



ஸ்ரீ-ல-ஸ்ரீ காசிவாசி சுவாமிநாத சுவாமிகள் கலைக் கல்லூரி  
தீருப்பனந்தாள் - 612504

**S.K.S.S ARTS COLLEGE, THIRUPPANANDAL - 612504**



## QUESTION BANK

*Title of the Paper*

# ENTREPRENEURIAL DEVELOPMENT

Course: III B.Com & III B.Com (CA)  
Sub. Code: 16MBECM1 & 16CCCCA11  
SEMESTER - V

*Prepared by*



**Dr. M.JAYALAKSHMI, M.Com., MBA. M.Phil., Ph.D.**  
**Assistant Professor**  
**Department of Commerce**

**MAJOR BASED ELECTIVE – I**  
**ENTREPRENEURIAL DEVELOPMENT**

**UNIT – I**

Entrepreneurship – Definition, Concept, Nature , Characteristics , functions , types and phases of EDP, Development of women and rural entrepreneurs – Women Council Scheme.

**UNIT – II**

The start-up process, project identification- selection of the project- project formulation and evaluation- feasibility analysis, project report.

**UNIT – III**

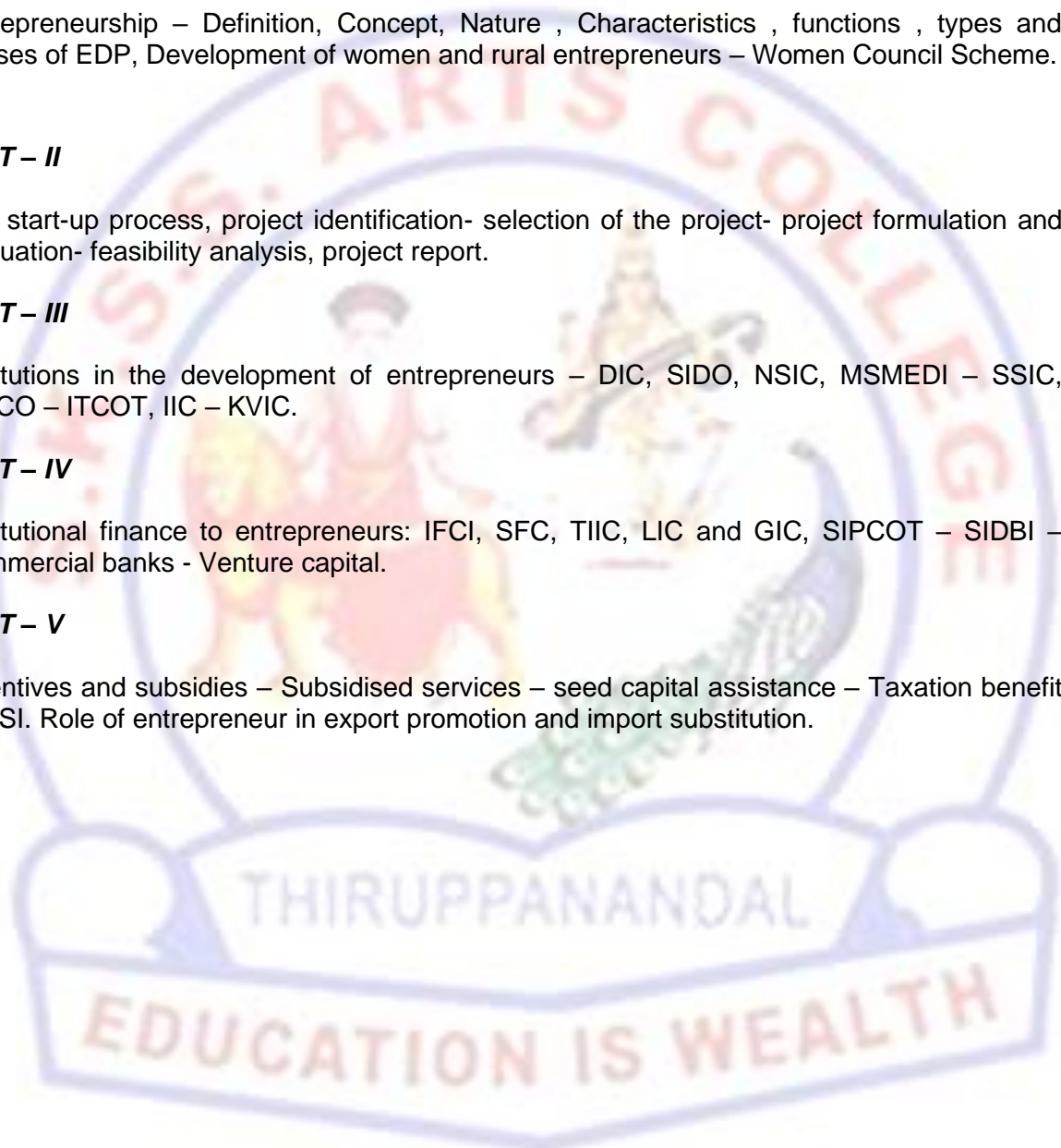
Institutions in the development of entrepreneurs – DIC, SIDO, NSIC, MSMEDI – SSIC, SIDCO – ITCOT, IIC – KVIC.

