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Entrepreneur & Entrepreneurship

→ Entrepreneur :- A person who generates services or products in order to earn profits.
A person who organises manager & takes risk of running an enterprise. An enterpreneur is a person who sets up business or businesses, arranging funds, loan, people, material & machinery, taking on financial risks in the hope of profit

→ Entrepreneurship :- It refers to a process or action of an enterpreneur who undertakes to establish his/her enterprise. It is a creative and innovative response to environment. Entrepreneurship is the property of mind to take calculated risk with confidence to achieve a predetermined business or industrial objective. It is the risk taking ability of individual broadly completed with correct decision making.
Eship means the function of creating something new, organising, co-ordinating

& undertaking risk & handling economic uncertainity

Characterstics of Entrepreneur

- Technical competence/ Knowledge
- Clear objectives
- Mental ability (include intelligence, creative thinking)
- Initiative
- Human relation ability
- Business
- Leadership qualities
- Good judgement
- Self confidence
- emotional stability
- Desire for high achievement
- Optimism
- Persistence
- Independence
- Desire to learn
- Urge to build
- Seizing opportunity
- Information seeking
- Demand for quality & efficiency
- Persuation & networking

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→ Systematic planning & monitoring

Entrepreneurship is a dynamic process of vision, change and creation

characteristics of Entrepreneurship

→ Risk taking & achievement
→ Accepting challenges
→ Innovation and creativity
→ Decision making
→ Organisation & management
→ skillful management
→ Making enterprise a success
→ Innovation

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Concept of Entrepreneur

→ Entrepreneur as a risk bearer (Richard candellor Irish french economist)

Richard Candellar define entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to sell it at

uncertain prices in future

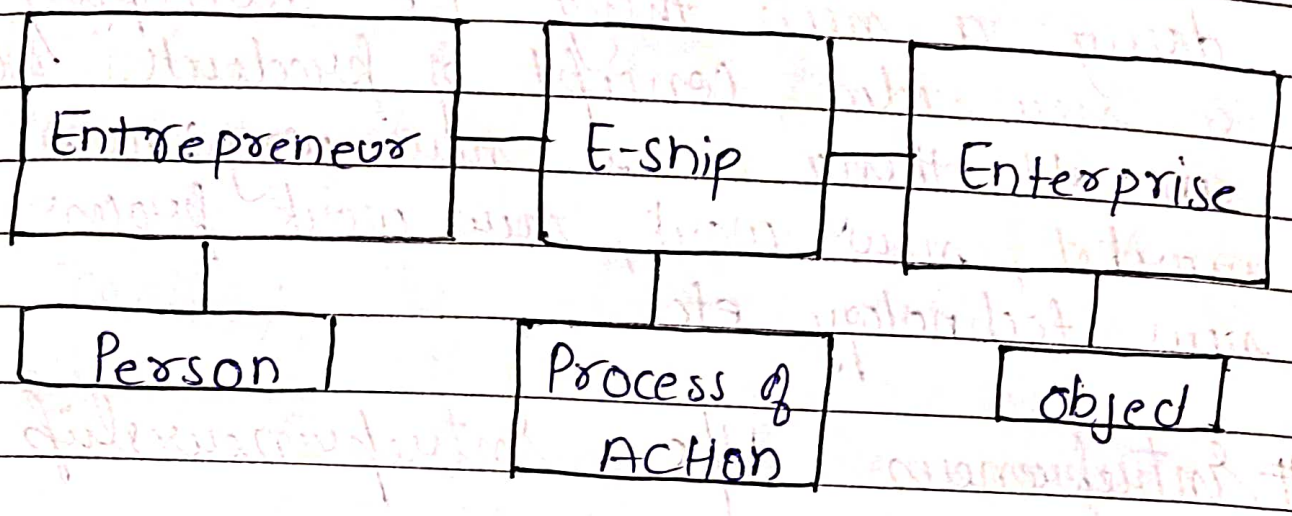
→ Entrepreneur as an Organiser:-
~~Jean~~ ACC. to Jean Baptiste entrepreneur is one who combines the land of one, the labour of another and the capital of yet another to produce the product
By selling the product in the market, he pays interest on capital, rent on land and wages to labourer and what remains is his/her profit

→ As an Innovator :- (Joseph A ~~Shumpitter~~ Schumpeter)
ACC. to Joseph A Schumpeter an entrepreneur is an individual who introduces something new in the economy. Innovation may occur in following ways:-
1. Introduction of new product in the market
2. Instituting of a new production technology
3. Opening of new market into which the specific product has/has not previously entered
4. Discovery of new sources of supply of raw material

Evolution of Concept of Eship

→ Richard Cantillion → Joseph Schumpeter
→ Adams Smith → Fransis Walker
→ Jean Baptiste

Concept of Eship



Higen define the term E-ship as the function of seeing investement & production opportunity organizing an enterprise to undertake a new production process, raising capital arranging for supply of raw material and selecting top managers for the day to day operation of enterprise

A function, a phenomenon, an activity where an individual or group identifies a gap in demand a production that is in need and fulfillment

in need, scrutinizes the potential of demand, takes calculated risk to fill the gap with innovative offerings of utility to interested parties and wealth or profit maximization for him/her.

Thus E-ship may mean doing a new thing i.e developing a new idea, concept of products. Doing an old thing in a new way: new market, new work, new work process, new technology etc.

Entrepreneur V/s Entrepreneurship

Entrepreneur	Entrepreneurship
1 It refers to a person	1 It refers to a process
2 Visualiser	2 Vision
3 Inventor	3 Creation
4 Organiser	4 Organisation
5 Innovator	5 Innovation
6 technition	6
7 Innitiator	7 Innitiative
8 Decision maker	8 Decision
9 planner	9 planning
10 leader	10 leadership
11 Motivator	11 Motivation

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12	Programmer	12	
13	Risk taker	13	Risk taking
14	Communicator	14	
15	administrator	15	

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functions of Entrepreneur

1. Initiating and leading business activities
2. Creating jobs
3. Sensing an entrepreneurial opportunity

- Scanning the environment (PESTLE)

where P = Political environment
E = Economic & Demographic
S = socio cultural environment
T = Technological
L = Legal
E =

There are two kends of environment one is micro which is within the organisation, they are controllable by the entrepreneur and the others ~~are~~ is macro which is external factor and it is not controllable by the environmental (PESTLE is ex of macro)

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Environment

Micro	Macro
→ within the organisation	→ outside the organisation
→ controllable by the entrepreneur	→ Uncontrollable by the entrepreneur

Every entrepreneur have to do STPC segmentation, Targeting, & positioning

⇒ Physical & natural environment
⇒ Geographical environment (Economic)

- Idea generation :- observation, vision, insights, education, training, experiences and exposure)

④ Converting idea into reality
- Perceiving the opportunity
- Collecting relevant information related to opportunity.
- Studying the needs of the consumer and market
- Gathering relevant information & expertise related to the tools and techniques

required to design the idea, product or service
- Aquiring necessary skills to handle the idea, product & service
- Studying the socio - economic environment where the idea idea, product and services are marketed

5) Developing business plan:- It includes

- Market studies
- List of proposed product and services
- Broad understanding of the quality and quantity of proposed product or services
- Sources of input
- Scheme of manufacture
- Costing
- Anticipated problems and their management
- Growth profile of the scheme

6) Resourcing :- There are 5 M

Man
Machine
Material
Money
Method

⇒ Estimating man power need of the organisation
⇒ Laying down selection procedure
⇒ Devising scheme of compensation
⇒ Laying down the rules of Training & development.

