

**INTERMEDIATE EXAMINATION****SET 2****MODEL ANSWERS****TERM – JUNE 2025****PAPER – 20C****SYLLABUS 2022****ENTREPRENEURSHIP AND STARTUP****Time Allowed: 3 Hours****Full Marks: 100**

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option: [15×2 = 30]
- A. i. Which one of the following is not driving force for entrepreneurship development?
- a. Management
 - b. Opportunity
 - c. Resources
 - d. Talent
- ii. _____ helps you look at how to sell your product to consumers by presenting them a solution to their problem.
- a. Market Segmentation
 - b. Product Development Strategy
 - c. Sales Execution Risk
 - d. Competitive Analysis
- iii. Nine principles of entrepreneurial ecosystem are suggested by _____.
- a. Isenberg (2012)
 - b. Isenberg (2011)
 - c. Isenberg (2010)
 - d. Isenberg (2009)
- iv. What is the main purpose of the Validation stage in a startup's lifecycle?
- a. Conducting a Proof of Concept (POC)
 - b. Expanding to new geographies
 - c. Hiring a marketing team
 - d. Going public
- v. The type of analytics helps in understanding why something happened by using techniques like drill down and data mining.
- a. Descriptive Analytics
 - b. Diagnostic Analytics
 - c. Prescriptive Analytics
 - d. Predictive Analytics
- vi. _____ is a powerful blend of structured meetings, strategic tools, and experienced leadership.
- a. Marketing Traction
 - b. Marketing Management
 - c. Marketing Strategy

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- d. Marketing Trick
- vii. Steps of Elevator Speech consists of
- Purpose of identifying
 - Explanation of what makes
 - Unique selling proposition of identification
 - All of the above
- viii. An actuarial concept used in risk pooling does not include:
- The law of sampling
 - The law of large numbers
 - The law of averages
 - The laws of probability
- ix. What is a major factor contributing to reduced customer footfalls in businesses?
- High inventory turnover
 - Poor marketing
 - Low employee engagement
 - Too much competition
- x. Dynamatic Technologies is a _____ start-ups.
- Fintech
 - Defence
 - Edtech
 - Healthcare

Answer:

i	ii	iii	iv	v	vi	vii	viii	ix	x
d	c	c	a	b	a	d	c	b	b

- (b) Based on the following case study, you are required to answer the questions no.(i) to (v)

HP Company being one of the world largest IT companies with quarterly revenue of approximately \$97.1 billion is able to maintain such a wonderful record through the sustainable competitive advantage over the competitors. The sustainable competitive advantage has benefited the company in so many ways that she has no other choice other than sustaining such record. The gained competitive advantage has increased the company's revenue tremendously. In year 2006, HP recorded much better revenue of \$91.7 billion against the rival, IBM with \$91.4 billion. In year 2007, the annual revenue of the company was jacked up to \$104 billion to become the first IT company reported to have a revenue of more than \$ 100 billion, it doesn't stop there, acquisition of the EDS in 2008, also jacked up the

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revenue to \$118.4 billion. All these achievements in terms of boosting in the revenue are products of the gained competitive advantage.

HP is able to achieve and sustain competitive advantage with her distinctive competencies. First of all, the company is committed to simplifying technology experiences for all its customers. This is applicable to all the services rendered ranging from printing, personal computing, software, services and IT infrastructure. This is very important since it assists in making virtually all the HP products usable by the intended users by putting the customers first. There is no way one can analyse the competitive advantage of HP Company without discussing the HP values; HP values is associated with the complete adherence to the ways or paths set out by the founding HP leaders. Another way by which the competitive advantage of HP Company is sought is through her concept of developing cross functional individuals.

- i. Which of the following most accurately describes HP's approach to achieving sustainable competitive advantage, as outlined in the case study?
 - a. Cost-cutting measures through outsourcing non-core functions
 - b. Leveraging customer-centric innovation and cross-functional workforce development
 - c. Heavy investment in advertising and market penetration pricing
 - d. Focusing solely on hardware sales growth through pricing strategies
- ii. What role do HP's core values and adherence to founding principles play in its competitive strategy?
 - a. They function as guiding mechanisms to align strategic actions with a consistent vision
 - b. They are used to reduce operational expenses across global units.
 - c. They are unrelated to business outcomes but serve to motivate employees.
 - d. They act primarily as public relations tools to improve brand image
- iii. The concept of "developing cross-functional individuals" most closely aligns with which strategic human resource practice contributing to sustained competitive advantage?
 - a. Job specialization for efficiency
 - b. Task simplification and cost reduction
 - c. Outsourcing non-essential skills
 - d. Talent agility and internal capability building
- iv. From a strategic management perspective, HP's focus on "simplifying technology experiences for customers" is best classified under which type of competitive strategy according to Porter's Generic Strategies?
 - a. Cost leadership
 - b. Focus strategy
 - c. Differentiation
 - d. Disruptive innovation
- v. The acquisition of EDS in 2008, which significantly increased HP's revenue, exemplifies which of the following strategic growth concepts?
 - a. Horizontal integration to reduce competition