**UNIT – IV**

Institutional finance to entrepreneurs: IFCI, SFC, TIIC, LIC and GIC, SIPCOT – SIDBI – Commercial banks - Venture capital.

**UNIT – V**

Incentives and subsidies – Subsidised services – seed capital assistance – Taxation benefit to SSI. Role of entrepreneur in export promotion and import substitution.



## UNIT – I

### CHOOSE THE CORRECT ANSWER

1. The term entrepreneur is derived from the word
  - A. English
  - B. Hindi
  - C. Tamil
  - D. French
  
2. Who identified innovation as a character of entrepreneur for first time in 1934
  - A. A.H. Cole
  - B. William diamond
  - C. W.B. Gartner
  - D. J.A. Schumpeter
  
3. People who can own, operate and risk of a business venture is known as
  - A. Aptitude
  - B. Employee
  - C. Entrepreneur
  - D. Intrapreneur
  
4. Entrepreneurial talents available within the organization
  - A. Intrapreneur
  - B. Entrepreneur
  - C. Small entrepreneur
  - D. Manager
  
5. The entrepreneur would always be cautious and neither introduce new changes
  - A. Drone entrepreneur
  - B. Fabian entrepreneur
  - C. Imitating Entrepreneurs
  - D. Innovative entrepreneur
  
6. Refuse to adopt and make changes in production
  - A. Fabian
  - B. Innovation
  - C. Imitation
  - D. Drone
  
7. Women entrepreneur is supposed to have a minimum financial interest in share capital of an entrepreneur's enterprise
  - A. 35%
  - B. 25%
  - C. 51%
  - D. None of the above
  
8. An entrepreneurship whose roots lie in the rural areas are called
  - A. Urban entrepreneur
  - B. Rural entrepreneur
  - C. Eco entrepreneur
  - D. Women entrepreneur

9. The scheme offered by SBI of Mysore for those women setting up food catering industry
- A. Annapurna scheme
  - B. Dena shakti scheme
  - C. Cent kalyani scheme
  - D. Bharatiya mahila bank business loan
10. Person who are driven out from the other vocations and are forced to start a business to run future
- A. Technologist entrepreneur
  - B. Forced entrepreneur
  - C. Entrepreneur by inheritance
  - D. Institutional entrepreneur

**Answers:** 1. D 2. D 3. C 4. A 5. B 6. D 7. B 8. B 9. A 10. B

**SHORT QUESTIONS (2 MARKS)**

11. Define entrepreneurs.
12. Explain the concept of entrepreneurship.
13. What are the basic characteristics of an entrepreneur?
14. Who is an innovator?
15. What are the functions of an entrepreneur?
16. What are the phases of entrepreneurial development program?
17. Who is a woman entrepreneur?
18. What are the types of entrepreneur?
19. Who is rural entrepreneur?
20. What is women council scheme?