(7) Establishing an enterprise :-
It is the most crucial activity of an enterprise for the entrepreneur. In establishing an enterprise the entrepreneur might have to seek legal opinion Governmental permission clearance from various agency, formalise dermal ideas and put them into action.
The function of the entrepreneur is to determine and lay down the objective of the business. The entrepreneur should be very clear about nature and type of business

(8) Determenation of form of entreprise
The function of an entrepreneur in determining the form of enterprise is also imp. Enterpreneur has to decide the form based upon the nature of the product volume of investement, nature of activity, type of

product, quality of product, quality of human resources. The deal from the customer are satisfaction and about the company and competitive quality

(2) Measures on entrepreneur :-
(1) Intensive production of goods and services
(2) Increasing production
(3) Increasing quality
(4) Increasing supply
(5) Improving the product and services
(6) Increasing the control on the supply lines and continuity
(7) Measures growth
(8) Matching the competition

(10) Growth & Development
(1) The entrepreneur has to look for the growth potential of his product and services
(2) He has to focus higher goal and enhance quality
(3) He has to expand his market

Entrepreneurial Competancy

The competancy is an underline characteristic of a person which leads to his/her effective or superior performance in a job. A good job competence is a good combination of once underlying characteristics such as Knowledge, Skills and motive

Major entrepreneurial competancies

- Initiative
- Looking for the opportunities
- Persistance
- Information Seeker
- Quality Conscious
- Committed to work
- efficiency seeker
- Proper planning
- Problem solver
- Persuasive
- self confidence
- efficient monitor
- employees well wisher
- effective strategist

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Role of entrepreneur in economic Development

Economic development means a process of upward change whereby the real per capita income of a country increases over a long period of time. The role of entrepreneur in economic development varies from economy to economy depending upon its material resources, industrial climate and the responsiveness of political system to the entrepreneurial function.

The important role that entrepreneur plays in the development of economy can be put in following manner-

- Entrepreneurship promotes capital formation by mobilizing the idle saving of the public
- It provides immediate large scale employment thus it helps reduce the unemployment problem in the country i.e the root of all socio-economic problem
- It promotes balanced regional development

- It help reduce the concentration of economic power
- It encourages effective resource mobilization of capital and skill which might otherwise remain unutilized and idle
- It also induces backward and forward linkages which stimulates the process of economic development in the country
- It also promotes country's export trade hence entrepreneurship serves as a catalyst of economic development role of entrepreneurship can be best put as "an economy is the effect for which entrepreneurship is the cause"

Types of entrepreneur

- On the basis of business / Acc. to the type of business
- Clarence Danhof classifies entrepreneur on the bassis of stage of economic development function and characterstic role played by the ~~economic~~ entrepreneur in the economic development and reflect the degree of their involvement

- Innovative entrepreneur
- Immitative entrepreneur
- fabian entrepreneur
- Drone entrepreneur

⇒ Innovative entrepreneur are those entrepreneur who introduces new goods enaugrates new methods of production, discover new market and new sources of raw material. these are innovative entrepreneur entrepreneur who are innovative in their approach

⇒ Immitative entrepreneur or Adoptive entrepreneurs who immitiates products, production method and new forms of organisation in their enterprise Immitative entrepreneurs are those entrepreneurs who are ready to adopt succesful inaugration, inaugrated by innovative entrepreneur such type of entrepreneur are suitable for under developed region

⇒ fabian entrepreneurs They are very cautious in experimenting any change in their enterprise they immitate only when it becomes perfectly clear that failure to do so would result in the loss of relative position in the enterprise they change only when there is ~~change~~ ~~threat~~ threat in their enterprise

⇒ Drone entrepreneur:- They refuse to adopt opportunities to make changes in production formulae even at the cost of severely reduced returns relative to other live products such entrepreneurs may even suffer losses but they are not ready to make changes in their existing production method.

→ ACC. to some behavioural scientist inventor, solo operators, active partners, Challengers, buyers, life-timers

→ ACC. to the type of business:- Business entrepreneur, trading entrepreneur, Industrial entrepreneur, ~~and~~ co-orporate entrepreneur, agricultural entrepreneur retail entrepreneur, service entrepreneur

→ social entrepreneur

→ ACC. to use of technology
technical, non-technical, Professional

→ ACC. to motivation
Pure entrepreneur, induce entrepreneur
motivated entrepreneur,

→ ACC to Growth
Growth, super growth

→ ACC. to the stages of development
1st gen entrepreneur, modern, classical

→ ACC. to areas
urban, rural

→ ACC. to gender and age
Men, women, young, old, middle-age

→ Others
miscellenous like professional, non-profession, skilled non skilled traditional, nation, internation, beurocratic

Comparison of Entrepreneurs, Intrapreneurs and Traditional Managers

	Traditional Manager	Entrepreneur	Intrapreneur
Primary motives	Promotion and other tradition co-orporate rewards, such as office, staff and power	Independence, opportunity to create and money	Independence and ability to advance in the cooporate rewards
Time orientation	Short term - meeting quotas and budget weekly monthly, quarterly and the annual planning horizon	survival and achieving 5-10 years growth of business	B/W entrepreneurial and traditional manager depending on urgency to meet self-imposed and corporate timetable.
Activity	Delegate and supervises more than direct involvement	Direct involvement	Direct involvement more than delegation

	careful	Moderate risk taker	Moderate risk taker
status	concerned about status symbols	Not concerned about status symbol	Not concerned about status symbols - desire independence
failure & mistake	Tries to avoid mistake and surprises	Deals with mistakes & failures	Attempt to hide risky projects from view until ready
Decision	Usually agrees with those in upper management position & other	follow dream with decision.	Able to get others to agree to help achieve dream
Who serves family history	family member worked for large organization	Entrepreneur	Entrepreneurial small business, professional or farm background
Relation-ship with others	Hierarchy as basic relation-ship	Transaction and deal making as basic relationship	Transaction within hierarchy

⇒ other differences :-

① Rewards :- Profit & loss

② Innovate :- Entrepreneur does innovation
Manager completes the target

③ Time orient :- Short / long term
-ation

Intrapreneur :- A new breed is coming out of large organization called Intrapreneur out of large organization.
They emmerge from within the confines of an existing enterprise employees within an organization who use their entrepreneurial spirit to ~~the~~ introduce new product, new method & new forms within the co-operation
In top organization the top executive are encouraged to bring new ideas and then to convert these ideas into products through R&D activities within the the framework of organization. It is found that an increasing no. of entrepreneur are leaving their jobs in the big organization and are starting new enterprises.
ex - MS Bagga, CMC is chairman

and CEO of HUL), Sunil alag (MD & CEO of Britania industries) Now He is chairman of all india association AMA.

Some entrepreneurs have become threats to the organization they left. They ~~breath~~ breed to innovative entrepreneur who enaugrates new products.

Types of e-ship skills

1. Technical skill
2. Business management skill
3. Personal entrepreneural skill

Comparison of Male and female Entrepreneurs

Characteristic	Male Entrepreneur	Femal Entrepreneur
Motivation	Achievement - strive to make things happen Personal Independence - Self image as it relates to status through their role in the corporation is unimportant. Job satisfaction arising from the desire to be in control	Achievement - accomplishment of a goal Independence - to do it alone
Departure point	• Dissatisfaction with present job • Sideline in college, sideline to present job, or outgrowth of present job • Discharge or layoff • Opportunity for acquisition	• Job frustration • Interest in and recognition of opportunity in the area • Change in personal circumstances
Sources of funds	Personal assets and savings, Bank financing investors, Loans from friends and family	Personal assets & savings, personal loan
Occupational background	• Experience in line of work • Recognized specialist or one who has gained a high level of	• Experience in area of business • Middle-management or administrative level experience in

	achievement in the field • Competent in a variety of business function	in the field • Service-related occupation background
Personality characteristic	• Opinion and persuasive • Goal oriented • Innovative and Idealistic • High level of self confidence • Enthusastic & energetic • Must be own boss	• flexible & tolerant • Goal oriented • Creative and realistic • Medium level of self confidence • Enthusastic & energetic • Ability to deal with the social and economic environment
Background	• Age when starting venture: 25-35 • father was self employed • College educated - degree in business or technical area (usually engineering) • firstborn child	• Age when starting venture 35-45 • father was self employed • College educated - degree in liberal arts • firstborn child
Support groups	• friends, professional acquaintance (lawyers accountants)	• close friends • spouse • family
	• spouse	• Women's professional groups • Trade association
Type of business started	Manufacturing or construction	Service related - educational services, consulting or public relation.

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Creativity, Innovation & idea generation

→ Creativity :- It is development of novel solution to a percieved problem. It is defined as the ability to bring something new into existance.

Creativity mainly focuses on the nature of thought process and intellectual activity used for generating new insight or solution to a given problem. A creative person must concieve something new and envision how it will be useful to the society.

