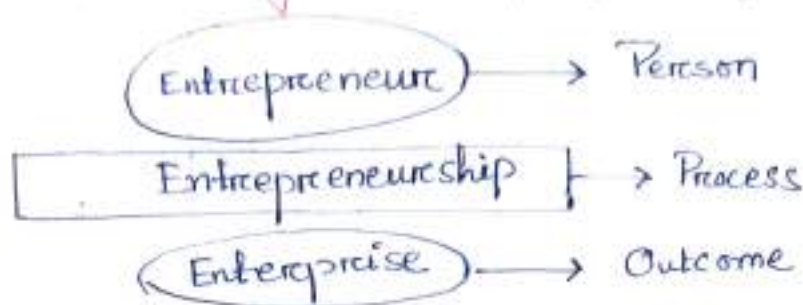


Chapter 1 ENTREPRENEURSHIP

1.1 Concept / Meaning of Entrepreneurship



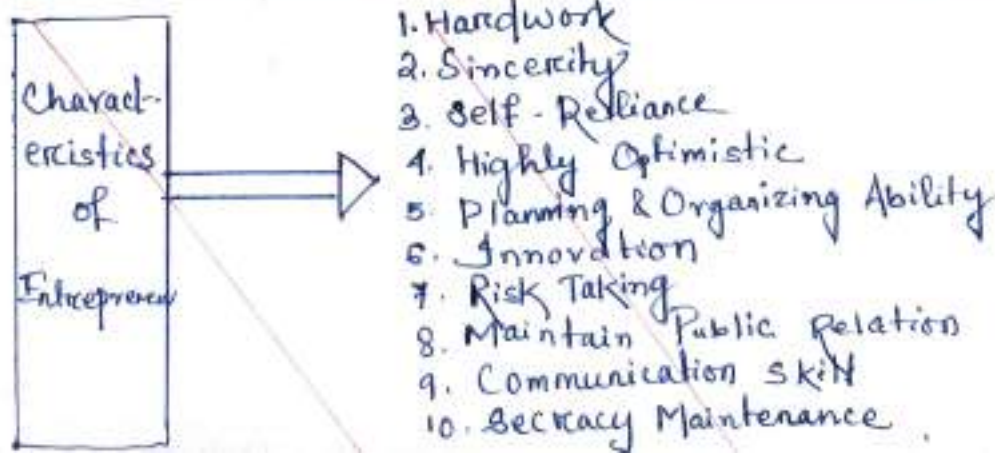
Entrepreneurship is the process of designing, launching & running a new business, which is often a small business.

The people who create these businesses are called Entrepreneurs.

1.2 Need of Entrepreneurship



1.3 Characteristics, Qualities & Types of Entrepreneur, Functions



Characteristics and
Self Confidence

Qualities

1. Confidence
2. Independence
3. Individuality
4. Optimism
5. Need for achievement
6. Profit-oriented
7. Persistent
8. Perseverance
9. Hard work
10. Drive
11. Energy
12. Determination
13. Initiative

Task Or Result Oriented

14. Risk Taking Ability
15. Like challenges
16. Leadership behavior
17. Gets along well with others
18. Responsive to suggestions & criticisms

Risk Takers

Leadership

Originality

19. Innovative
20. Creative
21. Flexible
22. Resourceful
23. Versatile
24. Knowledge
25. Foresight
26. Perceptive

Future Oriented

Types of Entrepreneurs

Based on Attitude

1. Innovative
2. Imitative
3. Fabian
4. Drone

Based on Profit

1. Large Company
2. Startup/Startup
3. Social Entrepreneur
4. Small Business

Based on Personality

1. Improver/Techie
2. Advisor/Professional
3. Artist/Creative
4. Supervisor/Charismatic

Innovative Entrepreneurs

In developed country

Who introduces new goods

→ Inaugurates new method of production

→ Discovers new market

→ Recognize & re-organize the enterprise

Imitative Entrepreneurs

Who tries to copy the innovations made by innovative entrepreneurs

→ Under-developed country

→ Adaptive & more flexible

Fabian Entrepreneurs

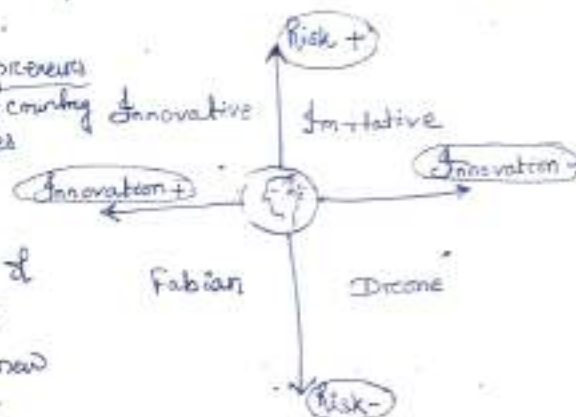
Who → Very shy & lazy

→ Very cautious

→ Don't take risk

→ Rigid & fundamental in their approach

→ Follow the foot steps of their predecessors



Done Entrepreneurs

- Conventional in their approach
- Refuse to copy or use opportunities that come their way
- Not ready to make changes in their production methods even if suffer losses.
- They resist changes

Large Company

→ More focused on profit

→ Growing traditional-style cooperation for own & shareholder's benefits

Scaleup/Start up

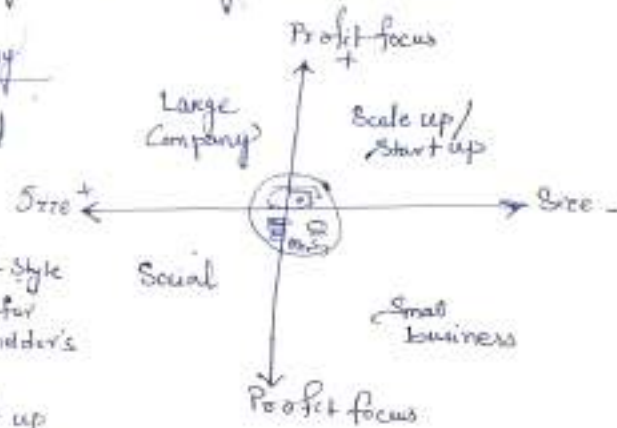
- new wave of entrepreneurship
- Mostly technology dependent
- Flexible lean approach
- Going small & swift to success for own & their team

Social Entrepreneur

→ Focus on developing products or services aiming to solve social problems rather than profit.

