study 7.2:</i> The Story of the Making of a Social Entrepreneur	132
<b>8. Family Business</b>	<b>135–163</b>
8.1 Introduction	135
8.2 Meaning of Family Business	138
8.3 Types of Family Business	139
8.4 Family Business in India: A Historical Perspective	140
8.5 Advantages of Family Business	142
8.6 Disadvantages of Family Business	144
8.7 Major Challenges Faced by Family Business in India	145
8.8 Business Succession Planning	148
8.9 Making Family Business More Effective	151
8.10 Summary	154
Key Terms	155
References	155
Self-Assessment Questions	156
Discussion Questions	157
Exercise 8.1: Family Business Succession Readiness Assessment	158
Class Assignments	160

	<i>Case Study 8.1:</i> The Murugappa Group	160
	<i>Case Study 8.2:</i> The Wadia Group	162
<b>9.</b>	<b>Factors Affecting Entrepreneurship Growth</b>	<b>164–173</b>
9.1	Factors Affecting Entrepreneurship	164
9.1.1	Economic Factors	164
9.1.2	Non-economic Factors	166
9.2	Government Actions	169
9.3	Summary	171
	Key Terms	172
	References	172
	Self-Assessment Questions	173
	Discussion Questions	173
	Class Assignments	173
<b>10.</b>	<b>Entrepreneurial Motivation</b>	<b>174–213</b>
10.1	Meaning of Entrepreneurial Motivation	175
10.2	Motivational Cycle or Process	176
10.3	Theories of Entrepreneurial Motivation	177
10.4	Entrepreneurial Motivating Factors	180
10.5	Changes in Entrepreneurial Motivation	185
10.6	Achievement Motivation	188
10.7	Entrepreneurial Motivational Behaviour	193
10.7.1	Creativity	193
10.7.2	Self-Efficacy	199
10.7.3	Locus of Control	202
10.7.4	Risk Taking	203
10.7.5	Leadership	205
10.7.6	Communication	207
10.8	Summary	208
	Key Terms	208
	References	209
	Self-Assessment Questions	210
	Discussion Questions	210
	Class Assignments	211
	<i>Case Study 10.1:</i> Professor Mohammed Yunus's Innovation: Micro Credit	211
	<i>Case Study 10.2:</i> Make Your Own Air-Conditioner-cum-Heater	212
<b>11.</b>	<b>Entrepreneurial Competencies</b>	<b>214–228</b>
11.1	Meaning of Entrepreneurial Competency	214
11.2	Major Entrepreneurial Competencies	217
11.3	Developing Entrepreneurial Competencies	221
11.4	Summary	223
	Key Terms	223
	References	223

Self-Assessment Questions	224
Discussion Questions	224
Annexure 11.1: Self-Rating Questionnaire	225
Class Assignments	226
<i>Case Study 11.1:</i> Jaipur Foot: Excellent Example of Creativity and Innovation	226
<i>Case Study 11.2:</i> Sabeer Bhatia: An Icon of Creativity	227

## **12. Entrepreneurship Development Programmes (EDPs) 229–246**

12.1 Meaning of EDP	229
12.2 Need for EDPs	230
12.3 Objectives of EDPs	231
12.4 Entrepreneurship Development Programmes (EDPs) in India: A Historical Perspective	232
12.5 Course Contents and Curriculum of EDPs	235
12.6 Phases of EDP	236
12.7 Evaluation of EDPs	240
12.8 Problems of EDPs	242
12.9 Summary	243
Key Terms	243
References	244
Self-Assessment Questions	244
Discussion Questions	245
Class Assignments	246

## **PART - II: START-UP**

## **13. Micro and Small Enterprises 249–275**

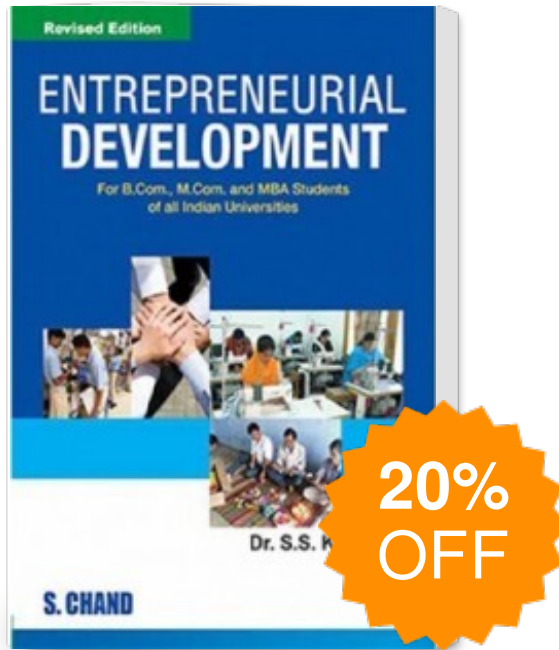
13.1 Small Enterprises: Meaning and Definition	249
13.2 Micro and Macro Units	252
13.3 Essentials, Features and Characteristics	253
13.4 Relationship between Micro and Macro Enterprises	254
13.5 Rationale behind Micro and Small Enterprises	255
13.6 Scope of Micro and Small Enterprises	258
13.7 Objectives of Micro Enterprises	259
13.8 Enterprise and Society	259
13.9 Role of Micro Enterprises in Economic Development	261
13.10 Quick Estimates of 4 <sup>th</sup> All India Census of MSME	263
13.11 Package for Promotion of Micro and Small-Scale Enterprises	265
13.12 Problems of Micro and Small Enterprises	271
13.13 Summary	273
Key Terms	274
References	274
Self-Assessment Questions	275
Discussion Questions	275
Class Assignments	275