→ Innovation :- It is the process of doing new things. Innovation broadly focused on implementation of ideas for restructu

-ring or saving of cost, improved communication, new technology, new organization structure and new personal plans or programs.

Ideas have little value unless & until they are converted into useful product or services. Innovation transforms creative ideas into useful applications. Hence creativity is a prerequisite to innovation.

Factors that promote creativity & Innovation

- freedom to act and decide
- freedom from rules
- Participative and informal management
- focus on face to face communication
- emphasis on regular & creative interaction
- adoption of delphi technique
- flexibility of changing needs
- free flow of information.
- Decentralized procedure
- Rewards and recognition
- upward communication in the organization
- Promoting open door policies in top level management
- Public appreciation and acceptance of idea

Ques) Write the diff. b/w Creativity & innovation

S.No	Creativity	Innovation
1	Creativity is the process of creating new product	On the other hand innovation is the process of implementing ideas and technologies so that the goods and services are renewed
2.	Creativity can be tangible or intagible	Innovation is majorly intangible
3.	The word creativity was first used in the 14th Century	The word innovation came into being in the 16th Century
4	In creativity new products are formed	In innovation, new ideas and technologies regarding goods and services are formed
5	Creativity is an imaginative process	Innovation is a productive process
6.	Creativity is related to brainstorming and	Innovation is related to introducing new

	thinking about new ideas	ideas and technology to carry out production smoothly and efficiently
7.	There is no money consumption in creativity	There is money consumption in innovation
8	The risk factor is negligible in creativity	The risk factor is quite apparent in innovation
9.	Creativity is about formation	Innovation is all about bringing change
10.	Creativity is immeasurable and cannot be quantified	Innovation is measurable and quantifiable
11.	Creativity precedes innovation	Creativity is succeeded by innovation
12-	Creativity may or may not involve an organization	Innovation involves an organisation for the production of services & goods
13.	Creativity does not depend on materialistic things	Innovation depends upon the monetary factor, i.e, how to implement the ideas into profit earning

14	The novel ideas are communicated through creativity	Invention are communicated through innovation

Ques2) Write the difference b/w Invention & Innovation

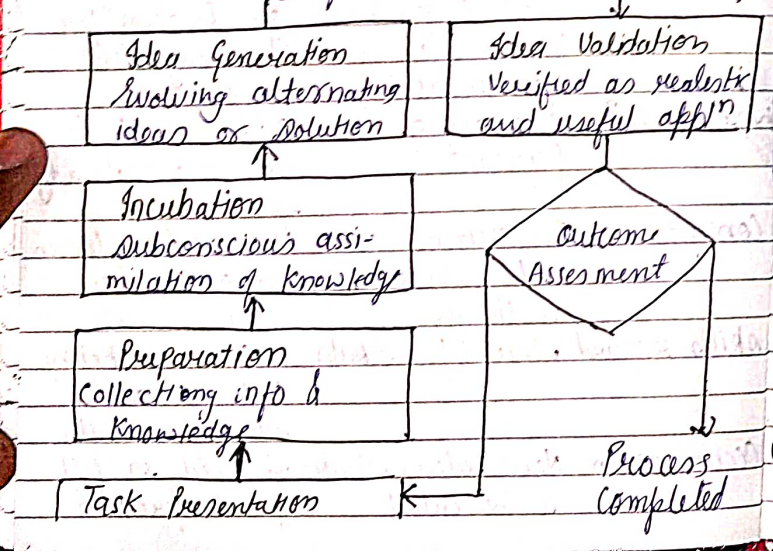
Basis For Comparision	Invention	Innovation
Meaning	Invention refers to the occurance of an idea for a product, for process that has never been made before	Innovation implies the implementation of idea for product or process for the very first time
What is it?	Creation of a new product	Adding value to something already existing
Concept	An original idea and its working in theory	Practical implementation of new idea
Skills required	Scientific skills	Set of marketing technical and strategic skills
Occurs when	New ideas strikes a scientist	A need is felt for a product

		or improvement in existing product
Concerned with	Single product or process	Combination of various products and process
Activities	Limited to R&D department	Spread across the organization

03/02/2023

Creativity process

Key to creativity is to perceive and use a diverse set of alternatives. The creative process involves 6 stages



understanding Problem & getting motivated

① Task presentation :- This stage is a keen & germination and seeding process. The creative ideas emmerge as a result of curiosity about something i.e a specific problem or an area of study or passion for doing something new, hence the seed of curiosity takes the form of a focused idea. If the pursued problem is motivating enough to capture the individuals attention, it leads to stage two

② Preparation :- It deals with a conscious search for the solution, seeking info about the problem and how others have tried to solve it. It includes any tricks or algorithm that might be useful for the task. At this stage a market research is often conducted for a product or service. Activation of knowledge leads to stage three

③ Incubation :- It is the stage of subconscious assimilation of information

just as an egg lies unhatched similarly the idea generates and stays in the mind of entrepreneur who concentrates and examine it in depth till a solution emmerged. Instead of intensively concentrating on the problem it is put on the back burner, it is the stage of mulling it over. Unusual knowledge and info that is difficult to assimilate rationally that is used by the sub conscious mind. This leads to fourth stage

(4) Idea generation :- Multiple ideas and soln are generated at this stage here in ideas reservoir as realistic creation. Various approaches to the problem are attempted using individual resources of previous experience.

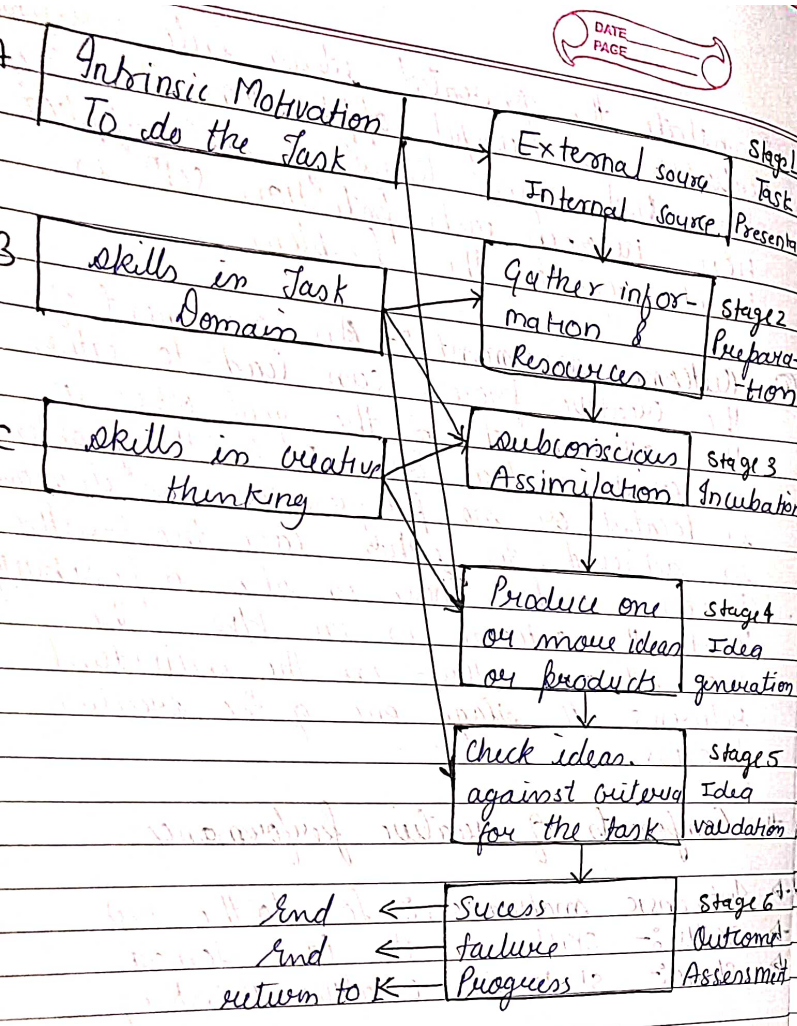
Ideas are recognised as being feasible. It gives one a sense of realisation.

