**Entrepreneurship**

**Multiple choice question**

1. Business is a (an) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ activity.

 (a) social (b) economic (c) hazardous (d) selling

Ans Economic

2. What is the aim of entrepreneurship?

 (a) Earn a profit (b) Solve customers’ need innovatively (c) Both of the above (d) None of the above

Ans Both of the above

**Fill in the blanks**

 **State whether the person engaged in the activity mentioned below is an Entrepreneur or an Employee**

(a) Rahul starts a shop to sell Chaat and special Paani Puri. He is an Entrepreneur

b) Shahid becomes the manager of a dealership selling food products. He is an Employee

(c) Ritu leaves the company she worked for and starts catering food for marriage programmes. She is an Entrepreneur.

**State the type of business — product, service or hybrid**

1. Arun bakery, which makes and sells bread to people. Product business

2. Ram’s repair shop, which repairs motorcycle. Service business

3. Hari’s hair-salon, where he cuts hair for women and men. Service business

**Write P- Product, S- Service and H- Hybrid for the following businesses**.

(a) Ice-cream seller: P

(b) Restaurant/Cafeteria Owner: H

(c) Car-driving School owner: S

**Question Answers**

Q1.What is entrepreneurship?

Ans The process of developing a business plan, launching and running a business using innovation to meet customer needs and to make a profit is entrepreneurship.

Q2. Explain the importance of entrepreneur and its role in country’s and society’s growth..

Ans **Economic Development** — (Money in Circulation) As entrepreneurs create value by making available better and cheaper products and services for customers, the economy grows.

**Social Development** — Creation of Jobs A business started by an entrepreneur is usually a very small business in the beginning. If it becomes successful and grows, the entrepreneur expands the business. As the business grows, it needs more work to be done and so creates more jobs. Good quality jobs lead to more people earning money and having a good life.

**Improved Standard of Living** — More things available to live a comfortable life When entrepreneurs sell products like a tractor, a mobile phone or a mobile service, it helps people live a more comfortable life. l

**Optimal Use of Resources** -There are various natural resources present around us renewable and non-renewable. Entrepreneurs keep working to find the most optimal ways of using the resources to reduce costs and increase their profits.

**More Benefits at Lower Prices** - Products and Services at Competitive Prices -As entrepreneurs compete in the market, prices of products come down.

Q3. Identify and describe the qualities of a successful entrepreneur.

Ans **Patience** -Entrepreneurship is not a one-day job. Success may not be achieved quickly and therefore, it is important for an entrepreneur to be patient in running the business.

**Positivity** -When a person starts a business, he/she may face lots of difficulties and failure. An entrepreneur has to think positively even when he/she takes a big risk.

**Hardworking, Never Giving Up and Perseverance** -Every new business goes through failures and therefore, an entrepreneur needs to work hard till it becomes successful. It is necessary for an entrepreneur to continuously work hard towards his/her own and company’s goals.

**Confidence**- An entrepreneur needs to be very confident and take decisions about their business. An entrepreneur needs to communicate confidently with the customers.

**Open to Trial and Error**- Entrepreneur needs to be open to new ideas and try them without fear of failure. She/he will have to use trial and error and experiment with different ideas till the business becomes successful.

 **Creativity and Innovation** -An entrepreneur should be able to see a problem from different perspectives and come up with original and creative solutions. They should also be able to recognise an opportunity in a problem and find an innovative solution.

Q4. List any four characteristics of entrepreneurship.

Ans 1. Ability to take up risks

 2. Believe in hard work and discipline

3. Adpatable and flexible to achieve the goals of enhancing quality and customer satisfaction

4. Knowledge of the product and services and their need or demand in the market

Q5. List any two characteristics of wage employment.

Ans In case of wage employment, there are always two parties. One is known as the employer and the other is the employee. The wage employment does not involve too much risk but entrepreneurship involves taking certain amount of calculated risks

Q6. Name any one factor that is common to both entrepreneurship and wage employment on contract basis.

Ans Allows a person to make money

Q7. What are the 3 types of business activities? Explain with examples.

Ans **Product business** -A business where a seller and buyer exchange an

 item, which can be seen and touched, is called a productbased business. For example, a Sports Shop.

**Service business** -A business where a seller helps the buyer to finish some work. For example, a cricket coaching center.

**Hybrid business** -A hybrid is the one where the business is doing both selling product and selling services. For example, Rahul starting a sports academy for coaching and selling sports equipment. We also see this in restaurants where the food itself is the product sold and the catering is the service provided.

Q8. What are the key differences between product- and service-based businesses?

Ans Product Business Service Business

1. **Seen and touched**

Product can be seen and touched. Customer pays for physical exchange of things.

Service cannot be seen or touched. Customer here pays for an experience.

2. **Stored**

A product can be made and stored in a shop or a warehouse (usually).

A service, for example, cutting hair, cannot be stored. Service is provided when a customer asks for it.

3**.Made and transported**

A product can be either made at home or in a factory. It can then be transported to different places where shopkeepers sell it.

A service cannot be made or transported. It is given to the customer at the time of delivery.

4. **Same quantity and quality**

The quality and quantity of the product will be the same every time.

The quality and quantity of a service can be different at different times.

Q9 What is the meaning of manufacturing and trading based business?

Ans **Manufacturing businesses** -These are the businesses that make a product and

 sell it. Products are usually made in factories. In case of Sana, she was manufacturing or making her own products. Factories need funds (money) to be set up. Sana could make her products on a small budget. Factories have many people working in them. Sana made her products with the help of her sister.

**Trade businesses** -These businesses buy and sell a product. They also transport the product from the factory to warehouses and then finally to shops near the customers. Examples of these business include wholesalers, distributors and retail shops.

10. Write the four steps of entrepreneurship development. Give one example.

Ans **Idea**- The first step is to come up with a business idea. A business idea could be based on (a) Something you are interested in doing (For example, making Dosa) (b) A need you see in the market (For example, Tasty food next to the station)

 **Getting money and material** -Once you have the idea, you can start on a small scale with some money which will help you in buying basic material.

 **Understanding customer needs** -Once you start selling, you will find out what your customer likes and wants. You will also find out what your customer does not like during this stage.

 **Improving Product/ service** -You can use this knowledge of what your customer likes and does not like to improve your product. (For example, Prem’s customers liked variety)