Small Business

- Goal to create personal income & size is fairly small
- ex: new grocery store
ice cream stand



Improver/Technic

→ Wants to make the world a better place with higher vision

Technical Skill

→ Has good Tech. Skill but skills are focused on certain areas

Advisor/Professional

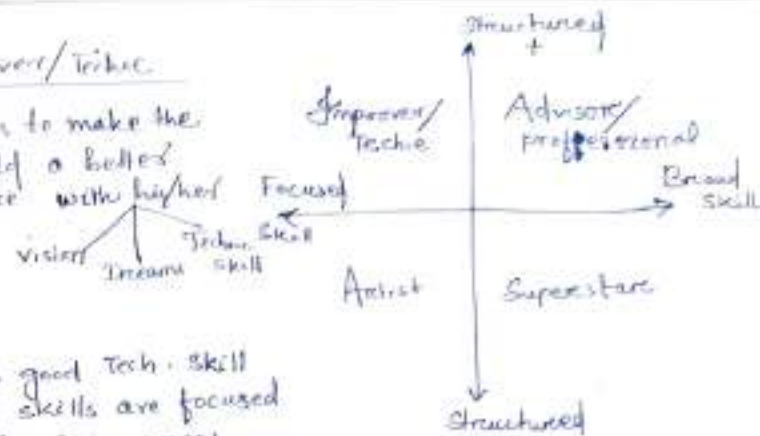
- Established individual with a broad set of skills & experience in life & business
- Highly structured wide focus of approach, Traditional

Artist/Creative

- Innovative approach (not structured or traditional) to solve problems.
- Interested in how creative & unique the solution is & focuses his/hers skills towards achieving that goal

Supercstar/Charismatic

- Highly influential
- has great people skills
- highly charismatic (special traits that attract people) without the proper skills
- Doesn't have necessary skills & structured methods towards building a start-up.
- Can sell an idea & concept very well that others are triggered to follow.



Functions of Entrepreneurs

Promotional Function

1. Discovery of idea
2. Determining business perspectives
3. Detailed investigation
4. Choice of form of enterprise
5. Fulfilment of the formalities
6. Fulfilment of preparation of business plan
7. Mobilisation of funds
8. Procurement

Managerial Function

1. Planning
2. Organising
3. Directing
4. Controlling
5. Co-ordination

Commercial Function

1. Production/Manufacturing
2. Marketing
3. Accounting
4. Finance
5. Human Resource Management (HRM)

1.4 Barriers in Entrepreneurship

1. Environmental Barriers

- 1 - Non-availability of raw materials
 - 2 - Lack of skilled labor
 - 3 - Lack of good machinery
 - 4 - Lack of Infrastructure
 - 5 - Lack of fund
- = ~~Other environmental barriers.~~

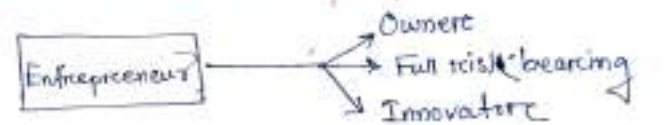
2. Personal Barriers

- 1 - Unwilling to invest money
- 2 - Lack of confidence
- 3 - Lack of Motivation
- 4 - Lack of Patience
- 5 - Inability to Dream

3. Social Barriers

- 1 - Low status
- 2 - Custom & tradition of people

1.5 Entrepreneurs Vs. Managers



1. **Defⁿ** Entrepreneur refers to a person who creates an enterprise by taking financial risk in order to get profit

2. **Focus** Business Startup

3. **Primary motivation** Achievement

4. **Approach to work** Informal

5. **Status** Owner

6. **Reward reception making** Profit

7. **Driving force** Intuitive

8. **Risk orientation** Creativity & Innovations

9. **Risk orientation** Risk taker

Manager is an individual who takes the responsibility of controlling & administering the organization

Ongoing operations

Powered

Formal

Employee

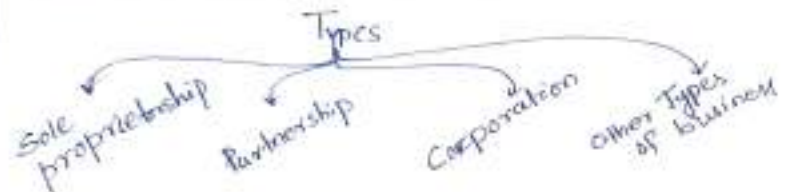
Salary

Calculative

Preserving status quo

Risk averse

1.6 Forms of Business Ownership Sole proprietorship, Partnership, Franchise & others



Sole Proprietorship

A business owned & operated by 1 person.

- Adv:
- 1) Easy to start the business
 - 2) Owner makes all of the decisions
 - 3) Owner gets to keep all of the profits
 - 4) Owner is his/hers own loss

- Disadv:
- 1) Owner is liable for all debts (money and assets (property))
 - 2) Owner must work long hours
 - 3) Difficult to raise capital to start the business
 - 4) If owner becomes ill or dies, the business ends
 - 5) Risk of losing money is not shared by anyone but the owner

Partnership

A business owned & operated by two or more people.

- Adv:
- 1) Fairly easy to start the business
 - 2) More ways to raise capital
 - 3) More skills are available (more than 1 owner)
 - 4) Shared decision-making (the partners)

- Disadv:
- 1) Each partner is liable for business debts.
 - 2) Conflicts can arise in decision making
 - 3) Profits are shared.

Corporation

A business owned by a number of people & operated under written permission from the state in which it is located, i.e. certificate of incorporation.

Franchise

Individual business people buy & operate a business that already exists. A certain % of sales or profits go back to the original franchise corporation.

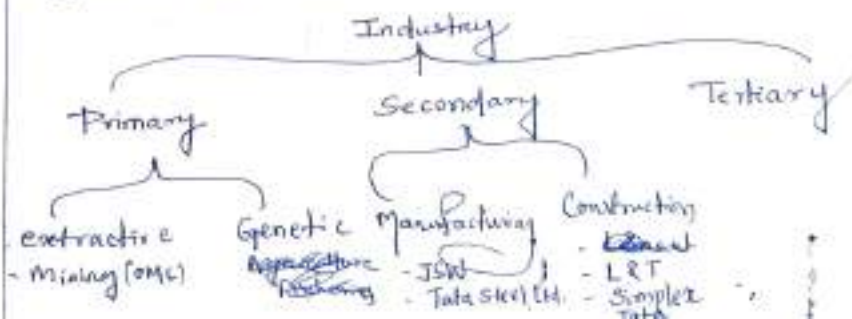
- Ex:
- McDonalds
 - Subway
 - Starbucks

1.7 Types of Industries, Concept of Start-up

A start up is a "young company" that just begins to develop.

- ~~Start~~ Initially small
- funded & operated by handful founders who own individual
 - High failure rates for inferior managers
- offers product or services not available elsewhere in market
 - Potential investors not eager to finance or invest money fear of loss.

Industry is the organized action of making of goods & services for sale.