(5) Idea validation :- Idea generated in the previous stage needs to be verified as useful realistic and usefull. Entrepreneurial effort is required to translate the generated ideas into verified realistic and useful application. It is the stage that refines knowledge into application. Here-in each solution soln is tested against the problem

(6) Outcome assesment :- An assesment of the creative process can lead to either the achievement of the goal where-in a creative idea or soln to the problem is located or no progress in this direction is achieved. In either case the creative process ends. There is also a possibility that the outcome is in b/w the two extremes. Here- in the individual returns to stage one of the creative process.

Components of Creative performance

- Intrensic motivation :- To do the task
- skills :- skills in the task domain
- skills :- skills in creative thinking



Model of Creative Thinking

Ques) What is the Importance & need of Creativity & Innovation

Soln Creativity serves several purpose. It not only combats stagnation but facilitates growth and innovation. Here are five reasons why creativity is important in business

1. It Accompanies Innovation:- for something to be innovative, there are two requirement i.e it must be novel and useful. while creativity is crucial to generate ideas that are both unique and original, they're not always inherently useful. Innovative solutions can't exist, however without a component of creativity

2. It increases Productivity:- Creativity gives you the space to work smarter instead of harder, which can increase productivity and combat stagnation in the workplace. Routine and structure are incredibly important but shouldn't be implemented at the expenses of improvement and growth. When a creative and innovative environment is established, a business's productivity level can spike upward

3. It allows for Adaptability :- Creatively approaching challenges requires adaptability but doesn't always necessitate significantly adjusting your business model

For example, you might develop a new product or service or slightly modify the structure of your operation to improve efficiency. Big problems don't always require big solutions so don't reject an idea because it doesn't match a problem's scale

Change is inevitable in the business world, and creative solutions are vital to adapting to it.

4. It's Necessary for Growth :- One of the main hindrances to a business's growth is cognitive fixedness, or the idea that there's only one way to ~~interpret~~ interpret or approach a situation or challenge

Cognitive fixedness is an easy trap to fall into as it can be tempting to approach every situation similar to how you have in the past but every situation is different

5. It's an In-Demand skill :- Creativity and innovation are skills commonly sought after in top industries, including health care and manufacturing. This is largely because every industry has complex challenges that require creative solutions

04/02/2023

Creativity, Innovation and Entrepreneur-ship linkage

Entrepreneurship can be defined as the ability to create & build something from practically nothing. Entrepreneurship can be ~~viewd~~ viewed as creative & innovative response to the environment and the ability to initiate and exploide an economic opportunity

ACC. to schumpiter e-ship is a creative activity. An entrepreneur is an innovator who introduces something new in an economy. Innovation may be in the form of :-

1. Introducing a new manufacturing process that has not been tested and commercially exploited
2. Introduction of new product, with which the consumer are not familiar

2. Introducing a new quality in an existing product
3. Locating a new source of raw material or semi finished product that was not exploited earlier.
4. Opening a new market that is unexploited where the company products are not sold earlier
5. Developing a new combination of means of production

Innovator & Inventor :-
An inventor discovers new method & the new material on the other hand an innovator is one who utilize or apply invention and discovery to produce newer and better quality product to consumer and higher profit to entrepreneur. An inventor produces ideas and an innovator have knowledge about society an innovator add to their satisfaction by means of newer or better product as services. It is an innovator who commercial exploides an invention.

The Business Idea
The business idea arises from an opportunity in the market. It originates from any need and want for any product and service that an entrepreneur can identify. Entrepreneur should have a keen and open mind to look for opportunity or generate business idea

⇒ Searching & Selecting Business Ideas
Business idea should be selected so as to :-
- Enable entrepreneur to utilize the skills
- Enable the use of locally available raw material for product or service
- Help entrepreneur make product that have a demand but are not freely available in the market
- Enable use of technical know-how of the entrepreneur and some technical machine, the entrepreneur is familiar with
- Enable the entrepreneur to solve a current problem existing in the market

08/02/13

Sources of business idea

When a persons wants to set up an enterprise the first action is to generate ideas for product & business. Initially it seems difficult to be able to think of many ideas the entrepreneurs should use as many sources as possible for scanning product ideas from the environment

★ Discussion with other people
★ Looking through books
★ Visiting shops & attending trade shows
★ Information from research institutes.
★ Brain storming

⇒ Methods of Generating IDEAS

When an entrepreneur explores diff. sources of business ideas like talking to others visiting shops etc. He should use diff. approaching like :-

★ Brain storming
★ New way of Doing old things
★ Converting hobby into business :- photography, fashion designs
★ Utilizing waste materials - Conservation, environment protection, recycling waste, turning waste into energy conserving are good product ideas energy conservation also have good potential.
★ Improving an existing product

(Ques) What is the meaning, concept, purpose & objectives & function of organisation

Ans ⇒ Meaning & Concept :-

Organisation is the backbone of management because without an efficient organization no management can perform its function smoothly

In the management process this organization stands as a second state which tries to combine various activities in a business to accomplish pre-determined goals.

In other words, organization is simply people working together for common goal. It is a group of people assembling or congregating at one place and contributes their efforts to achieve a common goal

Acc. to Oliver Sheldon, Organisation is the process so combining the work

which individuals or groups have to perform with the facilities necessary for its execution, that the duties so performed provide the best channels for the efficient, systematic, positive and coordinated application of the available effort. Organization helps in efficient utilization helps in efficient utilization of resources by dividing the duties of various persons.

⇒ A good organisation has to fulfill four special function

★ It must enable the management to maximise the outputs through provision of an efficient man-machine system

★ It must ensure smooth and effective net-work of communication and information

★ It must offer interesting and meaningful jobs to all individuals working in the organisation. This alone will ensure job satisfaction.

Organisation is developed for people. It must, therefore be humanistic also and not merely mechanistic. Both the approaches can be reconciled

★ It must create, maintain and develop its own image or individually. This ensures customers goodwill. Investors will also have confidence in the enterprise. Employees can develop a sense of belonging to the organisation.

⇒ 6 main function of organisation
The function of organisation includes:-

★ Determination of activities
★ Grouping of activities
★ Allotment of duties to specified persons
★ Delegation of authority
★ Defining relationships, and
★ The co-ordination of various activities

⇒ Purpose of Organisation
Every organisation strives to achieve its target and its structure only facilitates this.

The main purpose of such a structure is to help the organisation work towards its goals. It bring

members of the organisation together and demarcates function b/w them. Secondly, the structure also helps in ensuring smooth and efficient function

07/02/2023

Business Organization

It may be defined as a collective entity of people who consciously engage in some activity of sustained basis for achieving an objective or a set of objectives.

An organisation may be defined as a planned unit deliberately structured for the purpose of attaining goals. Business is usually called for earning profits, it can be non-profit making or state owned or run by government.

Business organization refers to all necessary arrangement required to conduct a business. Each form has its advantages & disadvantages.

The choice of form of business is governed by several interrelated & interdependent factors such as

⇒ Significant factors that affects choice while selecting a form of Business organisation

★ Nature of Business :-
★ Business operation areas & size
★ Scale of operations
★ Liabilities
★ The degree of control desired by the promoter
★ Cost of the project/capital requirement
★ Degree of risk & return
★ Comparative tax liability
★ Division of surplus
★ Business Duration
★ Flexibility of operation
★ Government regulation & control
★ Desire for growth

⇒ Types of Business :-

★ Agriculture & mining Business
★ Financial Business
★ Information Business (Patent, trademark, copyright)
★ Manufacturing Business
★ Real estate Business (selling, renting, developing properties)
★ Retailing & distribution business
★ Service Business (Consulting firms, Partnership)
★ Transportation Business
★ Utility services
★ franchising

⇒ There are various forms of business organization

→ Sole proprietorship
→ Partnership
→ joint stock company
→ Co-operative society / Co-operatives
→ HUF (Hindu undivided family or joint hindu family business
→ LLP (Limited liability partnership)
→ franchising

→ Sole Proprietorship:- It is a business owned by one person the owner may operate on his/her own or may employ others. The owner of the business has personal liability of the debt incurred by the business. Mostly it is suitable only for micro & small business enterprises.