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- b. Strategic outsourcing of core operations**
- c. Vertical integration to control the supply chain**
- d. Expansion through inorganic growth (M&A)**

Answers:

i	ii	iii	iv	v
d	c	c	a	b

Section – B**(Answer any five questions out of seven questions given. Each question carries 14 Marks)****[5 x 14 = 70]**

- 2. (a) Suggest how the CORE dimensions of Adversity Quotient can be applied to overcome entrepreneurial setbacks. [7]**
- (b) Assess the impact of new age marketing strategies on modern entrepreneurial growth. [7]**

Answer:

- 2. (a)** Adversity quotient is the ability to manage suffering or difficulty into an opportunity. Adversity quotient provides information how well individuals can withstand adversity and overcome it, whether a person can exceed expectations or even fail. Adversity quotient can predict how a person behaves in difficult situations. Stolz (2000)¹ defines adversity quotient as hardwired pattern of response to all and magnitude of adversity, from major tragedies to minor annoyances. Adversity quotient is very important for individuals to learn because adversity quotient is based on three approaches, cognitive psychology, psychoneuroimmunology and neurophysiology therefore measuring the intentions of automated entrepreneurship need to combine insights from psychological approaches.

Adversity quotient has four CORE dimensions, including Control, Origin and Ownership, Reach and endurance (Stoltz, 2000). Control is the level of individual control of the influence that comes from themselves or from the outside so not easily affected and optimistic about the decision was taken.

Origin and ownership are acknowledgement of the difficulties faced by individuals. This explains that the difficulties are derived from the individual themselves so that the developing individual will admit mistakes rather than overly wrongdoing. Reach is a factor to the extent to which difficulties individuals face in influencing their lives. Endurance is the length of time the individual to survive the problem. “Climber” is the most suitable individual to be an entrepreneur. Besides having the character that is needed to become a successful entrepreneur “climber” has the (CORE) dimension of high adversity quotient from three components. It is understood that the level of adversity quotient of a person will determine the intention of entrepreneurship, because entrepreneurs who have high adversity quotient level have the ability to take risks, try to control the situation, not give up when times are difficult, have persistence and confidence to continue the business (Markman, 2000)²

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So, adversity quotient has a positive and significant influence on entrepreneurial intention.

(b) The strategies of new age marketing are as follows:

- (i) **Outbound Marketing:** Outbound marketing includes intrusive promotion, email blasts, cold calling, or print advertising. The main objective of outbound marketing is to push a message to the consumers to create awareness about the product or service regardless of customer interest.
- (ii) **Inbound Marketing:** Inbound marketing focuses on attracting customers and not disturbing them. The majority of inbound marketing strategies fall under digital marketing.

Three pillars of inbound marketing:

- **Attract:** Create content that resonates with target customers
 - **Engage in Communication** through mails, chats.
 - **Delight:** By continuing to act as a compassionate consultant and expert.
- (iii) **Digital Marketing:** Digital marketing is the opposite of traditional marketing. It is using technology to reach out to customers which did not exist before. Companies use various digital marketing techniques like social media, search engines, and email among others to connect with present and potential customers.
 - (iii) **Search Engine Marketing (SEM):** It is a type of marketing that involves the promotion of websites through visibility on search engine results pages (SERPs). Search Engine Marketing may include search engine optimisation (SEO). SOE adjusts the content of the website to get a higher ranking.
 - (iv) **Social Media Marketing:** Entrepreneurs can use platforms like Facebook, Instagram, Linked In, Twitter, Pinterest, and others to promote their business and contact consumers on a more personal basis. Relevant content with attracting images and captions can gain consumers' attraction.
 - (v) **Brand Marketing:** Brand marketing involves creating an emotional connection with the customers through storytelling, originality, and encouragement. The goal here is to create the connection so that your brand is remembered and associated with positive sentiment. To begin brand marketing, the entrepreneur needs to understand the mindset of the customer and resonate with that. The uniqueness should be there for positioning in the market.
 - (vi) **Buzz Marketing:** It involves creating a buzz through interactive events or influences to create the word-of-mouth publicity. It helps in the launch of a product or service.
 - (vii) **Stealth Marketing:** Stealth marketing happens when companies promote their products or service to consumers who are unaware that they are being marketed to. For example, a fast-food chain can pay a movie company to show their food enjoyed by actors. Convert agents are also a part of this type of marketing. A sports figure can be a converting agent wearing clothes or glasses of a particular company.
 - (viii) **Cause Marketing:** Companies sometimes tie themselves to social issues while promoting their products. It is part of a sustainable business strategy. Companies with up NGOs to fulfill their CSR obligations. It creates a good image of the company. Customers also feel happy to be part of the whole process. It helps in creating a relationship with the customers.