**PARAGRAPH QUESTIONS (5 MARKS)**

21. Define entrepreneurship and explain its characteristics.
22. Explain the difference between entrepreneur and entrepreneurship.
23. Explain the functions of an entrepreneur.
24. Who are imitating entrepreneurs and how do they achieve success in their business?
25. What are the types of entrepreneurs? Explain any two.
26. Explain any two phases of entrepreneurship development.
27. Narrate the problems faced by women entrepreneurs.
28. Explain the problems faced by rural entrepreneurs.
29. Explain how women entrepreneurs procure funds for developing their business.
30. Explain any two schemes introduced by the Government for the development of women entrepreneurs.

**ESSAY TYPE QUESTIONS (10 MARKS)**

31. "Entrepreneurs are born not made"- critically examine the statement.
32. Briefly explain the qualities of a successful entrepreneur.
33. Explain briefly why innovation is referred as one of the basic function of an entrepreneur.
34. Explain risk bearing in business by an entrepreneur.
35. Briefly explain the various types of entrepreneur.
36. Explain why the laggards refuse to adopt innovation as one of their functions.
37. Explain the various phases of entrepreneurship.
38. Explain the role of rural entrepreneurship in India.
39. Explain the role of women in entrepreneurship development.
40. Explain the various schemes offered by the government for the development of entrepreneurs.

**UNIT – II**  
**CHOOSE THE CORRECT ANSWER**

1. Sources of ideas for business entrepreneurs
  - A. Go online
  - B. Meet new people
  - C. Friends and family
  - D. All of the above
  
2. How many dimensions does every project have?
  - A. One
  - B. Two
  - C. Three
  - D. Four
  
3. A Project is temporary endeavor undertaken to create a unique product, service or result
  - A. Oxford Dictionary
  - B. Project Management Institute (PMI)
  - C. Office of Government of Commerce (OGC)
  - D. International Project Management Association ( IPMA)
  
4. Methods used for selecting a project
  - A. Payback period
  - B. Economic model
  - C. Internal rate of return
  - D. All the above
  
5. What are the three basic dimensions of a project?
  - A. Input, output and process
  - B. Input, output and materials
  - C. Input, output and social cost and benefits
  - D. Input, output and features
  
6. Pre-Investment stage of a project refers to
  - A. Project formulation
  - B. Project Identification
  - C. Project development
  - D. Project evaluation
  
7. Systematic and objective assessment of an ongoing or completed project
  - A. Project Appraisal
  - B. Project evaluation
  - C. Project identification
  - D. Project formulation
  
8. The beginning stage of a project development is
  - A. Techno economic Analysis
  - B. Financial Analysis
  - C. Feasibility Analysis
  - D. Input Analysis

9. A report prepared by the promoter after the project formulation stage has been passed by the project
- A. Project report
  - B. Feasibility report
  - C. Project evaluation
  - D. Project identification
10. A document which provides the details on the overall picture of the proposed business
- A. Project report
  - B. Feasibility report
  - C. Project appraisal
  - D. Project description

**Answers:** 1. D 2. C 3. B 4. D 5. C 6. A 7. B 8. C 9. B 10.A

**SHORT QUESTIONS (2 MARKS)**

11. State the sources of project ideas.
12. What is meant by the term project?
13. What is meant by selection of project?
14. What is project formulation?
15. What is meant by social cost-benefit analysis?
16. What is meant by project evaluation?
17. What is meant by feasibility analysis?
18. What do you mean by project design?
19. What are project objectives?
20. What is project report?