Advantages
- Easy to form and start
- confidentiality
- social status
- complete and undivided authority
- flexibility in operation
- promptness in decision making
- Profit become direct motivator as it is not share
- Secrecy
- facility for taking loans
- direct contact
- efficiency in management
- increase in profit
- absolute power & control
- earning of profit
- basis for big business
- minimum state interference

- Low cost in management & preparation of accounts

Disadvantages

- Limited money or resources
- Limited or lack of managerial skills
- Small size
- Undivided risk and personal liability
- Uncertain stability
- limited capacity to work
- unsuitable for big bussiness
- unsuitable for gov. control
- Obstacle to expansion
- limited scop of specialization

→ Joint stock company :- Companies are governed by the Indian Companies Act 2013. According to this Act a company is an artificial personal created by law, having separate entity, with perpetual sucession and a common seal. The essential characteristics feature of a company are:-

- Incorporation entity : A company must be registered under the Companies Act. A company is formed by the initiative of a group of person known as promoters.

SNO	Particulars	Company	Partnership	LLP
1	Governing Laws	Companies Act 1956	The Indian Partnership Act 1932	The limited Liability Partnership Act 2008
2	Registration	Compulsory	Optional	Compulsory
3	Legal entity	Separate legal entity	Not separate legal entity from partners	Seperate legal entity
4	Legal liability	Liability of shareholders is limited to the value of shares taken in the company	Joint & several liabilities attached to all partners irrespective of profit sharing ratio	Liability of partners limited to their contribution
5	Sucession	Company will continue and shares will be transmitted to legal heirs	Partnership continues with other partners subject to the dead	LLP will continue with other partners
6	Case of formation	Created by law procedure of formation	Created by Contract simplified	Created by law moderate procedure

	is still rigid time consuming and more expensive	procedure of registration and less expensive	and expenses

Difference b/w Private limited and Public limited Companies

S.no	Particulars	Private limited Company	Public limited Company
1	No. of member required to form a Company	Minimum 2 & Maximum 50	Minimum 7 & Maximum Unlimited
2.	Managerial remuneration	No restrictions on managerial remuneration	Total managerial remuneration cannot exceeds 11% of the net profits and in case of inadequate profit a maximum of ₹ 87,500 can be paid
3.	Compliance requirements	Reasonable compliance requirements with adequate record Keeping	strict and extensive record Keeping, audit, and more stringent compliance
4	Corporate governance	Regulation exist in relation to transaction which could substantially affect shareholders	In addition to the procedures prescribed for private limited companies, more exhaustive procedures exist for public limited companies especially when listed
5	Access to capital markets for fund raising	Given restriction on number of shareholders & transfer of ownership, conversion into a public limited company is required for accessing the capital market for fund raising	can be listed on one or more stock exchanges by complying with the respective listing requirement and have access to capital market for fund raising
6	Transfer of shares	"The right to transfer shares is restricted	shares are freely transferable
7	Issue of prospectus	Prospectus can't be issued	The general public is invited to

			funds can be drawn, distributed or deposit through a bank account
8	Commencement of business	Business can be immediately started after satisfying the conditions of incorporation	Business can only start after receiving the certificate to commence the business from the Registrar of Companies
9	Directors	The number of directors must be at least two & may be increased to any number. Directors can be appointed by a simple resolution. Directors are not required to retire by rotation	The number of directors must be at least 3 and the number should not exceed 12 without the approval of the Central Gov. Each director appointment requires a separate resolution. At least two-third of directors must retire by rotation
10	Public deposits	Cannot accept deposit from the public	Can accept deposit from public
11	Filling of statutory returns	Exempted from filling of various returns	Not exempted
12	Statutory meeting	Need not hold a statutory meeting or file a statutory report	Needs to conduct a statutory meeting and file a statutory report

⇒ Merits of sole proprietorship

- Objectives of the firm are formulated in an informal manner by the entrepreneur
- Specialization is restricted to the entrepreneur
- Authority and responsibility are centered round the entrepreneur
- Quick and prompt decisions
- Maximum flexibility in operations

⇒ Demerits of sole proprietorship

- There is no plan and policy about objectives
- No scope for developing skill, knowledge, aptitude and ability
- No scope for co-ordination of activities
- Limited managerial ability
- Lack of continuity
- Instability

⇒ Merits of Partnership

- Objectives of the unit are clearly stated
- Better specialisation through division of labour
- Line of authority specified
- Authority and responsibility are defined
- Continuity of work
- Flexibility in operation

⇒ Demerits of Partnership

- Lack of harmony in the event of mutual distrust
- Restricted growth
- Lack of public confidence
- Communication gaps

⇒ Demerits of Private limited company

- Lack of regulation may lead to mis-management

⇒ Merits of Private limited company

- Clear-cut plan & policy
- Objectives are formally formulated
- Effective co-ordination
- Better specialisation through division of labour
- Authority & responsibility are defined in definite terms
- Plan of control is well organized
- Co-ordination of activities
- Flexible and dynamic

⇒ Merits of Co-operative

- Objectives are clearly stated
- Democratic organisation
- Excessive state regulation

⇒ Demerits of Co-operative

- Lack of authority and responsibility

- No- co-ordination
- Excessive state regulation
- No scope for specialisation
- Authority and responsibility are not defined
- Lack of continuity
- Work is not properly divided

★ Seven factors to consider before you start your business

	Sole proprietorship	Partnership
Flexibility	This is a flexible as you can get You are the sole person in charge	Less flexible than proprietorship, as the areas of responsibility are some what defined But there may be some heads wearing more than one hat
Capital risk	Very high, as the proprietor bears all the risk. The returns, too are all his	Lower than sole proprietorship, as the capital is shared by the partners
Liability	Unlimited, extending to personal asset of the sole proprietor	Unlimited, extending to the personal asset of the partner
formation	Simplest No legal requirements	Through a partnership deed: though not compulsory. If there is no deed the partnership is governed by the Indian Partnership ACT 1932
Exit option	On death of sole proprietor or if he decides to close down the business	As per the Indian Partnership ACT or through a deed of dissolution which has to be accepted by all partners
Inheritance	Depends on the will of the sole proprietor	The partnership deed can specify whether the business will carry on in the event of the death of a partner and who will be entitled to his share of profits or whether a new deed will be drawn up, or

		the partnership will stand dissolved
Goodwill	May or may not be mentioned in the books of account	Has to be mentioned in the books of account Method of Calculation is subjective and open to debate

Comparision b/w Sole Trader, Partnership & Company

features	Sole Trader	Partnership	Company
formation	Very easy - no legal formalities	Easy - Simple and optional registration	Private - Compulsory registration Simple formation Public - Compulsory registration Difficult formation
Membership	One man Show	Min - 2 Max - 10 in Banking 20 in Trading	Private - Min 2 Max 50, Public - Min 7 Max - Unlimited
Legal position	No separate legal life	No seperate legal life	Separate & distinct legal person created by law

Q diff. b/w creativity & innovation
Q " " innovation & invention
Q Short note on how creativity is a prerequisite to innovation. justify by example
Q Imp need for creativity & innovation
Q Brilliant ideas do not come out of blue they evolve through a creative process where in ideas are germinated, matured and developed by the imaginative persons.

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Stability & Continuity of life	Unstable org. Terminable by death or insolvency of the owner	More stable than Sol Trader But terminable by death or insolvency of any partner	Perpetual existance very stable, permanent life, continuity not affected by death of member
Relation b/w ownership & management	Control, management and risk lie where ownership lie owner has full control	Owner are also the managers and risk bearer Every partner is entitled to manage the business of the firm	Privat - control risk and ownership generally go together Public - Complete seperation of management from ownership representative management
Capital raising Power	Very limited - owner's saving and borrowing Good for small business	Limitations on capital enough for medium size business We have pooling of capital on a limited scale	Private - suitable for medium size concerns Public - Any amount of capital can be raised Good for medium & large scale business

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Partnership :- Partnership is a form of business in which two or more people for common goal which is often making profit. In most of partnership each partner has personal liability of the debts incurred by the business Those are three typical classification.

- General partnership
- Limited partnership
- Limited liability partnership.

★ Advantages of Partnership

→ Ease of formation / facility of formation
→ Registration not compulsory
→ Larger capital
→ Better managerial skills
→ Divided by shared risk
→ More suitable
→ Better understanding and goodwill while taking loan
→ easy dissolution
→ Balanced decision making
→ Flexibility

★ Disadvantages of Partnership

→ There is a cieling no. of partners The resources & capital are limited
→ Unlimited liability

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→ limited capacity
→ restrictions on transfer of shares
→ Disagreement leads to dissolution of partnership
→ There is possibility of conflicts & mis-understanding
→ lack of centralized authority

Company :- Company is either limited or unlimited liability entity that has separate legal personality for

A joint stock company is an association of Individual shareholder who join together for Profit & agree to supply capital divided into share that are transferable for carrying on specific business.