Primary

- 1) Takes natural resources from earth & Ocean
- 2) Ex: Mining
Forestry
Fishing
Agriculture

Secondary (Manufacturing)

- 1) Makes products using the natural resources
- 2) Ex: Construction
Factories
Processing plants

Tertiary (Service)

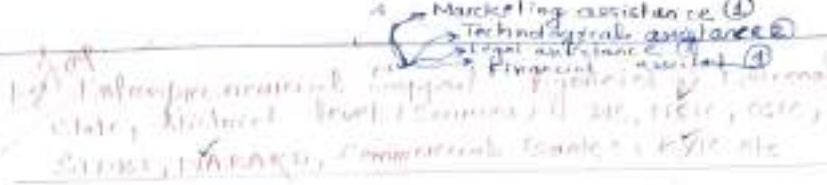
- 1) Provides a service
- 2) Ex: Restaurants
Hospitals
Supermarkets
Education
Emergency Services

Extractive Industries

- These are concerned with drawing out products from natural resources & the product used for producing finished goods
- They generally supply basic raw material
Ex: ⓐ Mining
ⓑ Farming

Genetic Industries

- These are concerned with activities like
ⓐ Reproduction, breeding
ⓑ Multiplication of plants & animals
Ex: ⓐ Dairy farming & cattle breeding
ⓑ Animal husbandry
ⓐ Poultry farming
ⓑ Fish Culture



DIC - DISTRICT INDUSTRIES CENTRE

(Programme was started by the Central govt in May 1977)

Objective

- Promoting small, tiny, Cottage & village industries in a particular area & to make available to them all necessary services & facilities at one place.

- The finance for setting up DICs in a state are contributed equally by the particular state & central govt.

- (i) Helps entrepreneurs
 - In obtaining licences from - Electricity Board
 - Water Supply Board
 - No objection certificate
 - To procure imported machinery & raw materials.

(ii) Prepare the Industrial profile of the district w.r.t. statistics & information about existing industrial units in the district in

- ↳ Large
- ↳ Medium
- ↳ Small
- ↳ Co-operative sector

NSIC - NATIONAL SMALL INDUSTRIES CORPORATION

(It is an ISO 9001:2015 certified Govt of India Enterprise under ministry of MSME Head office - New Delhi)

(i) NSIC works to

- ↳ Promote
- ↳ aid
- ↳ foster

the growth of micro, small & medium enterprises in the country

(ii) It works countrywide by

- ↳ network of offices
- ↳ Technical centres

(iii) It sets up

- ↳ Training cum incubation centre
- ↳ managed by professional manpower

Objective : "To promote & support micro, small & medium enterprises (MSMEs) sector" by providing integrated support in

- ↳ marketing
- ↳ Technology
- ↳ Finance

OSIC - ODISHA SMALL INDUSTRIES CORPORATION
 (Established by Govt of Odisha April, 1972)

- (i) To $\left\{ \begin{array}{l} \text{aid} \\ \text{assist} \\ \text{promote} \end{array} \right.$ the MSMEs of the state
- (ii) Provide $\left\{ \begin{array}{l} \text{quality raw material to MSME sector} \\ \text{Provide Marketing assistance to MSME} \\ \text{Create common brand name with quality assurance} \end{array} \right.$

SIDBI - SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Developed on 2 April 1990
 Under the act of Indian Parliament.

SIDBI - Small Industries development Bank of India is a \rightarrow principal financial institute for $\left\{ \begin{array}{l} \text{Promotion} \\ \text{financing} \\ \text{Development} \end{array} \right.$ of micro, small enterprise sector.

\rightarrow The business domain of SIDBI consists of MSME (Micro, Small & Medium Enterprises) which contributes significantly to the national economy in terms of Production & employment & exports.

\pm MSME \rightarrow An important pillar of Indian economy as it contributes greatly to the growth of Indian economy.

NABARD - NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT

Established on \rightarrow 12 July, 1982
 Type \rightarrow Regulatory body $\left\{ \begin{array}{l} \text{state/Co-operative Bank} \\ \text{Regional Rural Bank} \\ \text{District Central Bank} \end{array} \right.$
 Owner \rightarrow Ministry of finance, Govt. of India
 Headquarter \rightarrow Mumbai, India
 Purpose \rightarrow $\left\{ \begin{array}{l} 1. \text{Agriculture development} \\ 2. \text{Rural development} \\ 3. \text{Credit Planning} \\ 4. \text{Regulation of regional rural Bank} \end{array} \right.$

COMMERCIAL BANKS (Borrowed Loans)

- Provides loans to organisations for different purposes & diff. periods to either $\left\{ \begin{array}{l} \text{cash credit} \\ \text{overdrafts} \\ \text{term loans} \\ \text{discounting of bills} \end{array} \right.$ ex: Business Man & MV
- Firms of all sizes can approach commercial banks for loans

<p><u>Merit</u></p> <ul style="list-style-type: none"> - Provide funds to firms "as & when" reqd - Keep borrower info Confidential - Flexible - No formalities 	<p><u>Demerit</u></p> <ul style="list-style-type: none"> - Funds available short period - Banks make detailed investigation $\left\{ \begin{array}{l} \text{comp} \\ \text{costly} \\ \text{time} \end{array} \right.$ before issuing loan - Bank may put restrictions & difficult terms & conditions before providing loan
--	---

KVIC - KHADI & VILLAGE INDUSTRIES COMMISSION

Established → 1957

Focused on → Improvement of Khadi & Village Industries
+
Improvement of rural employment opportunities.

Functions → (i) Training (ex: stitching)
(ii) Procurement of raw material (machine)
(iii) Marketing of finished product
(iv) Arrangement of manufacturing tools
(v) Arrangement of machineries.

Use → Local Resources
man → things

1.7 Technology Business Incubator (TBI)

(STEP) Science & Technology Entrepreneur Park

TBI is an "Organization set-up" that nurtures "technology based & knowledge driven" company by helping
↳ Survive during the startup period
↳ It covers initial 2 to 3 years

- Incubation is a business support process
- TBIs are a venture of universities, public research institutes, local govt. & private players to "promote & bolster a new technology intensive enterprise."
- It fosters innovative start-ups

