

CHAPTER-1

**INTROUCTION TO
ENTREPRENEURSHIP**

MEANING OF ENTREPRENEUR

- Entrepreneur is an economic agent who unites all means of production- land, labour & capital & thus produces a product. By selling this product in the market he pays rent of land, wages to labour, interest on capital & what remains is his profit.
- Entrepreneur is an innovator who brings economic development through new combinations of factors of production.

Meaning of Entrepreneurship

- The process of identifying opportunities in the market, mobilising the resources required to pursue these opportunities & investing the resources to exploit the opportunities for long term gains.

- The activity bringing together the factors of production required for producing goods or services.

Need of Entrepreneurship

- CAPITAL FORMATION
- IMPROVEMENT IN PER CAPITA INCOME
- DEVELOPMENT OF ENTREPRENEURIAL CULTURE
- GENERATION OF EMPLOYEMENT
- SOCIAL DEVELOPMENT
- COMPETITIVE MARKET
- UTILISTION OF LOCAL RESOURCES

Functions of Entrepreneur

- Risk-Taking.
- Building of Organization.
- Decision Making.
- Management Control.
- Innovation.

Characteristics/Qualities/ Competencies/ Traits of Entrepreneur

- 1. Initiator.
- 2. Opportunity seeker.
- 3. Calculated risk taker.
- 4. Information seeker.
- 5. Proper planner.
- 6. Quality conscious.
- 7. Self-confident.
- 8. Efficient supervisor.

Sole Proprietorship

The sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts.

Example: Sweet shop, Bakery, Confectionery, Automobile repair shop.

Partnership Firm

According to Partnership Act, 1932, partnership is the relation between persons who have agreed to share the profits of a business carried on by all or anyone of them acting for all.

A Partnership Firm is a popular form of business constitution for businesses that are owned, managed and controlled by an Association of People for profit.

Various Institutions Providing Support To Small Entrepreneurs

Financial Institutions:-

- Industrial Development Bank of India (IDBI)
- Industrial Finance Corporation of India (IFCI)
- Small Industries Development Bank of India (SIDBI)
- National Small Industries Corporation Ltd (NSIC)
- State Small Industries Corporation (SSIC)
- Regional Rural Banks (RRBs)
- State Financial Corporations (SFCs)
- State Industrial Development Corporations (SIDCs)

Institutions for Technical Guidance:-

- Small Industries Development Organisation (SIDO)
- District Industries Centres (DICs)
- Technical Consultancy Organisations (TCOs)
- Small Industries Service Institutes (SISIs)
- State Small Industries Development Corporations (SSIDCs)
- Industrial Development Corporation (IDC)

CHAPTER-2

Market Survey and Opportunity Identification

Scanning of the Business Environment

- Environmental scanning is defined as the study & interpretation of the political, economic, social & technological events & trends which influence a business, an industry or even a total market.

DATA COLLECTION FOR SETTING UP SMALL VENTURES/ MARKET SURVEY

- RAW MATERIALS DATA
- MACHINERY & EQUIPMENTS DATA
- MARKET DATA
- FINANCIAL DATA
- PERSONNEL DATA
- GENERAL DATA

PESTEL ANALYSIS

- P- POLITICAL FACTORS
- E- ECONOMICAL FACTORS
- S- SOCIO-CULTURAL FACTORS
- T- TECHNOLOGICAL FACTORS
- E- ENVIRONMENTAL FACTORS
- L- LEGAL FACTORS

Considerations in Product Selection

- Present Market.
- Scope of Growth of Market.
- Costs.
- Availability of main production factors.
- Risks.

Factors for Sales Forecasting

- Changes in technology.
- Government policies.
- Competition.
- Factors related to the concern itself.

Methods used for Forecasting the Demands

- Survey of Buyer's Intentions.
- Collective Opinion or Sales Force Composite Method.
- Trend Projection.
- Executive Judgment Method.
- Economic Indicators.
- Controlled Experiments.
- Expert's Opinions.

CHAPTER-3
PROJECT REPORT
PREPARATION

PROJECT REPORT

Document which contains the required details like the personal bio data of the entrepreneur, the product to be manufactured, its design, manufacturing process, raw materials, machines & equipments required, staff needed, the amount of money required, the sources of finance, cost of goods to be produces, market demand of the product & the likely profits anticipated etc.

CONTENTS OF PROJECT REPORT

- Promoter's Profile
- Location
- Land & Building
- Plant & Machinery
- Production Process
- Personnel
- Raw Materials
- Sources of finances etc.....