It consist of more than 20 person for carrying any business entity. It is owned by multiple share holder is Overseased by board of directors which hires managerial staff. The finance is raised by issuing shares debentures, loans from financial institution, bank & private agencies.

The liability of share holder is limited to capital to which shares are held.

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★ Advantages
→ No restrictions on No. of members in
→ case of public company
→ Possibility of huge capital loss
→ better & professional
→ refused risk for share holders
→ better public confidence
→ more benifit good for the economy

★ Disadvantages
→ huge paper work is required to start a company
→ decisions are delayed
→ management can become
→ strict restrictions

⇒ Co-operatives :- Often refer to as co-op a co-operatives is limited liability entity that can organise for profit & non profit

Co-operatives are typically defined as workes co-operatives member benifit as it is not formed for profit motion.

It can easily be formed by complying small legal formalities

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★ Advantages
→ It has limited liabilities
→ It is democratic management
→ It is socially desirable
→ It is a perpetual ~~succession~~ succession
→ Government gives several preferential Treatment

★ Disadvantages
→ It has limited capital
→ Co-ops suffered from inefficient management
→ Lack of motivation is there often
→ Co-operatives are closed due to non cooperation members

Hindu undivided family (HUF):-

★ Advantages:-
→ It has group effort and team work
→ More cooperatives are they are family member.
→ liability is limited
→ better management
→ special
→ Easy formation
→ Business experience
→ Revision of labour

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→ Birth right
→ stability
→ Increase in confidency

★ Disadvantages
→ HUF breaks in the second end & the third end generation induction
→ There are quarrels over small method
→ Lack of motivation
→ It has limited financial resources
→ Dictatorship management
→ Heavy burden on Karta
→ Indulgence in Idolness.

27/02/2023

Case study - Kiran Mazumdar Shaw

Kiran Mazumdar Shaw was born on March 23, 1953 in Bangalore, India. She is the chairman & Managing Director of Bicoin limited it is a biotechnology company located in Banglore.

Her schooling was completed in Bishop cotton girl's High School (1968) she has done BSC zoology Honours course from Mount Carmel College Banglore university (1973) and PG in Malting and Brewing from

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Ballarat College, Melbourne University in 1975

Before making her own enterprise she has worked in many different organisation.

She started Biocon in 1978 as an industrial enzyme manufacturing company but later she turned it into a fully integrated bio-pharma cautical company. The product and research focus on diabetes, oncology and auto immune disease.

After Biocon she also established two subsidiaries company one is Syngen in 1994

She is also get awarded for her work she recieved padma shri in 1989 and Padma bhushan in 2005 form the gov. of india. Recently she was named among Time magzine's 100 most influential people in the world She is the world's 100 most powerful women and Top 50 women in business in financial Time. She is also a board of governors of the prestigious Indian school of Business and Indian Institute of Technology Hyderabad.

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Business Plan :-

★ Steps in Business Planning

1. Write a business plan.
2. Take help and training
3. Choose your business location
4. Understand your financing options
5. Decide on a business structure
6. Register your business name
7. Get a tax id
8. Register with tax authorities
9. Apply for permits and liscenses

Business Plan :- It is a formal statement of a set of business goals, the reasons they are believed to be achieved and the plan for reaching these goals. A business plan is a road map and blue print of the project.

Business plan is a written document that describes in detail how a business is going to achieve its goals. It is a document that explain a business opportunity, identifies the market to be served and provides details about how the entrepreneurial organisation plans to pursue it.

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A business plan is a written document 20-40 pages in length that describe where a business is heading and how it hopes to achieve its goal & objective. A workable business plan should determine the direction of the company, highlight the challenges in the path of business and formulate the strategy and contingency to keep the business on track in order to reach predetermined goals & objectives.

⇒ Purpose of Business Plan

A business plan is used to make crucial startup decision, to reassure investors to measure operation progress to test planning and assumption to adjust forecast and to sell this lender for good operational management

⇒ Reason for preparing a business Plan

- Entrepreneur seek benefits from the planning activities
- A business plan is used to get finance from bank or to get equity funding from angel investors
- It can also be used to attract business partners and key employees or to make business alliances
- If the business plan is prepared within a large organisation then it enable the board of director to make capital investment decision
- The act of writing business plan with force the entrepreneur and his team to thing through all the key element of business
- The plan provides a basis for measuring actual performance against actual performance
- The plan act as a vehicle for communicating to others what the business is trying to accomplish
- The plans, financial projection can be used as a budget.

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⇒ Uses of business plan

- Direction
- structure
- education
- Thinking about future

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- Covered all points/aspects

★ Contents of a business plan

→ ~~Elements of a~~ Preliminary Section :-
- Cover page
- Table of content
- ~~Executive Summary~~

→ Executive Summary :-
- (Discuss the significance of executive summary in a business plan)
- Company
- Management
- Product/service and competition
- financial history
- use of proceeds & exit

→ Major Section :-
- Background and purpose :-

ⓐ history ⓑ Current Situation
ⓒ The resource based concept
- Objectives :-

ⓐ Short-term ⓑ long term
- Market analysis :-

ⓐ overall market ⓑ specific market
ⓒ competitors factor
ⓓ Micro environment factor
- Operational plan :-

ⓐ Production processes

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ⓑ resource requirements
ⓒ Quality assurance
- Marketing plan :-

ⓐ Overall concept and observation
ⓑ Marketing strategy
ⓒ Sales forecast

★ 4 P's for product
- Product
- Price
- Place
- Promotion

★ 7 P's for Services
- Product
- Price
- Place
- Promotion
- People
- Physical process

→ Financial Plan
- Financial plan
- Financial statement
- Financial strategy

→ Organization & management
- Key personal resource
- Human resources management strategy

→ Ownership
- form of business
- equity position
- dial structure

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- Critical risk & contengencies
- Summary & conclusion
- Scheduling & milestone
- Appendix

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Criteria or Essential of a Good business plan.

- A business plan should have all the relevant section.
- Describe the opportunity.
- strategy.
- Team.
- Explain the business model.

★ Why do some business plans fail?

(P) Problem faced by new venture
- Failure to address the customer's problem and needs
- Unrealistic goals set by the promoter
- Lack of commitment to the business by the promotors
- Lack of experience of the promotors
- Lack of Professionalism

S = Specific, M = Measurable
A = Achievable, R = Realistic
T = Time bound (this is the part of 2nd point)

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Procedure for setting up an enterprise

- Selection of a projects :- Project selection and preliminary activities involved following :-
  - Product or service selection.
  - Location selection.
  - Project feasability study.
  - Business plan preparation.
  - Prepare project profile.
- Decide on the constitution
- obtain registration
- obtain clearances from departments as applicable
- Arrange for land/Shed
- Arrange for plant & machinery (direct purchase / higher purchase)
- Arrange for infrastructure
- Prepare project report
- Apply for and obtain finance
- Implement ~~and obtain~~ the project & obtain final clearance

21/03/2023

Human Resource Management Issues.

HRM is the process of bringing people and the organisation together with a common purpose. HRM is mainly concerned with 'effective'

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HRM Management of human resources which is the most important assets of the organisation

The dynamic business environment poses both of challenges to HR managers these challenges arise due to

- Globalisation
- development in technology
- demographic changes (age, gender, occupation, population, income)
- and continuous changes in the business environment

⇒ function of HRM

The main objective of HRM is to ensure the availability of compitent employees to work positive towards the realization of organization objective

- Human Resource Planning ~~HRP~~
- Recruitment & selection
- Placement & induction
- Training & development
- Compensation
- Performance appraisal

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- health & safety
- Industrial relation & managing exit

★ Human Resource Planning (HRP):-

HRP refers to the process of determining the present and future staffing requirement of the organisation

HRP is the process of analyzing and identifying the need and availablity of human resource in order to meet enterprise objectives

The various steps involving HRP process are as follows.

