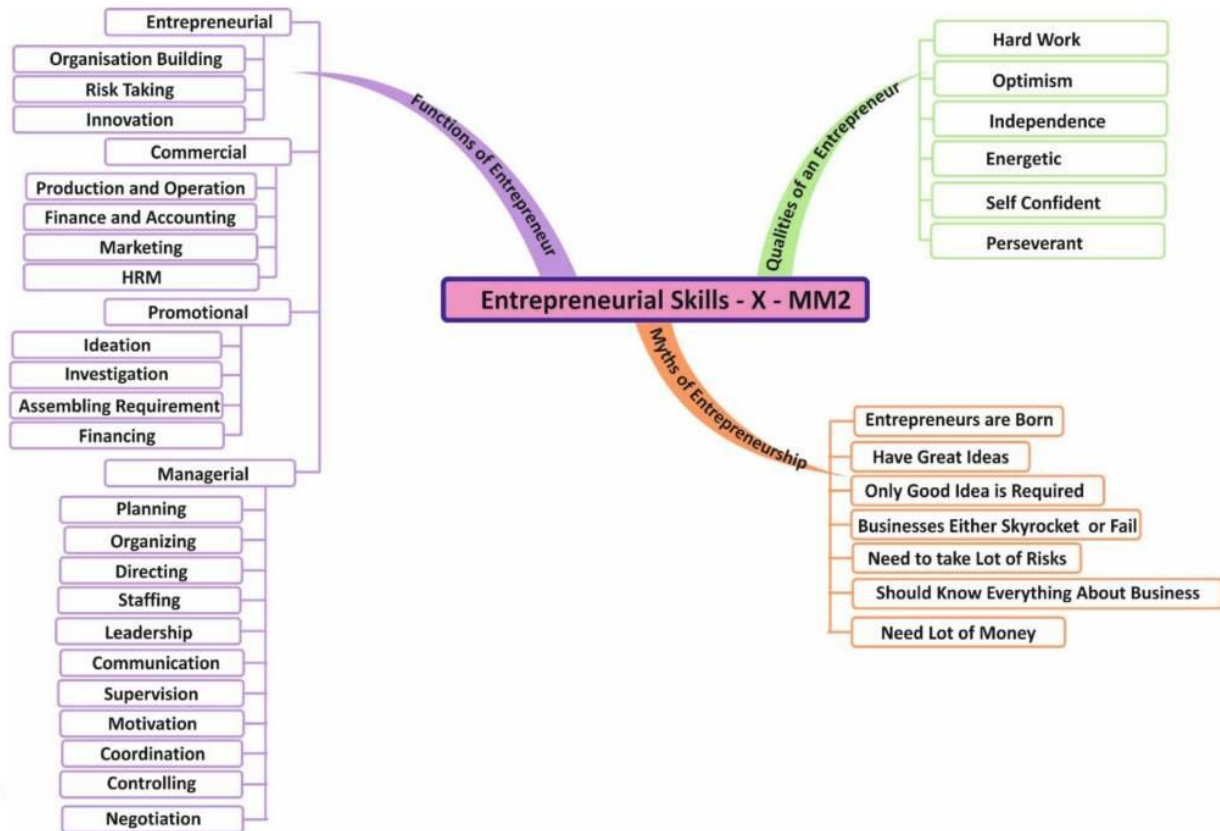


Chapter-4 A.I. - Class 10

Entrepreneurial Skills



Entrepreneurship

An entrepreneur is a person who decides to start their own company based on a concept they have or a product they have developed, taking on the majority of the risks and enjoying the majority of the advantages.

Entrepreneurship and Society

The beauty of entrepreneurship in a society is that when companies grow, their impact grows as well. The society receives goods and

services as a result of entrepreneurial activity. Society then acts as a market for the goods and services offered by the entrepreneur.