**PARAGRAPH QUESTIONS (5 MARKS)**

21. Explain the various sources of project ideas.
22. Explain the factors affecting project selection.
23. What are the ways in which the project is evaluated? Explain
24. Explain the importance of trade fairs and exhibition in entrepreneurial development.
25. Explain the various stages of project formulation?
26. Explain the need and significance of project formulation.
27. What do you mean by feasibility report? Explain its contents.
28. Explain the various characteristics of project report.
29. What is project report? How it is formulated?
30. What are different types of project?

**ESSAY TYPE QUESTIONS (10 MARKS)**

31. Briefly explain the various criteria for selecting a particular project.
32. Distinguish between the project formulation and preparation of the detailed project report.
33. Explain the elements of project formulation techniques.
34. Briefly explain how projects are evaluated.
35. Explain how the techno economic analysis plays a vital role in evaluation of projects.
36. Explain the different sources of project identification.
37. Explain the internal and external constraints of identifying suitable projects.
38. Briefly explain the contents of feasibility reports.
39. What is feasibility study and explain its importance in project management.
40. Explain the various components of project report.

UNIT – III

CHOOSE THE CORRECT ANSWER

1. DIC was established in the year
    - A. May 1978
    - B. June 1979
    - C. April 1953
    - D. July 1974
  2. SIDO was established in the year
    - A. 1956
    - B. 1974
    - C. 1954
    - D. 1984
  3. The NSIC was set up in
    - A. 1954
    - B. 1955
    - C. 1974
    - D. 1956
  4. MSMEDI stands for
    - A. Macro small and medium enterprises development institute
    - B. Micro small and modern enterprises development institute
    - C. Macro small and medium entrepreneurship development institute
    - D. Micro small and medium enterprises development institute
  5. SSIC stands for
    - A. State small Industries corporation
    - B. Small scale Industries corporation
    - C. Small scale Industrial corporation
    - D. Small scale industry corporation
  6. SIDCO stands for
    - A. State industries development corporation
    - B. Small industries development corporation
    - C. State small industries development corporation
    - D. Small scale industries development corporation
  7. ITCOT was established in
    - A. 1979
    - B. 1989
    - C. 1974
    - D. 1976
  8. SIDCO offers assistance to entrepreneurs in the form of
    - A. Provision of constructed sheds
    - B. Subsidies to industrial units in backward areas
    - C. Marketing assistance to small entrepreneurs
    - D. All the above
- 

9. An nonprofit service organisation financed and supported by the Government of India
- Indian investment centre
  - National alliance of young entrepreneurship
  - State industries promotion corporation of Tamilnadu
  - Small scale industries service institute
10. Primary objective of developing Khadi and village industries and improving rural employment opportunities
- Rural entrepreneurship
  - Khadi and village industries commission
  - Indian investment centre
  - Urban entrepreneurship

**Answers:** 1. A 2. C 3. B 4. D 5. A 6. B 7. A 8. D 9. A 10. B

**SHORT QUESTIONS (2 MARKS)**

- What is meant by DIC?
- What do you mean by SIDO?
- State the role of NSIC.
- What is meant by MSMEDI?
- What is meant by SSIC?
- What is meant by SIDCO?
- State the role of ITCOT.
- What is meant by IIC?
- Narrate the functions of MSMEDI.
- What is meant by KVIC?

**PARAGRAPH QUESTIONS (5 MARKS)**

- Explain the Organisational setup of District industries centre.
- Discuss the various schemes offered by DIC.
- Discuss the main functions of Small industries development organisation.
- Narrate the various schemes of National small industries corporation.
- Explain the role of SSIC in entrepreneurship development.
- Narrate the benefits of registering in Micro small medium enterprises.
- Explain the major functions of SIDCO.
- Explain the objectives of Industrial and technical consultancy of TamilNadu.
- Explain the functions of Indian investment centre.
- Discuss the role of khadi and village industries commission.