ex: IIT-TBI
TBI ~~is~~ NIT Calicut

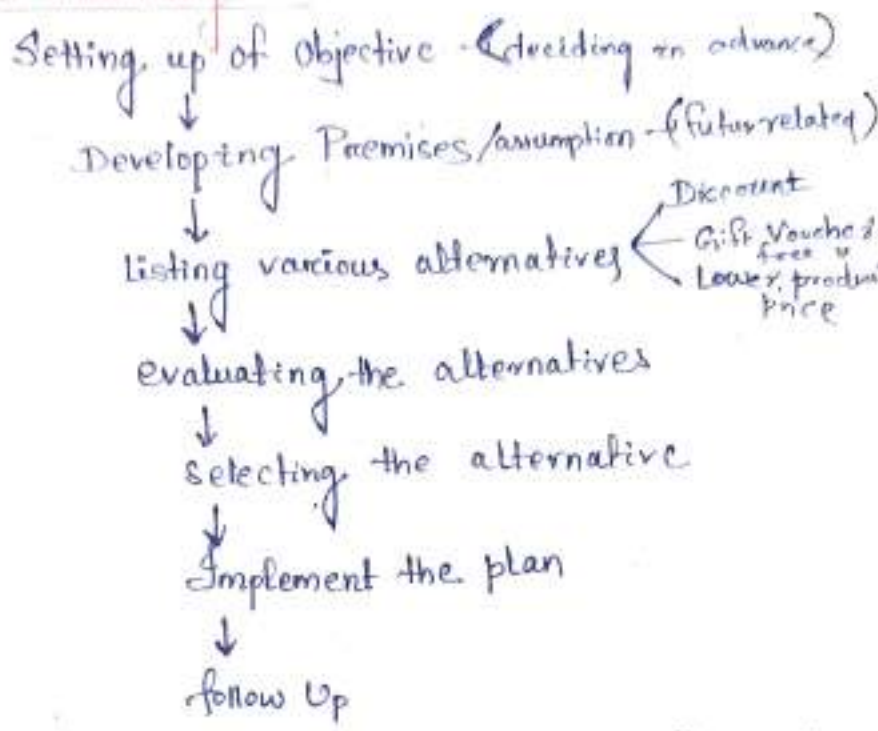
STEPs

- STEP is autonomous body
- It creates necessary climate for
↳ innovation
↳ information exchange
↳ opening new avenues
- Non-profitable Organization
- Objective
↳ close linkage between institute
↳ promote entrepreneurship among sc & tech
↳ Provide R&D support (research & development)



Chapter 2 Market Survey & Opportunity Identification

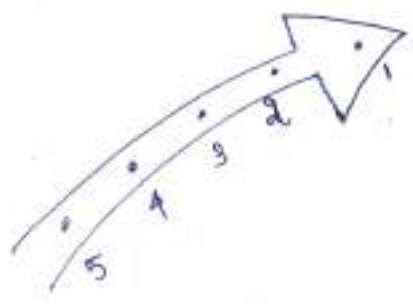
2.1 Business Planning



B-Plan

A business plan is a ^{written} "document" that defines in detail a company's objectives & how it plans to achieve its goals.

Blue-print / Roadmap → business idea to business venture



- stages
- 1 - capital structuring or valuation
 - 2 - Risk Analysis
 - 3 - sales & cost projection
 - 4 - strategy & business model formulation
 - 5 - Market Research (Competitor)
 - 6 - feasibility

Small Business

SSI - Small Scale Industry

old def'n

Enterprise which employs not more than

- ≤ 50 Persons
asset upto 50 lakh
- ≤ 100 Persons
asset upto 100 lakh
only labour

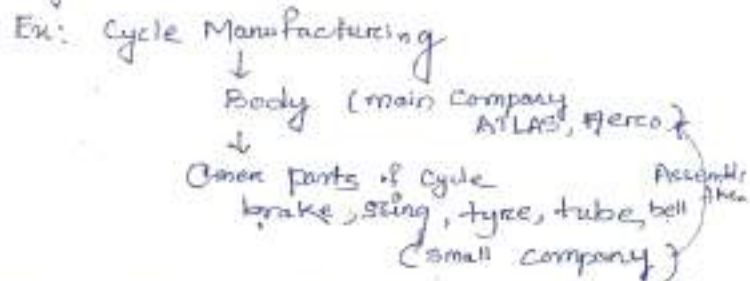
Condⁿ: Capital asset ≤ 5 lakh

New Defn

Govt of India describes small industries on basis of investment in plant & machinery

Business Type	Manufacturing Unit	Service Providers
① Micro enterprise	< 25 lakh	< 10 lakh
② Small enterprise	25 lakh - 5 crore	10 lakh - 2 crore
③ Medium enterprise	5 crore - 10 crore	2 crore - 5 crore

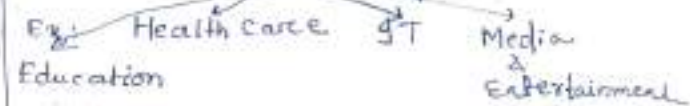
Ancillary Units & Tiny Units



→ An ancillary unit is the unit which supplies minimum 50% of its production to another parent unit & having investment in plant/machinery \geq 5 crore

→ A tiny unit is the business enterprise whose investment in plant & machinery \geq 25 lakh

Service Sector Unit / Tertiary Unit



- The service sector unit refers to the industry producing intangible goods, the services as output
- Largest & fastest growing sector
- It dominates Indian economy

Time Schedule Plan

Ex: Business Project Time Table as of March 2014

Projectwork Streams	Apr-2014	Jul-2014	Oct-2014	Jan-2015
Structure				
Strategy				
Proposal				
Client dating				

Project Implementing Agency (PIA)

- Reduce Time & Cost Over-run
- Successfully project completion

Ex:

① Apollo Medskills Ltd.	PIA
② BMC	SIA
③ R&B	

Govt Ex: PMGDISHA
Digital India
CSC - e-Governance Services India Ltd.
Ministry of Electronics & Information Technology

SIA → Govt Appoint SIA to ensure the smooth implementation of scheme.

Odisha - Odisha Computer Application Center (OCAC)

Mizoram - ZENICS

UP - U.P. Electronics Corporation Ltd UPLE

Telangana - Andhra Pradesh - } Electronic Service delivery (MeeSeva)

Assessment of Demand & Supply in potential area of Growth

Potential Area → Area where the product will sell more.

Production More & Supply more.

1. Product Type

Ex: Hotel Equipment
Store Equipment
Eatery in movie theatre

2. Product Quality

Ex: VIP areas - Quality reqd

3. Production line

Ex: Industry

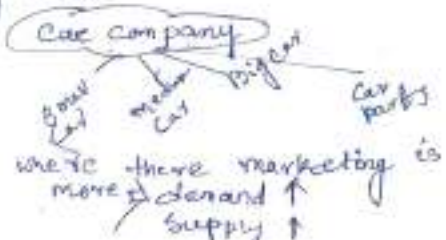


4. Company Sales

where max sales then apply this



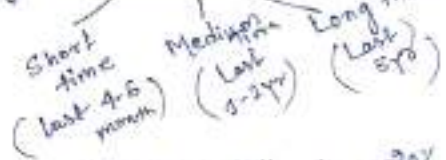
5. Industry Sales



6. National Supply

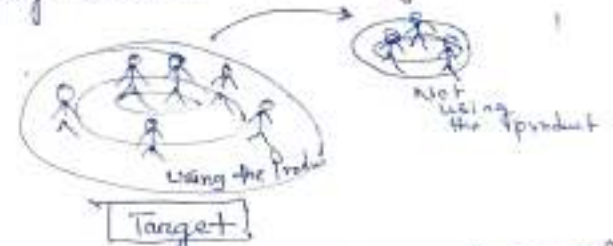


Industry Performance



Performance Growth or spending 5% ← 8% ← 20%

Identifying Business Opportunity



A good target not only decides who is in your target but who is NOT

① Customer "Feed back" on product/service

- By this Product's strength & weakness determine easily.