Entrepreneurship has some positive impact on society such as:

- Accentuates economic Growth
- Fosters Creativity
- Stimulates Innovation and Efficiency
- Creates Jobs and Employment Opportunities
- Solves the problems of the society
- Encourages welfare of the society

Creates needs and demands

- Provides raw materials
- Enables financial support
- Creates a need for education
- Catalyses policy formation and reform
- Facilitates networking
- Supports infrastructure development

Some common entrepreneurship activities related to society include:

Social Entrepreneurship

The process by which individuals, businesses, and entrepreneurs create and finance solutions that directly address social challenges is known as social entrepreneurship. Therefore, a social entrepreneur is someone who looks into business prospects that benefit their neighbourhood, society, or the entire planet.

Agricultural Entrepreneurship

Agricultural entrepreneurship refers to a farmer's capacity to modify or renounce outdated practises and join new agricultural phases marked by novel challenges: free markets, environmental protection, and digital technologies

Women Entrepreneurship

Women who start their own businesses are individuals who come up with the idea, launch the business, organize and combine the various production aspects, run the firm, take risks, and manage the economic uncertainty that comes with running it.

Small Scale Entrepreneurship

Starting businesses that operate in small- or micro-scale production for example manufacturing, trading, and service provision is referred to as small-scale entrepreneurship. Many developing nations depend on these companies as their economic foundation.

Qualities of an Entrepreneur

Hard work

No entrepreneur can succeed without Hard Working. Successful businesspeople typically put in 60 to 90 hours per week, which is significantly more than the average worker's 40 hours. Entrepreneurs experiment a lot and keep working until they are successful.

Optimism

Entrepreneurs succeed because of their optimism and conviction in their work. Entrepreneurs shouldn't be afraid of or think negatively about difficult circumstances. Being optimistic for an entrepreneur also involves learning from errors and mistakes and coming up with creative solutions.

Independence

Entrepreneurs have the freedom to make their own decisions and are self-assured. Instead of working for someone else, they would prefer to be their own boss.

Entrepreneurs enjoy having the freedom to run their businesses independently.

Energetic

Successful businesspeople always have a lot of drive and energy, which makes them very proactive. They are always acting to carry out things and experiment with various strategies.

Self-confident

Successful entrepreneurs are confident because they have faith in their own abilities, goals, and vision. Entrepreneurs are able to market their idea to all relevant parties by sharing their passion and vision with stakeholders including employees, customers, and investors.

Perseverant

For an entrepreneur, having a mentality that supports accepting failure, learning from mistakes, perseverance, constant experimentation, etc. is essential. As a result, entrepreneurs must be persistent in their efforts.

Functions of an Entrepreneur

Organization Building and Management

Organization building is the process of combining various production elements and arranging these resources to save costs and losses.

The entrepreneur is responsible for making all business-related choices. By taking numerous actions, including securing funding, organising the factors of production, and hiring staff, an entrepreneur grows the business.

Risk taking

Taking a risk is accepting responsibility and making preparations for any losses or mishaps brought on by unforeseen circumstances. Entrepreneurs frequently take risks including their return on investment, employing new staff, interacting with vendors, etc. An entrepreneur performs the role of acquiring a specific appetite for risk and taking calculated chances to minimize negative outcomes.

Innovation

By introducing novel thoughts, ideas, designs, products, services, etc., entrepreneurs innovate. In any area of economic activity, they might

propose something novel and unique. A new firm cannot survive and thrive in today's world without inventing in some way. In an effort to take advantage of a financially valuable opportunity, an entrepreneur innovates.

Promotional functions

Idea Discovery

Finding a company idea is the first step towards becoming an entrepreneur. An entrepreneur develops a company concept and considers how to put it into practise. It involves looking for chances for a certain kind of business and figuring out how to capitalise on them. Entrepreneurs typically avoid the idea generation process by taking advantage of available resources, identifying a market need, or estimating the prospective profit.