<b>14. Opportunity Identification and Selection</b>	<b>276–302</b>
14.1 Need for Opportunity Identification and Selection	276
14.2 Environmental Dynamics and Change	277
14.3 Business Opportunities in Various Sectors	283
14.4 Identification of Business Opportunity	288
14.4.1 Idea Generation	289
14.4.2 Opportunity/Product Identification	293
14.5 Opportunity Selection	294
14.6 Steps in Setting Up of a Small Business Enterprise	296
14.7 Summary	300
Key Terms	300
References	300
Self-Assessment Questions	301
Discussion Questions	301
Class Assignments	302
<b>15. Formulation of Business Plans</b>	<b>303–320</b>
15.1 Meaning of Business Plan	303
15.2 Contents of Business Plan	304
15.3 Significance of Business Plan	305
15.4 Formulation of Business Plan	306
15.5 Planning Commission's Guidelines for Formulating Project Report	310
15.6 Network Analysis	312
15.7 Common Errors in Business Plan Formulation	316
15.8 Summary	317
Key Terms	317
References	317
Self-Assessment Questions	317
Discussion Questions	318
Class Assignments	318
Specimen of a Business Plan	318
<b>16. Project Appraisal</b>	<b>321–335</b>
16.1 Concept of Project Appraisal	321
16.2 Methods of Project Appraisal	322
16.2.1 Economic Analysis	322
16.2.2 Financial Analysis	322
16.2.3 Market Analysis	323
16.2.4 Technical Feasibility	326
16.2.5 Managerial Competence	326
16.3 Environmental Clearance for SMEs	327
16.3.1 Environmental Restrictions for SSI Sector	329
16.3.2 The Environmental Clearance Process	330
16.4 Summary	334
Key Terms	334

References	334
Self-Assessment Questions	334
Discussion Questions	334
Class Assignments	335
<b>17. Financing of Enterprise</b>	<b>336–355</b>
17.1 Meaning and Need for Financial Planning	336
17.2 Sources of Finance	338
17.2.1 Internal Sources	339
17.2.2 External Sources	339
17.3 Capital Structure	341
17.4 Capitalisation	343
17.5 Term Loans	347
17.6 Sources of Short-term Finance	350
17.7 Venture Capital	350
17.8 Export Finance	352
17.9 Summary	353
Key Terms	353
References	354
Self-Assessment Questions	354
Discussion Questions	354
Class Assignments	355
<b>18. Forms of Business Ownership</b>	<b>356–375</b>
18.1 Sole Proprietorship	356
18.2 Partnership	358
18.3 Company	363
18.4 Cooperative	368
18.5 Selection of an Appropriate Form of Ownership Structure	370
18.6 Ownership Pattern in Micro-Scale Enterprises in India: The Empirical Evidence	371
18.7 Summary	373
Key Terms	374
References	374
Self-Assessment Questions	374
Discussion Questions	375
Class Assignments	375
<b>PART - III: SUPPORT</b>	
<b>19. Institutional Finance to Entrepreneurs</b>	<b>379–388</b>
19.1 Need for Institutional Finance	379
19.2 Institutional Finance	381
19.2.1 Commercial Banks	381
19.2.2 Other Financial Institutions	382
19.3 Summary	387

Key Terms	387
References	387
Self-Assessment Questions	387
Discussion Questions	388
Class Assignments	388
<b>20. Lease Financing and Hire Purchase</b>	<b>389–402</b>
20.1 Meaning of Lease	389
20.2 Types of Lease Agreements	390
20.3 Advantages and Disadvantages of Leasing	392
20.4 Growing Popularity of Lease Financing in India	393
20.5 Future Prospects to Leasing	395
20.6 Concept of Hire-Purchase	396
20.7 Difference between Hire Purchase and Leasing	396
20.8 Procedure for Hire-Purchase	397
20.9 Factoring	399
20.10 Summary	400
Key Terms	400
References	400
Self-Assessment Questions	401
Discussion Questions	401
Class Assignments	402
<i>Case Study 20.1:</i> First Leasing Company of India	402
<b>21. Institutional Support to Entrepreneurs</b>	<b>403–418</b>
21.1 Need for Institutional Support	403
21.2 Institutional Support to Small Entrepreneurs	404
21.2.1 National Small Industries Corporation Ltd (NSIC)	404
21.2.2 Small Industries Development Organisation (SIDO)	409
21.2.3 Small Scale Industries Board (SSIB)	410
21.2.4 State Small Industries Development Corporations (SSID)	410
21.2.5 Small Industries Service Institutes (SISIs)	410
21.2.6 District Industries Centres (DICs)	411
21.2.7 Industrial Estates	412
21.2.8 Specialised Institutions	414
21.2.9 Technical Consultancy organizations (TCOs)	416
21.3 Summary	417
Key Terms	417
References	417
Self-Assessment Questions	418
Discussion Questions	418
Class Assignments	418
<b>22. Taxation Benefits to Small-Scale Enterprises</b>	<b>419–426</b>
22.1 Rationale Behind tax benefits	419
22.2 Tax Benefits	420

# Entrepreneurial Development



Publisher : SChand Publications ISBN : 9788121918015

Author : S. S. Khanka

Type the URL : <http://www.kopykitab.com/product/11804>



Get this eBook