- Questionnaires

- Excellent / Avg / Poor Product

Ex: Playstore. App's rating asked.

② Understand & Analyze your "Competitors"

- Study our competitors
- Particular area not touched by that competitors, ^{identify} then there opportunity, for us business launching
- See their defects & benefits of competitors product

③ Know about "Industrial environment"

- Update about policies for product else product banned.

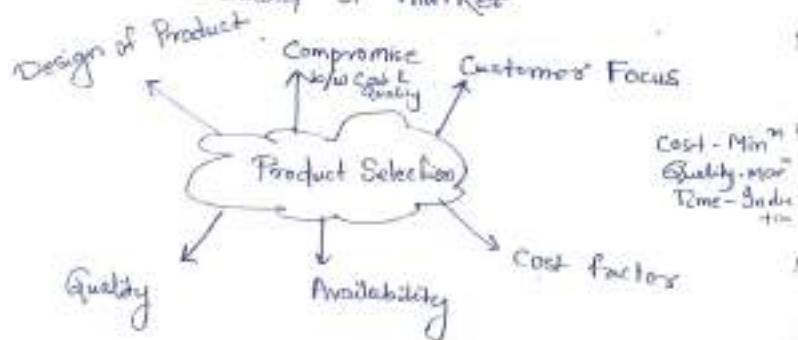
- ex: → Udyog Publication Subscription
→ Engage manager to update on policy
→ Newspaper
→ Google or Online help
→ Social media

Patanjali Product → marketing → Give tight Competition
(made the loop hole)

Final Product Selection

Product Selection:

It is a type of process in which retailer choose the material as per demand of market



Ch-2 Project Report Preparation

Preliminary Project Report (PPR)

Ex: If you want to purchase vegetables then you have to make a list first Plan before you act.

Manufacturing Planning is preliminary project report.

- Planning good → Project will be good, more profit

Planning presented in report, whereas the manufacturing/marketing/Full details mentioned

1. Product designing
Ex: Mobile Company patent launch is first step.
2. Details of various component parts
3. Material requirement
4. Methods & process of production
5. Assembly
6. Machine & Labour requirement ^{CEO} _{Dept. will know}
7. Working space / floor space needed
ex: like labour is reqd for industry
8. Amount of fixed capital → Govt. sig
9. Amount of working capital → Govt. sig

* Marketing how to do raw material information to be provided

Use:

Industry

- (i) CEO will know about Project
- (ii) State/district level officers will know as per govt. law or not
- (iii) Project report if passed → then bank will purchase easily
if verified by govt → Bank loan early made

Detailed Project Report, Techno Economic Feasibility (TEF) Study

It is a complete document of total investment planning, making, approval & decision making.

Contents:



Feasibility Study

It is an assessment of the practicality of a proposed project or system.

or,

An analysis & evaluation of a proposed project to determine if it

- is technically feasible
- is feasible within the estimated cost
- will be profitable or not

Steps:

1. Conduct a preliminary analysis
2. Prepare a projected income statement
3. Conduct a market survey
4. Plan business Organization
5. Plan operations
6. Prepare an opening day balance sheet
7. Review & analyze all data
8. Make "Go/No Go" decision

Feasibility Report

It is the result of feasibility studies

* Ex: Blood reports individually sent doctor/specialist. Summarize all the reports & make it into 1 report healthy or ill

Contents of the feasibility Report

1. Introduction / Executive Summary
2. Background
3. Outline of the project
4. Methodology
5. Overview of alternatives
6. Conclusion
7. Recommendations

Project Viability

- A project or business is said to be viable when that business meets the expectations of all the investors.

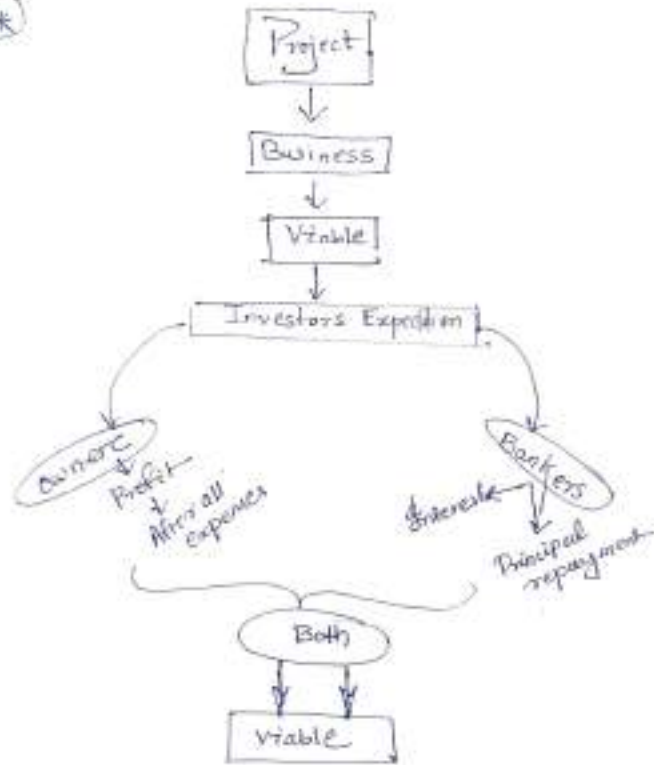
- Investors may be outsiders or owner?

- (1) For Bankers → meets the Interest Commitment + Satisfy the Principal repayment obligation (on-time)

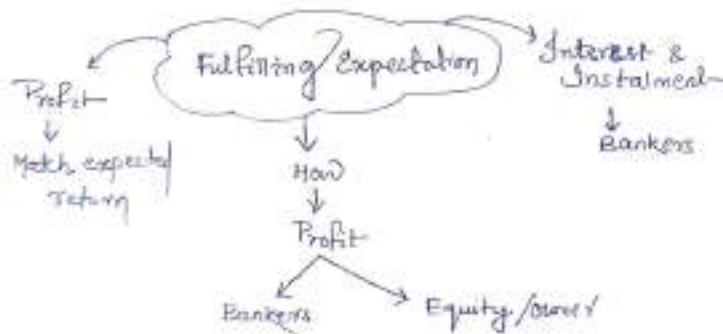
(i) For owner \Rightarrow Generates Profit after all expenses

Project is viable for owner's Gr & Outside's Gr

(*)

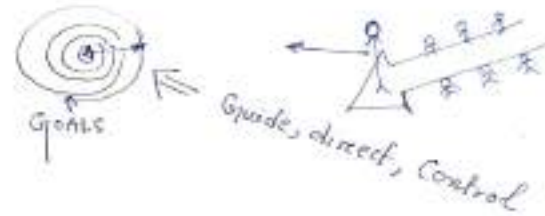


(*)



Definition of Management:

Management may be defined as the art of work done through people, with the satisfaction of the employer, employees & the public.