Detailed Investigation

The difficulty is determining whether a concept has the potential to develop into a successful business enterprise, even though coming up with ideas may seem like an easy procedure. An entrepreneur does research, investigates, and evaluates a concept while taking into account a variety of elements, and they also estimate the overall demand for a new good or service.

Assembling the Requirements

Infrastructure or office space, personnel, important suppliers or partners, working capital, etc. are a few examples of essential company necessities. In a manufacturing or product-based firm, certain needs include choosing the location for the facility, locating equipment,

hiring people, locating the best suppliers, etc. Regardless of the sort of business, once an entrepreneur is certain in the viability and profitability of the idea, he or she must work toward assembling and organising all the necessary components. The project is ready to begin smoothly once this task has been completed.

Financing

One of the key tasks that entrepreneurs themselves perform is raising cash for their companies, not just in the beginning stages but also as they expand and scale their operations. The first step is to estimate the financial requirements. Next, it is decided where the capital would come from. Calculating the long- and short-term financial requirements as well as taking the debt-to-equity ratio into account are part of this process.

Managerial functions

Planning

An entrepreneur records a business idea in the form of a business plan to cover every aspect of the company, including the description of the product or service, operations, marketing, finance, accounting, and growth strategy. A business plan acts as a roadmap for deciding on the goals and strategy for the company. It is useful to specify the “what, when, how, and who” of carrying out each particular task.

Organizing

Organizing in the managerial context refers to setting specific and attainable goals and objectives to be achieved by different departments and by each employee.

Directing

Taking planned action and monitoring each employee's performance are two key aspects of directing. Additionally, this entails doing ongoing performance evaluations and planning duties.

Staffing

Human resource management procedures such as manpower planning, hiring, placement, training, transferring, pay, promotion, payroll, and appraisals are all included in the term "staffing." The goal of staffing is to fill a specific position at the appropriate moment with the best candidate.

Leadership

An entrepreneur acts as a leader by directing, influencing, and guiding the work of others to achieve particular objectives. In order to ensure that both the person and the organisation are satisfied, the entrepreneur works as a mediator.

Communication

The ability to communicate between two or more people allows for the exchange of knowledge, information, feelings, and other emotions. Every single day, an entrepreneur must communicate through writing, responding to emails, composing them, giving verbal instructions, having discussions, etc.

Supervision

In order to ensure that tasks are carried out correctly, supervision is a important ability. An entrepreneur may assign duties and issue directives, but it's essential to ensure that these directives are effectively carried out.

Motivation

An entrepreneur not only mentors staff members but also motivates them and promotes a healthy work environment and culture. Creating a desire for employees to display desired behaviour and a positive attitude about work is the goal of motivating them.

Co-ordination

Work is more likely to be completed on schedule and it is only possible when there is co-ordination between employees. The pursuit of goals must guide the actions of every employee. To make sure all employees are collaborating and working successfully inside the organization, an entrepreneur must establish specific targets, metrics, goals, etc. for each one.

Controlling

Sometimes controlling is necessary for the entrepreneur to set company rules and policies. Controlling function helps the entrepreneur to set performance standards.

Negotiation

An entrepreneur sets terms and conditions for a variety of business-related issues, including payment deadlines and terms, employee compensation, vendor quotes, etc.

Commercial Functions

Production and Operations

Depending on whether it is a service business or product business, an entrepreneur has to perform the function of managing production or operations.

Finance and Accounting

Accounting aids in documenting and analysing the financial state of the organisation, whereas finance is more concerned with obtaining and managing capital. Thus, an entrepreneur must create and analyse cash flow statements, income statements, balance sheets, and other financial documents.

Marketing

Moving a good or service from the manufacturer to the consumer or user is a part of marketing. Marketing involves product distribution and customer service. This task must be completed by an entrepreneur in order to generate interest in the company's products and increase sales.

