

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**M.B.A.- SEMESTER – III • EXAMINATION – WINTER 2012**

**Subject code: 830003****Date: 01-01-2013****Subject Name: New Enterprise and Innovation Management****Time: 10:30 pm – 01:30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q.1 (a)** Entrepreneurship begins with identification and evaluation of some opportunity. **04**

In view of this, write a note on identification and evaluation of an opportunity including risks and returns for a start up venture. **03**

Taking an example of an entrepreneurial venture, illustrate all of the above aspects in its formative stage.

**(b)** It is said that traditional managers and entrepreneurs differ. **07**

Highlight the differences between traditional manager and entrepreneurs from the viewpoint of - motivation, time orientation, activity, relationship with others, and attitude towards risk, status, failures, mistakes.

**Q.2 (a)** Briefly explain “what is a business plan”, and briefly mention what it should contain. **03**

Describe sections on - industry analysis, marketing plan and financial plan of a typical business plan. **04**

**(b)** Explain in brief what are “non-equity” arrangements for an international business. **01**  
 Explain briefly each of the following terms - Licensing, turn key projects, and management contracts, and explain how entrepreneurs can exploit them to do international business. **06**

**OR**

**(b)** Explain what are patents, trademarks and copyrights and their significance to entrepreneurial ventures. **04**

Further explain giving examples when patents, trademarks and/or copyrights are more appropriate for protecting intellectual property. **03**

**Q.3 (a)** Describe any four major incentives provided by Gujarat Government through its current industrial policy. **07**

**(b)** Write a short note on proprietary form of business. Include details of what it is, how it is formed, what conditions apply, what are the tax implications, how such businesses can be closed, and what are the merits and shortcomings of such a form of business for a start up company. **07**

**OR**

**Q.3 (a)** What do we mean by statutory (legal) obligations of a business in India, and describe in brief any six such legal acts giving basic details for each. **01**  
**06**

**(b)** Write a short note on “private limited” form of business. Include details of what it is, how it is formed, what conditions apply, what are the tax implications, how such businesses can be closed, and what are the merits and shortcomings of such a form of business for a start up company. **07**

**Q.4 (a)** Briefly mention various sources of finance for a new venture. **03**

Specifically describe in brief pros and cons of finance from Family and Friends,

- Commercial banks, Consultants services/suppliers credits, and Venture capital firms **04**
- (b) Briefly describe various aspects of franchising – namely what is franchising, types of franchising, what are the advantages seen from franchisee and franchisor viewpoints as also when is franchising not a suitable form of business. **07**
- OR**
- Q.4 (a)** Briefly describe what a venture capital firm looks for in terms of three main criteria (management team, uniqueness of the opportunity and capital appreciation) from an entrepreneurial start up. **07**
- Q.4 (b)** Briefly explain how the first mover entrepreneur benefit from
- less competitive rivalry,  
securing important channels,  
better able to satisfy customers, and  
gain expertise through participation. **04**
- Also briefly explain how the first mover entrepreneur face disadvantages of demand uncertainty, technology uncertainty and customer uncertainty. **03**
- Q.5 (a)** Briefly describe how the following four organizational characteristics facilitate or hinder the innovation process in an organisation. **07**
- Growth orientation  
Organisational heritage and innovation experience  
Commitment to technology and R&D intensity  
Coordination of diverse range of skills
- (b) Allocation of funds for R&D within an organization is a difficult task. Describe the following four approaches typically used by the industry to do R&D allocation in a manner to highlight your understanding of each and differences amongst them. Also briefly comment on when each would be more appropriate method to adopt. **07**
- Interfirm comparisons  
Relations with turnover  
Relationship with profits  
Internal customer-contractor relationship
- OR**
- Q.5 (a)** Briefly comment on following aspects of an organization in view of how to create a more conducive environment to nurture innovations in an organization.
- Channels of communications  
Getting things done v/s procedures  
On-job behavior expectations  
Decision making style of the organization
- (b) Describe in brief the following four generic types of strategic alliances for innovations and R&D and illustrate the benefits and appropriateness of each of the arrangements with specific examples. **07**
- Outsourcing  
Joint ventures  
Collaborations  
Innovation networks **07**

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