**ESSAY TYPE QUESTIONS (10 MARKS)**

- Briefly explain the functions of DIC.
- Explain the activities of SIDO.
- Discuss the main functions of National small industries corporation.
- Explain the activities and services of MSMEDI.
- Explain the role of SSIC in entrepreneurship development.
- Discuss the performance of ITCOT.
- Explain the various scheme of KVIC.
- Explain the activities of SIDCO.
- Explain the functions of KVIC.
- Explain the role of Indian investment centre in entrepreneurial development.



## UNIT – IV

### CHOOSE THE CORRECT ANSWER

1. Industrial finance corporation of India was established in the year
  - A. 1948
  - B. 1956
  - C. 1964
  - D. 1974
  
2. The full form of IFCI
  - A. Indian finance corporation of India
  - B. Industrial finance corporation of India
  - C. Industrial finance company of India
  - D. India finance company of India
  
3. SFC means
  - A. Small scale industries
  - B. Small financial corporation
  - C. State financial corporation
  - D. State industries financial corporation
  
4. Tamilnadu industrial investment corporation was established in
  - A. 1956
  - B. 1948
  - C. 1944
  - D. 1949
  
5. The Life insurance corporation came into being
  - A. 1948
  - B. 1956
  - C. 1964
  - D. 1984
  
6. The General insurance corporation was nationalized in
  - A. 1956
  - B. 1962
  - C. 1974
  - D. 1973
  
7. The full form of SIPCOT
  - A. Small industries promotion corporation of TamilNadu
  - B. State industries promotion corporation of TamilNadu
  - C. Small scale industries promotion corporation of TamilNadu
  - D. State small industries promotion corporation of TamilNadu
  
8. SIDBI is a wholly owned subsidiary of
  - A. IDBI
  - B. IFCI
  - C. ICICI
  - D. IRBI

9. The primary function of commercial banks are
- A. Accepting of deposits
  - B. Granting of loans and advances
  - C. Overdrafts
  - D. All the above
10. Investments are usually high risk, but offer potential for the above average returns
- A. Share market
  - B. Capital market
  - C. Mutual fund
  - D. Venture capital

**Answers:** 1.A 2. B 3. C 4. D 5. B 6. D 7. B 8. A 9. D 10. D

**SHORT QUESTIONS (2 MARKS)**

- 11. What is meant by IFCI?
- 12. What is meant by SFC?
- 13. State the role of TIIC?
- 14. State the functions of LIC.
- 15. What is meant by GIC?
- 16. State the role of SIPCOT.
- 17. What is meant by SIDBI?
- 18. What are Commercial banks?
- 19. Mention the functions of SIDBI.
- 20. What is meant by Venture capital?

**PARAGRAPH QUESTIONS (5 MARKS)**

- 21. Narrate the functions of Industrial Finance Corporation of India.
- 22. What are the objectives and problems of State Financial Corporation?
- 23. Explain the role of TamilNadu industrial investment corporation.
- 24. Narrate the objectives of Life Insurance Corporation.
- 25. Explain the main objectives of General Insurance Corporation
- 26. Explain the promotional activities of State industries Promotion Corporation of Tamilnadu.
- 27. Narrate the various entrepreneurial development schemes provided by the government for starting a new venture.
- 28. Narrate the objectives of small industries development banks of India.
- 29. Discuss the role of various commercial banks in entrepreneurial development.
- 30. Explain the role of venture capital in development of entrepreneurs.

**ESSAY TYPE QUESTIONS (10 MARKS)**

- 31. Explain the role of Industrial Finance Corporation of India.
- 32. Discuss the functions of State financial corporations.
- 33. Explain the workings of TamilNadu Industrial Investment Corporation.
- 34. Briefly explain the functions of Life insurance Corporation of India.
- 35. Explain the role of General Insurance Corporation in financing entrepreneurs.
- 36. Discuss the functions of State Industries Promotion Corporation of Tamilnadu
- 37. Briefly explain the functions of Small Industries Development Bank of India.
- 38. Explain the role of commercial banks in financing entrepreneurs.
- 39. Explain the methods of appraisal of term loans by commercial banks.
- 40. Explain the role of venture capital in financing entrepreneurs.