Importance of Management:

1. No enterprise can survive without management



But w/o mgmt all confusion arises, no work done

2. Maximum Utilization of Company's resources
3. Provides new idea & vision
4. Provides stability to the company by changing & modifying the resources
5. Management helps personality development thereby raising efficiency & productivity

Principle of Management:

Rules book for managers for $\left\{ \begin{array}{l} \text{sol} \\ \text{power} \end{array} \right.$
 ex: In school, class admits is there for stud
 to follow & how to act

Management policies are broad & general $\left\{ \begin{array}{l} \text{guides} \\ \text{for} \end{array} \right.$
 decision & behaviour of managers

Levels of Management:

Who	Responsibility	Accountable to
Top Level Management (Board of Director, Managing Director, C.E.O)	Planning & Co-ordinating	Stakeholders & the general public.
Middle-level Mngt. or Executives (General Managers, branch Managers & dept. managers)	Directional & managerial function & implementation of policies & plans.	Top Level management
Lower-level Mngt. Supervisors Operative-Level Mngt. (Supervisors, Foreman & First-line managers)	Distribute jobs & responsibilities to a variety of workers	Responsible for the quality & amount of products.

Management Skills

Technical Skill	Conceptual Skill	Human-relations Skills
(i) Necessary for lower-level management (ii) Essential for managers to know which technical skills should be employed in a particular work	(i) Necessary for higher level management (ii) Includes decision making skills & organizational skills	(i) It is ability to work with other people of the organization to achieve the goals. (ii) Communication skills transfer info (iii) Motivation skills + trust (iv) Rewards + Punishment

Functions of Management

Management is the science & art of getting people together to accomplish desired goals & objectives by co-ordinating & integrating all available resources efficiently & effectively

1. Planning
2. Organising
3. Staffing
4. Directing
5. Controlling

Manager

Planning	Organising	Staffing	Directing	Controlling
- This step involves mapping out exactly how to achieve a particular goal. Ex: Organizer's goal is to improve Company Sales ↓ Manager needs to plan or decide what to do for that goal. This may be: (i) Increasing advertising (ii) Inventory of stocks (iii) Sales staffs	- After a plan is in place, a manager needs to organize his team & materials as to plan. - (i) Assigning work (ii) Granting authority are & imp. elements of organizing	- As per a manager's needs or recognizes his areas need he may decide to beef up or reinforce his staffing by procuring: (i) Selecting (ii) Training (iii) Developing employees - For large company a manager works with HR Dept for staffing	A manager needs to do more than just Plan/Organize his team to achieve a goal. He must lead. Leading involves: (i) Motivating (ii) Communicating (iii) Guiding (iv) Encouraging - It requires the manager to coach, assist & solve with employees.	After the other elements are in place a manager's job is not finished. He needs continuous check results against goals & take corrective actions necessary to make sure the plan is on track. - work Prog tracking

Ch-5 Functional Areas of Management

Many important functions are to be done to manage the business.

ex: Diff M^g Diffⁿ from 3 diff work at -
Time

As per these functions, following are the functional areas of mngt.

1. Marketing Mngt.
2. Human Resource Mngt.
3. Financial Mngt.
4. Production Mngt.

Marketing Management:

Goods Produced $\xleftarrow{\text{By (Marketing)}}$ Reach to Customers or Consumers

(i) M.M. is the activity of providing goods or services from producers to customers.

(ii) M.M. includes

- exchange of goods with money
- market research
- distributive method
- Sale promotion
- Storage
- Insurance

(iii) M.M. is such a process which decides the necessity of customers.

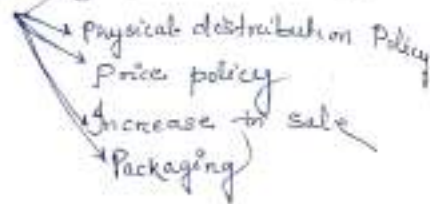
(iv) It is converted into goods or services & then these goods or services are finally made available to the customer, consumer or user.

(v) Thus it can satisfy the needs of a particular customer or group of such people.

(vi) It gives importance to optimum utilisation of resources & profitability of the organization.

(vii) Marketing mngt. aims at creating demand for goods or services.

The main elements are goods or services.



I. Product or product-mix

The decision regarding development of new product or existing product includes appearance, colour, size, shape, weight, print, packing, quantity of work, after sales services, variety of products.

II. Price

In modern times, a customer expects availability of better quality of goods at reasonable rate.

Therefore utmost care should be taken while deciding the price of the product.

The price decision includes sales policy, credit policy, policy regarding discount, wholesale or retail sale & also commissions to mediators etc are also considered.

III. Distribution

Distribution-mix include decisions regarding various ways of selling like direct selling through the whole seller, retailers, agents, as well as problems related to transportation etc.

Distribution-mix is related to the size & scope of a business unit.

IV. Promotion

Promotion aims at remarkable increase in sale.

It includes the matters like ^{advertis}Publicity, ^{selv}Self-promotion, ^{the sales}the sales ways & means to attract customers & traders.

Human Resource Management

Human arrange for

Every business unit takes care of its assets



→ Dead Assets.

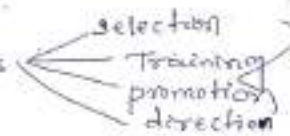
Employees working in the business unit are its live assets.

∴ Therefore it is necessary to take care of them.

- * Success of a business depends on the employees.
- Business objectives can easily & successfully achieved if their needs are satisfied, conducive environment is provided & proper care is taken.
- Due to such care, enthusiasm, loyalty & feeling oneness among employees develop.
- It increases their work efficiency.

Human Resource Mgmt is the process which takes into consideration matters like proficiency, knowledge, intelligence, likes & dislikes, personal development, necessity, etc of employees, integrates them with business objectives & channelizes the business towards the path of success & profitability.

Characteristics:

1. HRM includes  to the employees.
2. HRM enables to accomplish business objectives by way of integrating them with individual objectives business objectives.
3. Basic functⁿ of HRM to manage the employees as they are valuable assets of the business.
4. It provides proper training & thus develops personnel for the job.
5. HRM evaluates performance of employees & places them at rcs position.
6. Efficient mgt. can reduce labour turnover rate & can maintain skillful employees for a longer period in company.
7. As part of HRM, conducive atmosphere is provided to employees, which ultimately boosts their enthusiasm & efficiency.

The values of the company are maintained & business objectives are achieved.

Importance:

1. Efficiency of employees tends to increase.
 2. Profitability of the business increases.
 3. Business prestige is maintained.
 4. Higher standards for the quality of goods or services are maintained.
 5. Feeling of oneness among employees is developed.
 6. Max^m utilization of factors of productⁿ is possible.
 7. Reductⁿ in labour turnover rate is seen.
 8. Job satisfaction among the employees is enhanced.
7. Due to HRM, employees get job satisfaction which finally turns into an environment of industrial peace.

Financial Management

- finance is like the lifeblood of business.
- No activity is possible without finance.
- Finance is required for the establishment, development, expansion & modernisation of a business.

