BTMC 134: ENTREPRENEURSHIP AND SMALL BUSINESS

Tutor Marked Assignments
Course Code: BTMC-134
Total Marks: 100
(2026)

Section A

Answer the following questions in about 500 words each.

1. Define entrepreneurship. Discuss the role of entrepreneurship in capital formation and employment generation. 20

2. Analyze the role and significance of Micro, Small, and Medium Enterprises (MSMEs) in the Indian economy. Discuss how they can contribute to reduce the concentration of economic power. 20

Section B

Answer the following questions in about 250 words each.

3. Explain the process of Idea Generation and identify the internal and external sources of business ideas. 10
4. Explain how entrepreneurial competencies can be developed through training. 10
5. Describe the 'Lean Start-up' methodology and its core principles. 10

Section C

Answer the following in about 100 words each.

6. Define Creativity and its importance for entrepreneurs. 6
7. Differentiate between Market Feasibility and Market Research. 6
8. What do you understand by 'Valuation' of a start-up. 6
9. Outline prominent Government Initiatives for the promotion of MSMEs in India 6
10. What are the various Digital Marketing opportunities for small businesses. 6

1. Define entrepreneurship. Discuss the role of entrepreneurship in capital formation and employment generation. 20

Answer

Entrepreneurship is the process of recognising an opportunity, organising resources, accepting calculated risks and creating an enterprise that supplies goods or services. An entrepreneur does more than own a business. The person makes decisions under uncertainty, brings together people, money and technology, introduces useful changes and remains responsible for the results. A small travel operator who develops a village-based tour, for instance, acts entrepreneurially by identifying visitors' needs, arranging local services and building a market for an experience that did not previously exist in that form.

Entrepreneurship may involve starting a new firm or developing an innovative activity within an existing organisation. Important features include initiative, creativity, risk-taking, opportunity recognition, resource mobilisation and a willingness to learn. Profit is an important incentive, but many ventures also aim to meet social or environmental needs. Its economic contribution becomes especially clear in capital formation and employment generation.

Role in capital formation

Capital formation means increasing the stock of productive assets available to an economy, such as equipment, buildings, transport facilities, technology and useful infrastructure. These assets enable future production. Entrepreneurs contribute to this process in several connected ways.

First, they mobilise savings that might otherwise remain idle or be used only for consumption. Owners invest their personal funds, invite partners, attract investors and borrow from formal institutions. By directing this money towards a productive enterprise, they turn financial resources into working factories, shops, service centres and digital systems. A family investing savings in a food-processing unit may purchase a machine, build storage and employ workers. The machine and storage add to productive capacity.

Second, successful businesses generate income that can be reinvested. After paying costs and obligations, an entrepreneur may retain part of the profit to buy improved equipment, expand premises, create inventory or introduce a new product. This reinvestment gradually enlarges the capital base without depending entirely on fresh outside finance. It also gives suppliers and distributors more reasons to invest in their own operations.

Third, entrepreneurs improve the use of scarce resources. They combine land, labour, raw materials, knowledge and finance in ways that generate greater value.