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3. (a) Discuss how Entrepreneurship is influenced by Macroeconomic conditions? [7]
- (b) Evaluate the impact of excess and inadequate working capital on a firm's profitability and operational efficiency. [7]

Answer:

3. (a) There is a close and continuous interaction between the business and its environment. This interaction helps in strengthening the business firm and using its resources more effectively. Proper understanding of various aspects of business environment such as social, political, legal and economic helps an entrepreneur in the following ways:
- (i) First Mover Advantage: Early identification of opportunities helps an entrepreneur or an enterprise to be the first to exploit them instead of losing them to competitors. For example, Maruti Udyog became the leader in the small car market because it was the first to recognize the need of small cars in India.
 - (ii) Identification of Threats: Identification of possible threats helps in taking corrective and improving measures to survive the competition. For instance; if an Indian firm finds that a foreign multinational is entering the Indian market, it can meet the threat by adopting measures like, by improving the quality of the product, reducing cost of the production, engaging in aggressive advertising, and so on.
 - (iii) Coping with Rapid Changes: All types of enterprises are facing increasingly dynamic environment. In order to effectively cope with these significant changes, firms must understand and examine the environment and develop suitable course of action.
 - (iv) Improving Performance: The enterprises that continuously monitor their environment and adopt suitable business practices are the ones which not only improve their present performance but also continue to succeed in the market for a longer period.
 - (v) Giving Direction for Growth: The interaction with the environment leads to opening up new frontiers of growth for the business firms. It enables the business to identify the areas for growth and expansion of their activities.
 - (vi) Meeting Competition: It helps the firms to analyse the competitors' strategies and formulate their own strategies accordingly in order to cope with the rapidly increasing competition.
 - (vii) Image Building: Environmental understanding helps the business organisations in improving their image by showing their sensitivity to the environment within which they are working. For example, in view of the shortage of power, many companies have set up Captive Power Plants (CPP) in their factories to meet their own requirement of power and saving to loss of energy in transmission.
 - (viii) Continuous Learning: Environmental analysis makes the task of managers easier in dealing with business challenges. The managers are motivated to continuously update their knowledge, understanding and skills to meet the predicted changes in realm of business.

**ENTREPRENEURSHIP AND STARTUP****(b) Danger of Too High Amount of Working Capital:**

- It results in unnecessary accumulation of inventories and gives chance to inventory mishandling, wastage, pilferage, theft, etc., and losses increase.
- Excess working capital means idle funds which earns no profits for the business.
- It shows a defective credit policy of the company resulting in higher incidence of bad debts and adversely affects Profitability.
- It results in overall inefficiency.
- Excessive inventories require more storage space and resources for handling and management, leading to higher operational costs.
- Excess working capital may be invested in low-return current assets instead of high-return investment opportunities, reducing overall ROI.

Danger of Inadequate or Low Amount of Working Capital:

- It becomes difficult to implement operating plans and achieve the firm's profit target.
- It stagnates growth and it will become difficult to the firm to undertake profitable ventures for non-availability of working capital funds.
- It may not be in a position to meet its day-to-day current obligations and results in operational inefficiencies.
- The Return on Investment falls due to under utilisation of fixed assets and other capacities of the business concern.
- Credit facilities in the market will be lost due to faulty working capital.
- The reputation and goodwill of the firm will also be impaired considerably.