1. environment organizational Scanning
2. formulation of organizational objectives & policies
3. Demand forecasting
4. supply forecasting
5. Human resource programming & implementation
6. HR controlling

HR planning must incorporate the following information

1. functions to be performed by the employees
2. personel objective
3. personel policies

4. Assignment of duties and responsibility

★ Recruitment, selection & development

Recruitment is the process of searching for an inviting application from prospective employees
Selection involves choosing the best candidate and appointing them for the required job. It mainly deals with the matching of employee specification with job requirement.
It includes following activities which are performed by entrepreneur
Sources of supply of manpower for different jobs.
Interviewer of applicant by entrepreneur himself or by trained Interviewer
To assign employees to job for which they appear best qualified on the basis of selection techniques
To develop free job and service training programmes for manpower

★ Performance appraisal by training & development function
Training and development deals with providing training to a new employee based on present and future job requirement. It also deals with employees career planning, retention and development

Q) Discuss the role of HRD for new ventures

Performance appraisal mainly aims at evaluating the performance of ~~app~~ employee and developing them
It includes following activities
- To develop appraisal system for all personel
- To design appraisal form to each class of employee
- To develop a promotion policy based on periodic review of main power records
- determining training needs
- selection training method.

~~Employ~~

★ Employee compensation (wage & salary)
compensation is the process of providing adequate equitable and fair remuneration to employee
It deals with job evaluation

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wage and salary administration, benefit incentive, bonus, fringe ~~manage~~ ~~ment~~ and social security measures among other.

The following function are imp in employee compensation.

1. To grade jobs in relation to other jobs
2. To formulate wage scale for each job classification
3. To consider effective means of estimulating and rewarding employees
4. To provide for stability of employees

★ Motivation & communication & soft

Q) objectives of HRM, Significance of HRM, future trends in HRM

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financial Management :-

It is a managerial activity concerning the finances of the firm. It deals with planning control and management of the financial resources of the firm.

It is not only enough to raise the finance for industrial activity, it is necessary to manag

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it properly

⇒ function

financial management is the process of procurement and judicial use of financial resources with a view to maximizing the value of the enterprise.

It has two function

1. Managerial financial function :-
It requires skillful planning, controlling and execution of financial activities
2. Routine financial function :-
These are clerical in nature and incidental to effective handling of managerial financial function

★ function of Managerial financial fn

↳ Estimating financial requirement

↳ Identifying sources of finance

- Personal funds
- funds from friend
- from Bank
- financial institution
- Public deposit

↳ Raising of funds :-

- 4 emp. dimension

- Right source
- adequacy
- Time schedule
- Cost

↳ Proper use of finance
↳ Control of finance

★ function of Routine financial function
⇒ The most imp Routine fn are:-
↳ Supervision of cash Recept and payment
→ Safe guard cash Balance
Record Keeping
→ Custody and safe guarding of security insurance, insurance policy & other important documents
→ Taking care of mechanical detail of outside finances and
→ Regular return of borrowed funds

⇒ fm part also require proper management of fixed assets, working capital and cost

8) financial requirements & its planning, Sources of industrial planning

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financial Management

★ financial requirements & its planning
financial planning deals with the acertainment of the total long term and short term financing requirement of the business and then deciding to choose amongst the various source, the one which should cost the least as compared to other. financial planning helps an entrepreneur to develop the strategy, to set the Goals in terms of volume of profit & sales as well as acquisition of capital assets with the view to take care of future development and Growth

financial planning would include the following steps to be taken by

1. determining the capital structure which should be based on a long term plan of the business
2. forecasting the most probable course of the event which may

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include :-

- quantum of business i.e the amount needed for implement the business plan
- Pattern of financing
- Policies to be persued for implementing the proposed pattern of financing
- Time for floating various corporate securities " during the course of financial planning a financial forecast has to be made estimating the under mentioned elements :-

i.) fixed capital requirement
ii) Working capital requirement
iii) Credit policies to be followed
~~Dep~~ Debt - equity ration
iv) Other contingencies

⇒ Role in financial Planning played by a financial Manager

↳ To help the financial control
↳ Elimination of wastage of resources
⇒ To remove uncertainties and to pave way for effective function of finance department.

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↳ To serve as a guide to the firm in achieving its primary objectives

⇒ factors influencing financial Planning

↳ Nature of business
↳ Status of business unit
↳ Growth & expansion plan
↳ Management attitude
↳ Nature of capital market
↳ Government regulation

⇒ Estimation of capital requirement
↳ Expenses on promotion
↳ cost of capital assets
↳ cost of current assets
↳ cost of financing
↳ cost of development
↳ cost of intangible assets

⇒ Type of capital requirement
↳ Based on period
- Long term (5+ yrs)
- Medium (1-5 yrs)
- ~~Lower~~ Short (less than 1 yrs)

↳ Based on requirement
- fixed
- Working
- floating

(3) Define fixed capital & working capital.

⇒ financial Policies
⇒ Objectives of managing finance } do it by your own

★ Long term & short term finance
Credit flow

⇒ Sources of Long term finance include
1. Owner's capital
2. Term Loan from financial institution
3. deposits or loan given by owner, partner, director to the firm
4. ~~Leases~~ hire purchased or leasing facility from NBFC and other organisation.
5. Machinery purchase under industrial development bank of india's will rediscounting schemes
6. ~~Seed~~ & Seed capital, venture capital, margin money, subsidary soft loan from govt./ financial institution

⇒ Short term finance's Source
→ Bank borrowing for working capital
→ Deposits/ borrowings from friends relatives, others
→ Sundry creditors
→ Deposits recieved from customers

While arranging funds entrepreneur should ensure their cost effectiveness keeping in mind following factors:
1. volume of funds required on long term and short term basis
2. Period for which funds are required
3. Time required for obtaining such finance
4. Cost of borrowing
5. Repayment capacity
6. Keeping future profit generation pattern in view
7. Conditions stipulated by lenders of money

⇒ Types of industrial finance
- Long term finance (5+ yrs)
- Medium term finance (1-5 yrs)
- Short term finance (less than 1)

→ Short Term
Bank Credit — Trade Credit
Installment Credit — Customer advances

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→ Medium Term
- Issue of share
- Issue of deventure
- Loan from bank & other financial institution
- Public deposit for existing concerns
- ~~placking~~ ploughing back of profit for existing concerns

→ Long terms
- Same as Medium term

⇒ Sources of finance :-

↳ Internal :-
- paid up capital
- Reserved surplus (capital reserve
- development reserved)
- Provision (Depriciation, Texation)

↳ External :-
- Borrowing :-

1. from Bank
2. from govt & semi govt agencies
3. from Term lending institution like IDBI, ICICI, industrial development co-orporation etc.
4. Trade dues & other current Liabilities (Syndry creditors)

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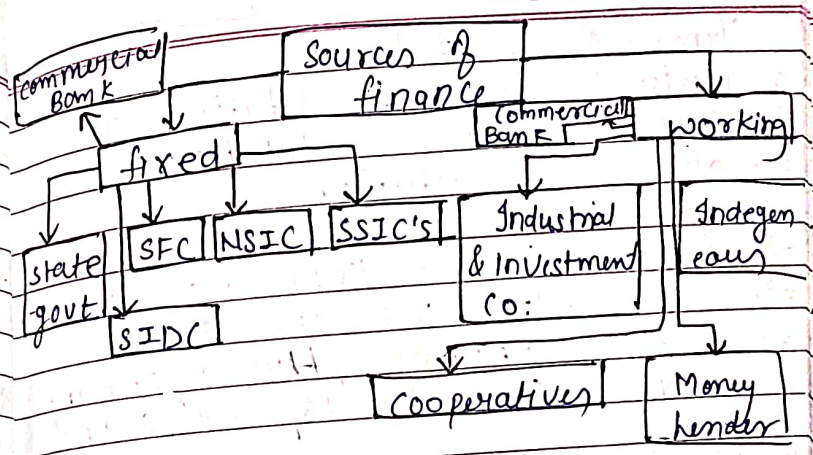

★ financial institutions in India

↳ Bank :-
- Nation
- Commercialised
- foreign

↳ financial institution
- All india financial institution
- Investement institution
- State level financial institution

1. All india financial institution :-
   IDBI, ICICI, IFCI, IIBI, SIDBI
2. Investement institution :-
   LIC, GIC, UTI
3. state level :-
   HFC's, SIDC

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Types of institution
1. Central level institution (KVIC)
2. State level institution
3. other institution

⇒ Central level :- KVIC, NSIC, EDI.
⇒ State level :- DIC, SFC, SIDL.
⇒ Other :- NABARD, HUDCO (Housing and urban Development), SIDBI

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Marketing

★ Contents :-

- Basic meaning & definition
- function of Marketing
- Concept of product life cycle
- Marketing mix :-
  it consist of 4 p's this is for product & we have 7p's for sales
- Product mix :- similar category of products, it has 4 component
  1. Product Line
  2. Product depth
  3. Product Consistancy
  4. Product length

⇒ ~~Product~~ Labelling, packageng branding
- Scope of marketing

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⇒ Meaning & definition of Marketing
Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large.