Meaning:

- FM deals with the finance function of business.
 - acquisition
 - utilization
 - allocation of capital

- This fⁿ must be done in an ideal & efficient manner.

- Following fⁿ are included in Financial Management:

1. To estimate the financial needs.
2. To make financial plan from the point of view of time duration.

3. To prepare budget
4. To allocate funds
5. To decide capitals etc. & to select sources of acquisition (Zusatz) of capital
6. To carry out the procedure for acquiring the finance.
7. To see that the acquired funds are properly utilized & to keep control over financial activities.
8. To form financial policy
9. To plan for taxes
10. To make arrangement of assets

Production Management

→ bed, table

Process of conversion of naturally available raw materials into consumable finished goods with the help of human efforts is known as production.

PM produces goods & services, which are capable to satisfy customer's need.

Meaning

Production mgt is the process which includes production planning, deciding programmes, maintaining co-ordination, direction & keeping control.

Functions :

1. To decide production plan
2. To undertake production research
3. To select product development as well as product mix.
4. To select technology & machinery
5. To take decisions regarding selection of location as well as lay-out
6. To estimate required material & other needs for production
7. To have production control
8. To have quality control
9. To undertake activities to control expenditure or cost & to maintain & increase productivity.
10. To introduce variation & simplification in production.

Inventory Management

Inventory refers to stock
{

 raw material
 finished Prod

To manage for
 No time waste
 No resource waste
 No money waste.

Defⁿ: I.M. is an approach for keeping track of the flow of inventory.

- It starts right from the procurement of goods & warehousing & continues to the outflow of the raw material & stock to reach the manufacturing units to the market.
- The process can be carried out manually or automatically.
 medicine list
 to register
 computer

Objectives :



Book keeping is the process of recording your company's financial transactions into organized accounts on a daily basis

- Integral part of accounting
- Focuses on recording day to day financial transactions of the business.

* Book keeping is all about recording of financial transactions.

Accounting deals with the interpretation, analysis, classification, reporting & summarization of the financial data of a business.

Journal Entry :

Journal - बुकिंग एंट्री

Format of Journal

Date	(Narration) Particulars	L.F.	Dr. \rightarrow (Debit)	Cr. \leftarrow (Credit)

ledger folio number

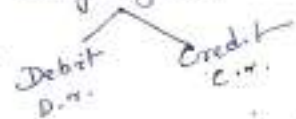
"Journal" is a book of primary entry or a book of original entry, in which transactions are first recorded in a chronological order from the accounting vouchers that are prepared on the basis of source documents.

OR,

The book in which all the business transactions were entered systematically for the first time is known as Journal

"Primary Book"

Double Entry System



Journal Entry :-

An entry recorded in Journal is called Journal Entry.

Narration :-

After each entry, a brief explanation of the transaction together with necessary details is given, this explanation is called "Narration"

Ledgers :

The book which contains a classified & permanent record of all the transactions of a business is called the ledger.

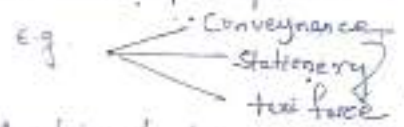
Need & Importance of Ledger

1. Easy availability of information
2. Preparation of trial balance & final A/c
3. Knowledge of capital, assets & liabilities
Business finance position clearly known
4. Its safe tenure
5. Legal proof

T-Shaped account Format

Dr.			Cr.		
Date	Particulars	J.F. Amount	Date	Particulars	J.F. Amount

Petty Cash Book is the book which is used to record expenses of small amounts



- Maintained by petty cashier
- Main expenses by main cashier



Amount Received	Date	V. No.	Particulars	Carriage	Stationery	Postage & Telegram	Travel	Salaries	Other than 5 categories or Miscellaneous various
50				50					
100					100				

Cartage is the transport of goods by cart, lorry or truck.
Conveyance is the act of carrying goods or passengers.
 wages - payment

P & L Accounts Vs Balance Sheet

S. No.	Basis	Profit & Loss account	Balance Sheet
1. Nature		It is an account.	It is a statement.
2. Period		It is prepared for an accounting period.	It is prepared for the last day of the accounting period.
3. Recording		It records only income & expenses.	It records only assets & liabilities.
4. Profit/financial position		It shows performance of the business i.e. profit earned or loss incurred by the business.	It shows the financial position of the business.
5. Accounts		Accounts that are transferred to the profit & loss account are closed.	Accounts that are transferred to Balance Sheet are not closed.
6. Balance		Balance of this account is transferred to the capital account in the balance sheet.	Balances of this statement become the opening balances for the next period.

Costing & Break-Even Analysis

Cost-Volume-Profit Analysis CVP Analysis



Profit \rightarrow Sales \rightarrow Cost \rightarrow Volume of production : Dependence & Interconnectivity

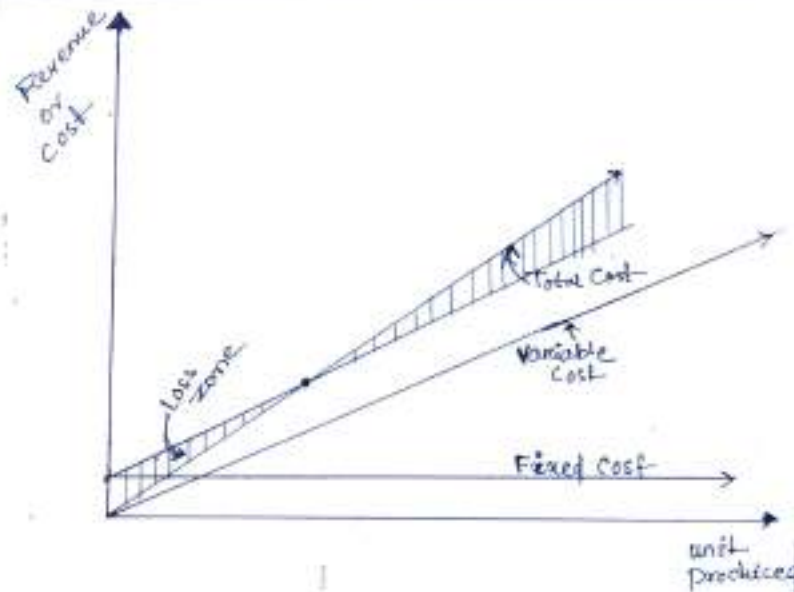
It is an important tool used for

- (i) Profit Planning
- (ii) Cost control
- (iii) Decision making

How much sales should be made to avoid loss
" " to earn desired profit
Which Product/ Product mix is most profit
What effect of change in cost-volume-price on sales.