4. (a) Recommend strategies to make a project report effective and aligned with its intended objectives. [7]

(b) Advise how an organization can use Data Analytics Techniques to process data and information. [7]

Answer:

- 4. (a)** The need and objectives of the project report are as follows:
1. **Purpose:** The first is the project report is like a road map it describes the direction the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there. In simple words, it enables that this is proceeding in the right direction about project. The second purpose of the project report is to attract lenders and investors. The preparations of project report are beneficial from the financial institutions and commercial banks.
 2. **Target Market:** While making a new business project report it is significant to keep in mind the target market. For instance, if you are preparing a report on debt financing, the focus should be on the assurance that the debt can be reimbursed by the company and not on the huge revenues

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- that the firm has accrued.
3. **Market Approach:** The first approach towards preparing business report should be developing and assisting powerful business strategy. The report should describe the economic trends, clients and players. It should also explain on how to perform the chosen approach, the marketing of its products and functional competence.
 4. **Market Rivalry:** An industrialist should recognize at what point of time the firm will perform similar activities and when it will do things another way, in order to identify its strength and drawbacks. Concentrate on strategies which present you differently from your competitors, market products differently using various channels, etc.
 5. **Selecting Best Investment Proposal:** Project report is an efficient tool for analyzing the status of any investment proposal. It shows the expected profitability and risk associated with the project and this way helps in choosing the best option.
 6. **Approval of Project:** It is essential for registration or approval purposes of the proposed project. Different authorities like District industries center, Directorate of industries, government departments, etc. require project reports for giving approval.
 7. **Tracking:** The Project report assists in tracking the current activities of the project. It helps team members and other stakeholders to check the project progress from time to time and helps in finding out any deviations against the original plan.
 8. **Visibility:** Another important advantage of having the project report is that it gives full insight into the project. It gives a clear description of activities to be undertaken and avoids any confusion or disorder.
 9. **Risk Identification:** Identification of risk is a significant step for the completion of every project. The project report enables in spotting the risk early and taking all corrective actions timely.
 10. **Cost Management:** Project report helps in managing the expenses through regular reporting of all activities. It sets the standard cost of every operation in advance and helps in finding out any deviation in these costs through tracking of the project.
 11. **Financial Assistance:** It is an important tool for availing financial assistance from financial institutions or fund providers. The project report enables financial institutions in judging the profitability of the proposed project and then takes the decision accordingly for approving the funds.
 12. **Test Business Soundness:** Project report helps in testing the profitability and soundness of the proposed project. It tells the total estimated costs, possible income and risk associated with any proposal.
- (b) There are several different analytical methods and techniques data analysts can use to process data and extract information. Some of the most popular methods are discussed below.
1. **Regression Analysis:** It entails analyzing the relationship between dependent variables to determine how a change in one may affect the change in another.
 2. **Factor Analysis:** It takes a large data set and shrinking it to a smaller data set. The goal of this technique is to attempt to discover hidden trends that would otherwise have been more difficult to see.

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3. Cohort Analysis: It is the process of breaking a data set into groups of similar data, often broken into a customer demographic. This allows data analysts and other users of data analytics to further dive into the numbers relating to a specific subset of data.
4. Monte Carlo Simulations Model: Often used for risk mitigation and loss prevention, these simulations incorporate multiple values and variables and often have greater forecasting capabilities than other data analytics approaches.
5. Time Series Analysis: It tracks data over time and solidifies the relationship between the value of a data point and the occurrence of the data point. This data analysis technique is usually used to spot cyclical trends or to project financial forecasts.

- e. (a) **Demonstrate the concept of customer validation and its process.** [7]
- (b) **Advise a startup on selecting the most appropriate business model based on limited initial capital and a digital product offering.** [7]

Answer:

5. (a) Customer validation is an important phase of any product development process (i.e., the process needed to take a product from concept to market availability) It tests assumptions and hypotheses about the customer problem, target market, and product.

Insights gained from the validation phase can then be used to iterate the product and find the right market fit. Validation also connects the product with viable prospects and paves the way to building meaningful products people want and need.

Process of Customer Validation:

Phase 1: Preparing to sell: This first phase is about using the insights generated in the customer discovery process, starting with value proposition. Make sure that an entrepreneur prepares:

- Any sales materials required in order to present to customers, including your website, price lists, product data sheet and customer presentation.
- A preliminary list of marketing material.
- A preliminary channel strategy.
- A preliminary sales road map based on information learned during the customer discovery process.
- An agreement between your product development and customer development teams on product features and the progress plan.

Phase 2: Selling to visionaries: The purpose of this phase is to land a handful of deals that validate value Proposition and sales road map. At this stage, target customers are those Blank calls “Earlyvangelists”; Geoffrey Moore describes them as “Visionaries” in his book, crossing the Chasm. It is important to bear in mind that just a few deals will provide sufficient validation at this stage. Regard any failures as an opportunity to learn more and improve the process.

