



MB 113 (N)

**Third Semester M.B.A. Examination, September 2016
(New Scheme)**

**C-13 : ENTREPRENEURIAL DEVELOPMENT AND SMALL BUSINESS
(Compulsory)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **3** marks. **(5×3=15)**
- Define entrepreneurship.
 - Who is social entrepreneur ?
 - Define MSME.
 - Differentiate between innovation and creativity.
 - State the institutions of new financing for ventures.
 - Expand SIDO, MUDRA.
 - Expand TRYSEM.

SECTION – B

- Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**
- What are the characteristics of entrepreneur ?
 - Explain the role of intrapreneur.
 - What are the incentives provided by Government to entrepreneurs ?
 - Narrate the functions of SIDO for the growth of MSMEs.
 - Explain the types of new ventures.
 - Write a note on SEZs.

P.T.O.



SECTION – C

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

8. Comment the statement “Developing countries are fertile ground for imitative rather than innovative entrepreneurs”.
9. Discuss the challenges in the path of rural women entrepreneurs.
10. Comment on the statement “Small is beautiful” with reference to small business entrepreneur.
11. Discuss the five strategies to promote the development of MSMEs in India.
12. Explain the contributions of social entrepreneurs in economic development of the country.

SECTION – D

13. **Case study :** **(1×15=15)**

The Story of Silicon Valley

The phenomenal success of Silicon Valley, 45 miles southeast of San Francisco in California, the United States of America, has become iconic of the American entrepreneurial spirit. Silicon Valley houses the world’s largest technology corporations. The main catalysts that led to the development of Silicon Valley were the institutional support of Stanford University, venture capital and generous stock options for employees, the information technology revolution and a favourable entrepreneurial climate for risk-taking.

Professor Frederick Terman of Stanford University, who is widely credited (together with William Shockley) as being the father of Silicon Valley, encouraged faculty and graduate students to start their own companies. He persuaded his students William Hewlett and David Packard to start the Hewlett-Packard Company. Terman’s real contribution was the creation of a sound ecosystem and the culture of entrepreneurship. The efforts of Professor William Shockley, who also taught at Stanford University, to commercialize a new transistor device led to the Silicon Valley becoming a hotbed of electronics innovation. In this way, Silicon Valley received the institutional support of Stanford University in its early days.

Silicon Valley has a strong networking system in combination with business angels and venture capital firms willing to support promising start-ups. This was



made possible by the favourable political, economic and intellectual climate prevailing in the United States. The Valley is a testimony to the concerted international efforts and contributions made by people from diverse cultural and racial backgrounds. In the early years of the Valley's development, the US government granted it military research funding. Successful entrepreneurs also supported its development by using their profits to become venture capitalists for the Silicon Valley. Many professionals were keen to work for a new venture at substantially reduced remuneration, as it provided a greater scope for entrepreneurship and job satisfaction compared to established firms. There was also the offer of generous stock options to employees in order to attract and retain talent in the Valley. Companies such as Netscape, Intel, Cisco and Yahoo, have turned many of their employees into millionaires. This is mainly regarded as one of the foundations for the success of enterprises in Silicon Valley.

As Silicon Valley evolved and grew, it started attracting the best talent from all over the world. It has the largest concentration of brilliant computer professionals and the best supporting services globally. It was here that the silicon-based integrated circuit, microprocessor and microcomputer – at the root of the information technology revolution – were developed.

America fostered a culture where failures were treated as learning experiences and failure held no terror (ideally). As such, risk-taking is considered a part-and-parcel of the entrepreneurial spirit and no stigma is attached to a failed effort. Immigrants have accounted for one-third of the scientific and engineering workforce in Silicon Valley. Prominent among them are Chinese, Indians and Singaporeans. Firms are easily created, successfully developed and frequently fail.

Questions :

- 1) What makes Silicon Valley a unique entity ?
 - 2) "Silicon Valley is a magnet for the new immigrant entrepreneur". Comment.
 - 3) Is it possible to emulate the Silicon Valley Model ?
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