Basic techniques of CVP analysis

- ① Contribution
- ② P/V Ratio —
- ③ BEP —
- ④ Margin of safety (MOS) —



Ch 6 Leadership & Influencing

Leadership

Defⁿ: Leadership is the art or process of influencing people so that they will strive/work willingly & enthusiastically towards the achievement of group goals.

ex: During Election process

Features:

- Continuous Process not one time process
- Interpersonal "
- A group "
- Relⁿ between leader & followed trying to achieve common goal.
- Leader influence the behaviour of Individual
- Followers work willingly to achieve goal.

Trait & Qualities of a good leader:

1. Physical feature
2. Knowledge & Competence
3. Integrity / honesty (follow ethics/values)
4. Initiator
5. Communication skills
6. Motivation skills (eg. U can do it)
7. Self confidence
8. Decisiveness (quick decision making: Problem Solving)
9. Social skills (with sub-ordinates relⁿ)
10. High Energy (Attain more program)

Need & Importance :

1. For motivation
2. For providing guidance & direction
3. For personality development
4. For maintaining discipline
5. To fulfil aims & objectives
6. To create faith in group/team
7. For co-ordination & co-operation
8. For planning
9. For group unity
10. For control over group.

Functions of a leader

1. Setting Goals

Leader acts as a guide of his followers by setting & explaining goals & policies to them.

2. Organising

Leader creates & shapes the organization by assigning roles to his sub-ordinates according to their abilities.

3. Motivation

Leader inspires & motivates his followers to perform the assigned task with confidence & give their best.

4. Co-ordination - (followers interest to company task)

Leader reconciles (restores harmony) the interest of his group members with organizational interest & ensure voluntary cooperation of group

members to achieve common goal.

5. Control

Leader tries to maintain order & discipline among his sub-ordinates & followers & workers.

6. Link b/w Managers & Workers

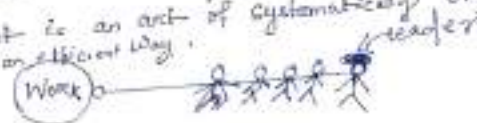
Leader explains plans, policies & instructions of "managers to workers" & problems & complaints of "workers to manager".

7. Good human Relations

Leader tries to make good relationship with his employees. He is loyal to his staff & tries to solve their problems.

Manager Vs Leader

Management is an art of systematically organizing & coordinating things in an efficient way.



Leadership is a skill of leading others by examples.

1. Gives Direction

2. has sub-ordinates

3. Holds authority

4. tells you "What"

5. Has good ideas

6. Reacts to change

7. Tries to be a hero

8. Exercises Power

9. Commands

10. Says "Go"

Leaders

1. Asks questions

2. has followers

3. is motivational

4. Shows you "How"

5. Actions good ideas

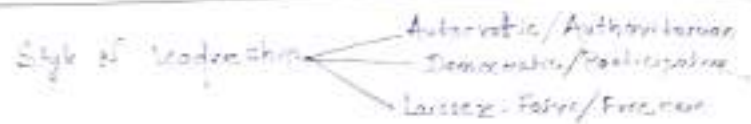
6. Creates change

7. Makes heroes

8. Develops power & unity

9. Asks

10. Says "Let's go"



Automatic

- All decision making powers are centralized in the leader e.g. dictator
- They don't entertain any suggestions or initiatives from subordinates
- Quick decision-making (As 1 person decides)
- High degree of dependency on the leader
- May be valuable in business where decisions need to be made quickly

Democratic/Participative

- Decision making made by the group.
- They consult with group members & participants.
- In leader can use the cooperation of their group & motivate them effectively & positively

(1) Consultative: Process of consultation before decisions are taken

(2) Persuasive: Leader takes decision & seeks to persuade others that the decision is correct

Laissez-Faire or Free-rear

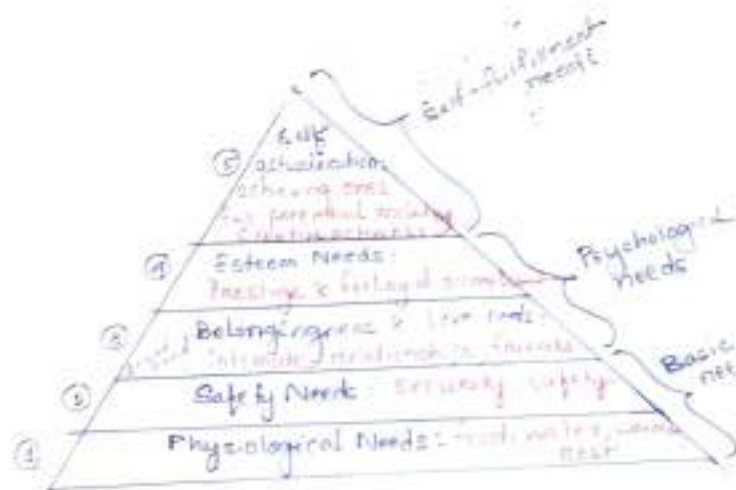
- Free-rear leader doesn't lead, but leaves the group entirely to itself
- Such leader allows max^m freedom to subordinates i.e. they are given a free hand in deciding their own policies & methods

- useful where creative ideas are important
- Time consuming in formulating & decision making
- Relies on good team work

Motivation

Motivation is the willingness of a person to make intense & persistent efforts to achieve desired goal.

Motivator → Latin word "movere" → move



(Maslow's need hierarchy theory)

1. Are fulfilled by paying adequate remuneration for work done
2. Satisfied by job security, PF, Pension, insurance etc.
3. Satisfied by creating harmonious group
4. Satisfied by recognition, promotion award
5. Satisfied by providing challenging work & opportunity
ex. if all your work is uninteresting to them

Aim Maslow American Psychologist:

- Motivation → depends on need of a person.
- Need can be arranged in hierarchy

Types

- ① Positive & Negative Motivation
↳ U can do it vs U can't do it } both exist in certain situations
- ② Intrinsic & Extrinsic
↳ Internal factor vs External factor (reward, punishment, etc.)
- ③ Financial & non-financial
↳ ex: Money or Cash Prize vs Award or appreciation

Business Communication:

Communication is the exchange of information by speaking, writing or using some other medium from one person, place to another.

Business communication is the process of sharing information between people within & outside of a company.

Aim: To achieve or reach organizational goal.
Employee & Management Interaction

OR,

Communication relating to business activity is called business communication.

Nature/Characteristics

1. Continuous process
2. Dyadic Process i.e. two-way
3. Inevitable or Unavoidable
4. Pervasive
↳ Top Middle Lower level

5. Facilitate Change

ex: Schedule, machine, Working pattern.
Rule & Regulations change can be done

6. Remove Misunderstanding & Conflicts

Purpose:

1. To issue orders & instructions
2. To communicate with superiors/subordinates/etc.
3. To convey information
4. To receive suggestion
5. To persuade people
6. To provide counselling
7. To learn
8. To achieve organizational goal

Barriers

Any parameter that limits the purpose of channel of communication between the transmitter & the receiver is a barrier to communication.

1. Physical Barrier
2. Semantic or language "
3. Organisational "
4. Psychological "
5. Personal "