Human Resource Management

The term "human resource management" (HRM) relates to the recruiting, screening, training, career development, and compensation of personnel inside a company. This task is carried out by an entrepreneur because no business can run without employees.

Role of Entrepreneurs

Innovator's Role

Entrepreneurs innovate by introducing unique and new goods and services to the marketplace. Many times, these are enhanced versions of already-available goods or services.

Agent's role

In identifying possibilities, resolving issues, providing practical answers, establishing businesses, establishing industries, and bringing about positive change for the economy, entrepreneurs function as "Agents of Change."

Coordinating role

An entrepreneur manages a wide range of activities, including the management of production elements, the delegation of responsibilities, the efficient operation of several corporate divisions, the timely supply of inputs and outputs, etc.

Risk assumption role

Entrepreneurs don't have a fear of taking chances and understand that it's necessary for business success. Profits, which increase wealth for the economy as a whole, can be the result of taking risks.

Capital formation role

When money is invested in a firm, idle savings are mobilised. The development of assets, commercial operations, an increase in the amount of capital available, and economic growth are all influenced by this capital mobilisation.

Imitating role

Entrepreneurs sometimes copy or adapt the ideas of developed nations in underdeveloped countries. These inventions help to overcome the difficulties faced by entrepreneurs.

Employment Generation role

Without employees, businesses cannot operate. Businesses need managerial employees, unskilled labour, and skilled experts. Therefore, entrepreneurship provides a solution to the unemployment issue, which is a significant barrier to economic growth.

Status transformation role

The number of individuals employed by entrepreneurs is growing, raising the nation's overall income and standard of living. As a result, the economy's income inequality is diminished and wealth is distributed more fairly.

Balancing role

Small, micro, and small-scale businesses and sectors all support entrepreneurship. As a result, regional development is promoted and economic development disparities are eliminated.

Importance of Entrepreneurs

Free market evolution

In a free market, business owners can adapt to shifting demand, prices, and client preferences. Entrepreneurs affect markets, trends, and technology. For instance, business owners have established firms that provide a variety of home delivery services, including those for groceries, restaurant cuisine, clothing, accessories, and other items.

Efficiency improvements

Entrepreneurs frequently improve their own efficiency in a well-established company. They greatly contribute to the progress of an industry by introducing new technology and innovating with existing ones. As a result, when the economy undergoes significant change, business owners adjust and avoid going out of business.

New markets

Entrepreneurs frequently have the ability to “redefine the rules” of an existing market. They achieve this by establishing new markets for already-existing items and making minor innovations to cater to the requirements of a new target market.

New values

Entrepreneurs occasionally put ethics before money, offering a more morally sound product to the public while being open and honest about it.

Myths of Entrepreneurship

Entrepreneurs are born a certain way

It is a common misconception that only those with particular special talents may succeed as entrepreneurs. This is a misconception, because research has shown that practically anyone with the correct aptitude, motivation, and enthusiasm can succeed as an entrepreneur.

Great ideas are what makes entrepreneurs

A simple idea has no real or useful value, in reality. Entrepreneurs are those who can carry out a concept and make it into a profitable business. Entrepreneurs don't always create something from scratch. They frequently adapt already-existing concepts to create new businesses.

Entrepreneurs have to take a lot of risk

Entrepreneurs must undoubtedly take some chances, but they don't always put themselves in high-risk positions. Entrepreneurs consider the potential rewards and risks before taking action.

Businesses either skyrocket or fail

It is simple to embrace an all-or-nothing mindset towards entrepreneurship, despite the fact that only a small number of start-ups rise and receive all the media attention. Many enterprises are run with patience and strategy with an emphasis on self-sustenance and slow expansion, even if many projects succeed and many fail.

A lot of money is required to start any business

While a certain amount of capital is necessary to launch a business, the exact amount depends on the type of firm. Starting with what you have on hand and expanding gradually and methodically is the key to entrepreneurship. Lack of resources need not be a reason to be afraid of or discourage someone from starting their own business.

