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**Entrepreneurship**

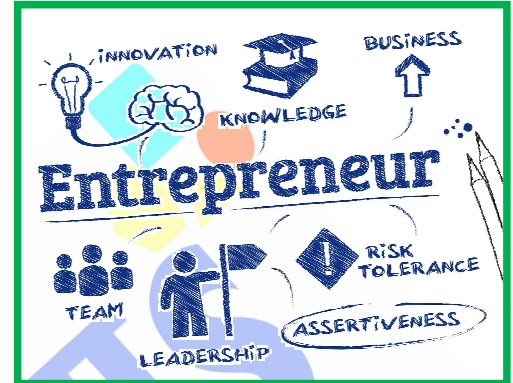
**Employability Skills**

**Module 10 - Entrepreneurship**

**1. Entrepreneurship**

Entrepreneurship refers to the process of starting and running a new business, typically involving innovation, risk-taking, and the goal of making a profit.

Different types of entrepreneurship and enterprises exist based on the nature of the business, the entrepreneur's goals, and the scale of operations.



**Types of Entrepreneurships**

**Small Business Entrepreneurship**

- **Description:** Involves starting small businesses like local shops, restaurants, service providers.
- **Goal:** Provide a livelihood for the owner and a few employees.
- **Examples:** Grocery stores, hair salons, tailoring shops.

**Scalable Startup Entrepreneurship**

- **Description:** Focuses on creating a business model that can scale quickly and generate high growth.
- **Goal:** Attract investors and grow rapidly, often with a technology-driven idea.
- **Examples:** Tech startups like Uber, Airbnb, or PayPal in their early days.

**Large Company Entrepreneurship**

- **Description:** Innovation within existing large companies to sustain growth.
- **Goal:** Maintain competitive edge by developing new products or services.
- **Examples:** Google developing new apps or Amazon launching new services.

**Social Entrepreneurship**

- **Description:** Aimed at solving social, cultural, or environmental problems.
- **Goal:** Create positive change rather than just profit.

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- Examples: Organizations providing clean water or education in underserved areas.

Types of Enterprises

Micro Enterprises

- Size: Very small, typically fewer than 10 employees.
- Investment: Low capital.

- Examples: Local cobblers, street food vendors.

Small Enterprises

- Size: More employees and slightly larger operations than micro.

- Investment: Moderate capital investment.

- Examples: Small manufacturing units, small-scale service providers.

Medium Enterprises

- Size: Larger workforce and investment.

- Role: Acts as a bridge between small businesses and large corporations.

- Examples: Regional factories or firms supplying parts to big companies.

Large Enterprises

- Size: High number of employees, large capital, and expansive operations.

- Examples: Multinational corporations like Toyota, Apple, Tata.

2. Opportunities for Potential Business and Sources of Funding

Identifying Opportunities for Potential Business

- **Market Research:** Analyze trends, customer needs, and competitors to spot gaps or demands in the market.

- **Problem-Solving Approach:** Identify everyday problems and think of innovative or practical solutions to address them.

Sources of Funding

- **Personal and Informal Sources:** Use personal savings, or borrow from friends and family for initial capital.

- **External Sources:** Seek bank loans, government grants, angel investors, or venture capital based on business size and growth plans.

Financial and Legal Risks

- **Financial Risks:** Includes cash flow problems, overspending, and unpaid debts that can affect business operations.

- **Legal Risks:** Non-compliance with laws, contract issues, or intellectual property theft can result in penalties or lawsuits.



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**Mitigation Plan**

- **Financial Risk Mitigation:** Maintain a budget, build cash reserves, and use accounting tools to manage finances effectively.
- **Legal Risk Mitigation:** Ensure legal compliance, use clear contracts, protect intellectual property, and consult legal experts.

**3. 4Ps of Marketing**

The 4Ps of Marketing—Product, Price, Place, and Promotion—form the foundation of any effective marketing strategy. Here's a clear explanation of each, followed by how they are applied according to business needs:

**Product**

- A product is the good or service offered to meet customer needs or solve a problem. It should be designed based on market demand, quality expectations, and unique features.

**Price**

- Price is the amount a customer pays for the product. It must reflect the product's value, market competition, and customer affordability.

**Place**

- Place refers to where and how the product is made available to customers. It includes choosing effective distribution channels like stores, websites, or wholesalers.

**Promotion**

- Promotion includes the methods used to inform and attract customers. This involves advertising, social media, sales offers, or events to boost visibility and sales.



**4. Sample Business Plan**

**Business Idea**

- Start a company called *GreenWrap Solutions* that manufactures and sells biodegradable packaging (bags, boxes, containers) made from natural materials like cornstarch and sugarcane pulp to replace plastic.



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**Market Strategy (4Ps)**

- **Product:** Eco-friendly, customizable packaging.
- **Price:** Affordable rates with discounts for bulk orders.
- **Place:** Sold online and through direct B2B sales.
- **Promotion:** Marketed via social media, eco fairs, and business outreach.
- Startup cost is ₹15,00,000—₹5,00,000 from the founder and ₹10,00,000 through a loan or grant. Expected monthly sales of ₹5,00,000 within two years.

**Risk & Mitigation**

- **Financial Risk:** Mitigated by cost control and marketing to eco-conscious businesses.
- **Legal Risk:** Addressed by complying with environmental laws and packaging standards.



**Assignment**

1. Which type of entrepreneurship is focused on solving social or environmental problems rather than making profits?
  - a) Small Business Entrepreneurship
  - b) Scalable Startup Entrepreneurship
  - c) Social Entrepreneurship
  - d) Large Company Entrepreneurship
2. What is a key feature of micro enterprises?
  - a) Operate internationally
  - b) Employ thousands of people
  - c) Require high capital investment
  - d) Have fewer than 10 employees

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3. Which of the following is a source of external funding for a business?

- a) Personal savings
- b) Loan from a friend
- c) Angel investors
- d) Selling personal belongings

4. In the 4Ps of marketing, what does Place refer to?

- a) The cost of the product
- b) The location of the customer
- c) Where and how the product is made available to customers
- d) The packaging of the product

5. What is a risk mitigation strategy for legal risks in a business?

- a) Ignoring contracts
- b) Avoiding lawyers
- c) Ensuring compliance with laws and protecting intellectual property
- d) Taking bigger loans

