** ST. JOSEPH’S COLLEGE (AUTONOMOUS) BANGALORE**

DATE:13-04-2018 ( 1pm )

 **SEMESTER EXAMINATION APRIL 2018**

**B.A. ECONOMICS- VI SEMESTER**

**ECA DE:6416 Entrepreneurship and Business Development**

**Time: 2 and half hrs. Maximum marks: 70**

**This question paper has 2 printed pages and 3 parts**

(For supplementary candidates)

Do not write the register number on the question paper

Please attach the question paper along with the answer script.

**Part A. Answer any TEN of the following 3 x 10=30 marks**

1. Explain the locus of control theory of entrepreneurship.
2. Mention any four draw backs of being an entrepreneur.
3. What do you understand by the term ‘out of the box solutions’ in the context of an entrepreneur?
4. Why is observation important to an entrepreneur?
5. Give any two examples of innovation you see around you. Also mention the original product or service you are referring to.
6. What is meant by opportunity recognition in entrepreneurship?
7. Why do most people tend to draw ‘red flower with two leaves’?
8. What is a franchisee?
9. Mention any three famous Indian trademarks.
10. What is Venture capital?
11. What is an exit strategy?
12. Give the meaning of self help groups. Give an example.

**Part B: Answer any TWO of the following. 5x2=10 marks**

1. Read the caselet given below and answer the questions.

When Erica was just seven years old, she wanted to earn her own money so badly that she threatened to sell her teddy bears on the sidewalk. Instead, she approached the owners of a pasta shop where she and her family often shopped and asked if she could sell their pasta at a weekend farmer’s market near her home. “I really loved their pasta and I wanted everyone else to try it” says Erica .She bought 120 pastas at Rs 50 each with the intent of selling them for twice their cost. “We figured that the worst that could happen is that we did be eating pasta every evening for a month” recalls Erica’s mother. Their supply sold out quickly and a new business, Erica’s pasta business was born. The company has expanded over the years and now sells a variety of food other than pasta. Erica’s parents now work for the business full time. Erica helped her father write a cook book on pasta which is now sold through a different division called pasta Press. Erica’s little sister created her own business as well. Both girls give 10%of their earnings to their church, save 50%and spend the rest. Admits her mother, “We would never have done this if it weren’t for Erica”.

1. What would have happened if young Erica’s parents had not noticed her passion?
2. How do you relate the idea of her selling dolls to that of selling pasta?
3. What was the driving force for Erica to approach their regular pasta buying point?
4. Do you consider the movie ‘October sky’ as a movie on entrepreneurship? Support your answer.

### Dharmesh Shah the Co-Founder and CTO of HubSpot admits to his biggest mistake: After having bootstrapped a reasonably successful software company ($10M+ in revenue) he mistakenly thought—‘Hey, I’ve got a team in place, the company doesn’t really need me, and I’m sort of bored and want to do something new. So, I made the big mistake of being a “parallel entrepreneur”. Didn’t realize thatstartups are an all-consuming thing. You can’t be consumed by two companies at the same time to start with– it just doesn’t work. My original startup team which I had recruited personally felt abandoned. My new startup, the one I angel-funded didn’t feel enough pressure to find product market fit and get revenues. **So, my advice: Don’t do what I did.**[Don’t ever, ever try to ride two horses at the same time](http://blog.bufferapp.com/how-to-focus-better-and-concentrate-better-lessons-from-a-lion-tamer)****.**** It doesn’t work, and you’re doing both a disservice. Even with complete, total focus, most startups fail – to divide interests across them basically guarantees failure’. So never, never imagine that business will grow on its own!

1. Do you agree to the statement ‘startups are an all-consuming thing’? Justify your answer.
2. Was the entrepreneurial drive in Dharmesh’s personality conflicting with the needs of the business?
3. Why did Dharmesh think of starting another business?

 **Part C. Answer TWO of the following 15 x2 =30 marks**

1. What drove Julie Brighton to make the charcoal grill? Why did she need to do a secondary research for introducing her product? What were the components of her marketing plan?
2. Discuss the various forms of business organization.What factors will you consider before choosing the form of business organization?
3. Explain in detail the components of a business plan. Why should an aspiring entrepreneur write business plan?