Marketing is defined as both "the process or technique of promoting selling and distribution a product or service" and "an aggregated of function involved in moving goods from producer to consumer"

⇒ functions of Marketing
Marketing functions are the foundation for the work that marketing professionals do. Each function comprise a set of responsibilities and task for a marketing team to design organize and execute a successful campaign. There are seven widely accepted marketing function that contribute to the overall work of marketers.

These functions are as follows :-

- Promotion
- Selling
- Product Management
- Pricing
- financing
- Distribution

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. Marketing information management.

1 Promotion :- Promotion fosters brand awareness while educating target audiences on a brand's product or service. It emphasizes introducing potential consumer to your brand. This function of marketing varies in form, and marketing professionals tailor each form to relate to a particular product, brand or target audience. Promotion may include any of the following strategies:-

- Email marketing
- Public relation
- Social media ads.
- Content marketing
- Digitial / Print advertising
- Events
- Brand Partnership
- Influencer marketing

2. Selling :- Selling is a function of marketing that comprise communicating with potential customers and pursuing sales leads. It's important for marketing professionals to pursue sales leads with subtlety, which helps them build relationship with potential customer progresses sucessful marketer may introduce their product and answer questions customer may have

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effective selling technique can help you distinguish your brand from competitors. Marketers and salespeople may colaborate to determine how to best position their product within their market and sell it to potential customer.

3. Product Management :- Product management includes the development, design and improvement of products or service. The role of a marketer in product management is to ensure that a finished product meets customer needs. This includes examining the overall visual of the product, its usefulness and how it's delivered. Some product management strategies include :-

- Communicating with customers.
- Implementing feedback.
- Conducting market research
- Analyzing competitors
- Coordinating with other departments

4. Pricing :- Ideally, marketers find a price between customers' perceptions of a product's value and the actual cost of producing it. Other factors

include the price your competitors set and the amount customer might pay for your product. Marketing professionals consider these elements when deciding how to price a particular product or service. Whatever price you choose for your product, it's important for your promotion and branding to match its price.

5. Marketing Information management :-
You can optimize your marketing strategies when you focus on data and information. It's important to collect and store data, such as customer preferences and demographics. Often, this data directly relates to your target audience for your products and services. This also can inform effective business decision for the entire company, so consider sharing your data and finding with other departments, as well.

You can gather relevant information from various marketing tools, such as:-
- Social media engagements
- Market research reports
- Surveys
- Public records

6. financing :- financing is a marketing function that involves securing funding - either internally or externally - to create marketing campaigns. It's important for marketing team to secure enough availability in their annual budget to improve previous marketing campaigns and remain updated with industry trend.

7. Distribution :- Distribution is the process of transporting your company's products or service to your customers. There are several physical and digital methods of distribution, including :
- online stores
- Catalogs or magzines
- sales cell
- Retail stores
- wholesalers

Marketers often choose the channel of distribution that best fit a particular product, brand or target audience. It's important choose a location to sell your products that your target audience often visits. Distribution is a function of marketing that requires collaboration across departments to ensure that each product reaches your consumer in its intended fashion

⇒ Concept of Product Life Cycle :-
Product Life Cycle (PLC) is the process of a product's growth, maturity, and decline over time. It consist of four stages : introduction, growth, maturity & decline. During each stage, the product experiences different levels of sales & profits.

The stages of the product life cycle can be used to determine when, where, and how a company should invest in marketing & product development.

★ Stages of Product Life Cycle :-

- Introduction : The introduction stage is where the product is launched into the market
- Growth : During the growth stage, the product becomes more popular and starts to gain more attention
- Maturity : At this stage, the product is established and is reaching its peak in terms of sales and profit
- Decline : The decline stage is where the product starts to lose popularity and sales starts to decline.
- Exit :- The exit stage is where the product is discontinued and no longer produced.

⇒ Marketing mix :- The marketing mix, also known as the four P's of marketing, refer to the four key elements of a marketing strategy: product, price, place, promotion.

By paying attention to the following four components of the marketing mix, a business can maximize its chances of a product being recognized and bought by customers

- Product : The item or service being sold must satisfy a consumer's need or desire.
- Price : An item should be sold at the right price for consumer expectation, neither too low nor too high
- Promotion : The public needs to be

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informed about the product and its feature to understand how it fills their needs or desire.

- Place :- The location where the product can be purchased is important for optimizing sales.

⇒ Product mix :- A product mix is the total number of product lines and individual products or service offered by a company.

Additionally reffered to as product assortment or product portfolio. Product mix varies from company to company. Some have multiple product line with lots of products in each line

A product mix strategy has 4 dimension

- Product width :- Total number of product lines a company offers.
- Product length :- Total number of products in a company's product mix.
- Product Depth :- Total number of product variation in a product line
- Product consistency :- Indicates how product line relate to one another

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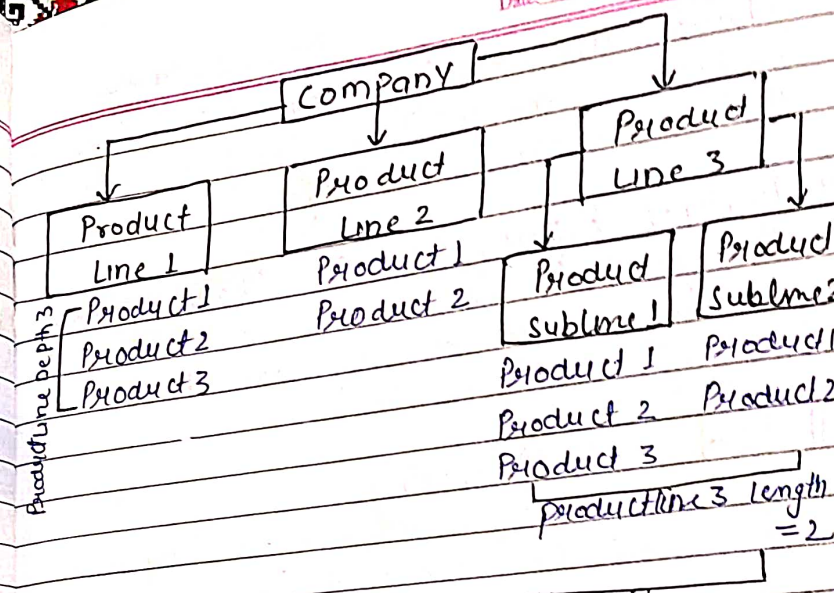

A company can have multiple product line with lots of products in each line, but it can only have one product mix

★ Key Product Mix strategies

There are four key product mix strategies :-

1. Expansion :- A company increase the number of product lines or depth (i.e product variations) within lines.

2. Contraction :- A company narrows its product mix to eliminate lower-performing products or lines or to simplify remaining products or lines

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3. Change an Existing Product :- A Company improves a current product rather than creating a completely new product

4. Product Differentiation :- Without modifying the product in any way, a company positions it as a superior choice to a competitive product

Scope of Marketing

The scope of marketing is very wide It may be analysed in terms of performance of various function. A number of function are inherent in every marketing process and these functions are to be performed on the basis of various utilities.

→ function of Exchange :-
- Buying function
- Selling function
- Assembling function

→ function of physical Distribution :-
- Transportation
- Inventory Management
- Warehousing
- Material Handling

→ function of facilities :-
Financing
Risk Taking

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- Standardisation
- After-Sales-Service