One must know everything before starting a business

Entrepreneurs prosper when they are constantly learning new things. In the quickly evolving world of today, it can be advantageous to be young and even naive because business demands a lot of energy, ingenuity, and the willingness to step outside of your comfort zone. What matters most is how quickly you can learn, not what you already know.

Entrepreneurship as a Career – Why Entrepreneurship for You?

Nurtures development of entrepreneurial skills and capabilities

Entrepreneurship cultivates unique skills and encourages outside the box thinking. It instils confidence, creates opportunity, offers solutions and stimulates the economy. Entrepreneurship education provides with the skills and knowledge to come up with business ideas and develop ventures.

Enables application of an entrepreneurial mindset

The entrepreneurial mindset and abilities are useful in all professions, not only starting your own business. Even today's most in-demand employability skills are essentially entrepreneurial ones. In reality, one would be an ideal candidate in most professions if they had an entrepreneurial mindset and a broad variety of business-relevant abilities acquired via studying entrepreneurship.

Develops the ability to handle failure and ambiguity

Failure has been viewed as something intolerably horrible in Indian culture since childhood. Learning through failure, though, is a crucial component of the entrepreneurial learning process. Therefore, going through this process aids in learning from errors, viewing failure favourably, and maintaining motivation to work toward the desired outcome.

Enhances critical thinking and problem-solving ability

The ability to think critically and solve problems is essential to succeed in the world of business. The focus of learning is not on these aspects during our school years. Learning entrepreneurship exposes one to numerous opportunities that force one to think critically, analyze all alternatives and consider possible solutions.

Provides early exposure to the real world

Ultimately, working professionally in the real world requires one to collaborate, think creatively and demonstrate proficiency. In most cases, real life exposure during educational years remains limited. Entrepreneurship practice at an early stage in one's career encourages activities such as going out and interacting with customers, creating tangible concepts and ideas, preparing detailed documents, working with investors etc., which gives great exposure and knowledge about the trends and needs of the real world.

Inspires to think about one's career differently

Many students don't even think of trying to work on company concepts, taking on entrepreneurial endeavours, taking the initiative to make a difference in society, etc. As a result, individuals frequently follow a particular path in thinking about their career, from high school graduation to college to job searching.

Leads to creating difference in society

Entrepreneurs have an impact on society economically as well as by understanding and resolving the real needs and issues of the population. Finding problems that need to be solved, coming up with

a solution, and ultimately improving the world are all encouraged by learning entrepreneurship.

1. Successful entrepreneurs have the _____ abilities.

- a. They are confident
- b. They keep trying new ideas
- c. They are creative
- d. All of the above

Answer ←

- d. All of the above

2. An _____ is a person who is self – employed, is willing to take a calculated risk and brings in a new idea to start a business.

- a. Software Engineer
- b. Entrepreneur
- c. Civil Engineer
- d. Mechanical Engineer

Answer ←

- . Entrepreneur

3. The process of developing a business plan, launching and running a business using innovation to meet customer needs and to make a profit is _____.

- a. Software Engineer
- b. Entrepreneur
- c. Civil Engineer
- d. Mechanical Engineer

Answer ←

- . Entrepreneur

4. A self employed person who is always trying to make his/her business better by taking risks and trying new ideas is an _____.

- a. Business Man
- b. Entrepreneur
- c. Employer
- d. None of the above

Answer ←

. Entrepreneur

5. What do entrepreneurs do when she/he runs their business?

- a. Fulfill Customer Needs
- b. Use Local Materials
- c. Create Jobs
- d. All of the above

Answer ←

d. All of the above

6. What are the qualities of successful entrepreneurs?

- a. Fulfill customer needs
- b. Use Local Materials & lower price of product
- c. Help Society
- d. All of the above

Answer ←

d. All of the above

7. Business is a type of economic activity that involves the constant and regular production and distribution of _____ and _____ to meet human needs.