## UNIT – V

### CHOOSE THE CORRECT ANSWER

1. A broader concept includes various financial and promotional concessions and subsidies
  - A. Subsidies
  - B. Package
  - C. Incentives
  - D. Offer and assistance
2. A lump sum financial help given by the government to the industries
  - A. Subsidy
  - B. Incentives
  - C. Package
  - D. Concession
3. Seed capital means
  - A. Risk capital
  - B. Initial capital
  - C. Cavity capital
  - D. Share capital
4. 4, The taxation benefits available to entrepreneurs are
  - A. Income tax
  - B. Excise tax
  - C. Sales tax
  - D. All of the above
5. Interest free sales tax loans are made available to entrepreneurs
  - A. Within metropolitan cities
  - B. Outside the metropolitan
  - C. Within town panchayat
  - D. Within the municipal town
6. Activities of the Government and state insurance which have a positive impact on the export performance of the country
  - A. Export promotion
  - B. Import promotion
  - C. Import substitution
  - D. Export subsidies
7. Refers to the policy that eliminates the importation of the commodity and allows for the production in the Domestic market
  - A. Import promotion
  - B. Import substitution
  - C. Export subsidies
  - D. Import subsidies
8. A tax imposed on goods for their licensing and sale
  - A. Import duty
  - B. Income tax
  - C. Excise duty
  - D. Sales tax

9. Tax collected on imports and some exports by the customs authorities of the country
- A. Export duty
  - B. Income tax
  - C. Sales tax
  - D. Import duty
10. The Goods and services produced in one country and purchased by residents of other country
- A. Exports
  - B. Imports
  - C. Interport
  - D. Intraport

**Answers:** 1. C 2. A 3. B 4. D 5. B 6. A 7. B 8. C 9. D 10. A

**SHORT QUESTIONS (2 MARKS)**

11. What is meant by incentives?
12. What are subsidies?
13. What do you mean by seed capital?
14. What are the taxation benefits provided to SSI?
15. What do you mean by capital investment subsidy scheme?
16. What are export subsidies?
17. What are the special concessions provided to the SC and ST entrepreneurs?
18. What is meant by interest free sales tax loans?
19. What are Export promotions?
20. What is meant by Import substitution?

**PARAGRAPH QUESTIONS (5 MARKS)**

21. Explain the incentives available to the small scale industries.
22. What do you mean by subsidies and what are its aims?
23. State the eligibility for availing capital investment subsidiary scheme.
24. What is meant by seed capital and for whom it is provided?
25. What are salient features of interest free sales tax loan?
26. Discuss the role of entrepreneurs in import substitution.
27. Discuss the special incentives provided to the women entrepreneurs.
28. Enumerate the special concessions provided to the SC and ST entrepreneurs by the central government.
29. Explain the various taxation benefits available to the SSI units.
30. Explain the role of entrepreneur in promoting exports.

**ESSAY TYPE QUESTIONS (10 MARKS)**

31. Briefly explain the various incentives offered by the State and central government for the growth of SSI.
32. Discuss the Capital investment subsidy scheme offered by central government.
33. Explain the major objectives of providing incentives and subsidies.
34. Discuss eligibility for availing the incentive and subsidiary schemes.
35. Explain subsidies provided to the entrepreneur for research and development.
36. Briefly explain what are the special incentives offered to the women intreprenuer.
37. Briefly explain the special concessions provided to SC/ST entrepreneurs by the central government.
38. Explain the major functions of entrepreneurs in export promotion.
39. Explain the taxation benefits available to small scale industrial units.
40. What is import substitution? Is this necessary?