- a. Purchase, Sells
- b. Goods, Services
- c. Service, Payment
- d. Service, Money

Answer ←

b. Goods, Services

8. What are the qualities of an Entrepreneur?

- a. You must believe in yourself.
- b. Be patient because I know success will come soon
- c. Be creative and problem solving
- d. All of the above

Answer ←

d. All of the above

9. There are various natural resources present around us _____ . Entrepreneurs keep working to find the most optimal ways of using the resources to reduce costs and increase their profits.

- a. Renewable
- b. Non-renewable
- c. Both a) and b)
- d. None of the above

Answer ←

Both a) and b)

10. It is important for an entrepreneur to be _____ in running a business.

- a. Patient
- b. New Idea
- c. Both a) and b)
- d. None of the above

Answer ←

Both a) and b)

11. When a person begins a business, he or she may encounter several challenges and failures. Even while taking a significant

risk, an entrepreneur must think _____.

- a. Positively
- b. Negatively
- c. Both a) and b)
- d. None of the above

Answer ←

- a. Positively

12. There may be losses at times but even then an entrepreneur should stay _____ and continue to work hard towards their goal.

- a. Positively
- b. Negatively
- c. Both a) and b)
- d. None of the above

Answer ←

- a. Positively

13. The ability to handle take risks is a _____

- a. Quality of Entrepreneur
- b. Role of Entrepreneur
- c. Characteristics of Entrepreneurship
- d. None of the above

Answer ←

- c. Characteristics of Entrepreneurship

14. It is necessary for an entrepreneur to continuously _____ towards his/her own and company's goals.

- a. Work Hard
- b. Always take rest
- c. Not participate actively
- d. None of the above

Answer ←

a. Work Hard

15. Entrepreneurs need to be open to _____ and try them without fear of failure.

a. Invest all of money

b. New Ideas

c. Both a) and b)

d. None of the above

Answer ←

b. New Ideas

16. Qualities of entrepreneurs are

a. Never giving up

b. Hard working

c. Perseverance

d. All of the above

Answer ←

d. All of the above

17. Experimenting with many ideas is a quality related to _____.

a. Perseverance

b. Confidence

c. Creativity

d. Trial and error

Answer ←

d. Trial and error

18. Entrepreneur's creativity and innovation quality are related to _____

a. Positive

b. Patience

- c. Solution
- d. Hard Working

Answer ←

- c. Solution

19. An entrepreneur should be able to see a problem from different perspectives and come up with original and_____.

- a. Creative Solutions
- b. New Ideas
- c. Both a) and b)
- d. None of the above

Answer ←

- c. Both a) and b)

20. An entrepreneur should be willing to take a _____ and is always open to new ideas to make his/her business grow.

- a. Satisfying human need
- b. Product and Service
- c. Calculated Risk
- d. Regular Production

Answer ←

- c. Calculated Risk

21. A person who does not take risks, is not open to new ideas and is running the business only to earn a steady source of income is not _____.

- a. An Entrepreneur
- b. A Businessman
- c. Both a) and b)
- d. None of the above

Answer ←

a. An Entrepreneur

22. Ravi's customer comes to his store and starts shouting at him. He does not get angry. He listens to what his customer is saying.

He is _____.

a. Hardworking

b. Confident

c. Patient

d. Prying new ideas

Answer ←

c. Patient

23. Susheela decides to sell her company tyres in Sri Lanka. It does not sell and she has a loss. She apologizes to the people who work for her. She says she will plan better next time. She

_____.

a. takes responsibility for your mistakes

b. thinks before making a decision

c. does not give up

d. is creative

Answer ←

a. takes responsibility for your mistakes

26. Taking risks can lead to failure but failure is _____ and entrepreneurs continue their course of action till they succeed.

a. Acceptable

b. Not Acceptable

c. Success

d. None of the above

Answer ←

a. Acceptable

27. Why did the entrepreneur business fail?

- a. Was he/she selling low quality goods/services?
- b. Was he/she selling products not required in the neighborhood
- c. What was the risk he/she had taken
- d. All of the above

Answer ←

- d. All of the above

28. Wage workers does not involve too much in the _____

- a. Salary
- b. Innovation
- c. Risk
- d. Opportunity

Answer ←

- c. Risk

1. What qualities are required for successful entrepreneurs?

Answer – Successful entrepreneurs have the following qualities.

They are confident, They believe in themselves and their abilities.

- b. They keep trying new ideas in their business
- c. They are creative and think differently about business ideas.
- d. They do not give up when they face difficulty.
- e. They make decisions after thinking about them.
- f. They are patient

g. They take responsibility for their actions

h. They work hard

2. What do entrepreneurs do when they run their business?

Answer –

a. **Fulfill Customer Needs** – A product or service that people want is referred to as demand. Entrepreneurs discover what people desire. Then students use their imaginations to come up with a business plan to address that demand.

b. **Use Local Materials** – Entrepreneurs produce low-cost items by using the materials and people available to them.

c. **Help Society** – Entrepreneurs have a good interaction with the general public. They gain money by doing things that help society. Some business people donate money to create schools and clinics, while others work to save the environment.

d. **Create Jobs** – They buy more material, and from more people. They also hire more people to work for them. In this way, more people have jobs.

e. **Sharing of Wealth** – Wealth means having enough money to live a comfortable life. As entrepreneurs grow their business.

f. **Lower Price of Products** – The price of a product decreases when more entrepreneurs sell the same thing. In India, for example, as more mobile phones were sold, the cost of the phone decreased.

3. Qualities of an Entrepreneur?

Answer – Qualities of entrepreneur are –

- a. I believe in myself and what I can do. I am confident.
- b. I think of different ways to solve a problem. I am creative.
- c. I work hard on every task.
- d. Problems take time to get solved. I am patient about solving them.
- e. I take responsibility for my actions and mistakes.
- f. I do not give up when I face a problem.
- g. I keep trying new ideas.
- h. I think before I make a decision.

4. What are the misconceptions of Entrepreneurship?

Answer – Misconceptions of Entrepreneurship are –

- a. It is a common misconception that every company idea must be unique or exceptional.
- b. A person needs a lot of money to start a business.
- c. Entrepreneurs are born, not made.
- d. A person having a big business is an entrepreneur.

5. What is wage employment?

Answer – Wage management is based on work grades and performance parameters. Wage management's goal is to take reward and give high performance standards in the business.

The wage management does not take too much risk but entrepreneurs have to take risks.

6. Difference between Self employment & Wage employment?

Answer – There are two ways a person can earn a living.

a. Self Employment – An entrepreneur is a self-employed individual who runs a business to meet a need by experimenting with new ideas.

i. Enter – When an entrepreneur first starts business, they are simply getting their feet wet in the business world.

ii. Survive – There are a lot of entrepreneurs around nowadays. In a competitive market, the entrepreneur must remain competitive.

iii. Grow – An entrepreneur considers growing his or her business once it has reached a certain level of stability.

b. Wage Employment – Wage management is based on work grades and performance parameters. Wage management's goal is to take reward and give high performance standards in the business.

1. What is Entrepreneurship?

Answer – An entrepreneur is a person who creates a new business, takes risks, brings new ideas to start a business and is self employed.

2. What are the different ideas entrepreneurs add?

Answer – New ideas with which an entrepreneur adds varieties of product, new services, cost reduction ideas, or new marketing techniques.

3. Characteristics of Entrepreneurs?

Answer – Adaptable and flexible to achieve the goals of enhancing quality and customer satisfaction

1. Believe in hard work
2. Ability to take up risks
3. Money Management
4. Knowledge of the product and services and their need or demand in the market
5. Effective planning and execution
6. Financial literacy