Phase 3: Phase 3: Determining your positioning: The validation achieved in phase 2 will provide you

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with information that can be used to develop your positioning statement. Test your positioning statement on industry insiders for comments and constructive criticism.

Phase 4: Verifying your validation process: As in the customer discovery process, the final phase in the customer validation process is designed to incorporate learning from the first three phases and have you examine the progress made so far. The main question to answer at this point is the extent to which you achieved your objectives for customer validation.

(b) Some of the business models are as follows:

- **Marketplace Model:** Learning how to sell your products profitably is one of the exciting parts of being a business owner. This requires knowing where your target customers spend time and putting together a plan to reach them. Often, this can be achieved by understanding different types of marketplaces. Each marketplace uses a marketplace business model, which is the framework showing why a business exists and how it accomplishes its goals. In this type of business model the company act as go between the buyers and sellers. Examples - Amazon, eBay, Airbnb, or Uber are just a few of many companies operating as an online marketplace.
- **On Demand Model:** An on-demand business strives to provide rapid delivery of products and services to its customers' doorsteps. The on-demand economy is based on speed and simplicity of use, which makes it attractive in a world where we want fast answers to everything. The idea behind this business model is to provide the service to the customer at their request. Seeing the potential of the on demand market, many businesses are opting for solutions to deliver services to their customers in real-time. Examples - Laundry and dry cleaning industry, beauty industry, Uber etc.
- **Disintermediation Model:** The term disintermediation refers to the process of cutting out the financial intermediary in a transaction. It may allow a consumer to buy directly from a wholesaler rather than through an intermediary such as a retailer or enable a business to order directly from a manufacturer rather than from a distributor. This model is used by wholesalers and by manufacturers, businesses that deals with direct sales. Examples – Dell, Apple etc.
- **Subscription Model:** A subscription business model is a recurring revenue model in which customers pay a weekly, monthly, or yearly fee in exchange for your products or services. Customers can renew their subscription after a certain period. This model allows you to leverage your customer relationships to create a steady stream of income. As a customer, you have the convenience of automatically repurchasing a product or service that you know you're going to need in the future. Examples – Peloton, Flyline etc.
- **Freemium Model:** A combination of the words “free” and “premium,” freemium is a type of business model that offers basic features of a product or service to users at no cost and charges a premium for supplemental or advanced features. A company using a freemium model provides basic services on a complimentary basis, often in a “free trial” or limited version for the user, while also offering more advanced services or additional features at a premium. Examples - LinkedIn software company, IBM Data Analytics etc.

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- Virtual Good Model: A virtual business model only for online for buy and sale of virtual goods it is commonly used by video game developer and companies providing social media platforms in which business margin is very high. This model (not to be confused with Virtual business) is a way to organize a start-up company. In the virtual company, the utilization of the financial resources can be optimized with cost-effective product development as a result. Examples - Facebook, Tencent, Dogster, HotorNot etc.
- Reseller Model: A reseller can be a person or a business, and it is the person who purchases items to resell them and profit rather than consume or use them. Resellers typically buy things in bulk from wholesalers and distributors at a discounted price, and then sell them to end-users or places where the product is in short supply. Examples - Amazon, eBay etc.

6. (a) **Discuss the seven strategies for scaling up the business.** [7]
- (b) **Critically evaluate how startups can implement cost-effective risk mitigation strategies without compromising operational efficiency.** [7]

Answer:

6. (a) Seven Strategies for Scaling a Business are:
- Strategy for better sales: Increasing sales is a top priority for any business looking to scale. Scaling sales can either mean adding new customers or growing the average revenue from current customers. While both options drive results, expanding your relationship with current customers is often more cost-effective than attracting new business. Some strategies to increase sales are: Zone in on a target market, Understand customer behaviour, Address customer feedback, Build a team of skilled sales representatives, Develop an effective marketing plan etc.
 - Invest in technology : With the right technology, many of these tasks can be automated, freeing up time for team members to focus more on broader business goals and strategic priorities. Automating manual tasks is critical to scaling a business because you can drive improved business outcomes among the team members you already have on board. To scale your business, consider investing in technology to help automate tasks and processes such as Team member onboarding, Accounting and payroll, Customer relationship management, Project management, Appointment scheduling.
 - Expand your team according to the market's needs : As you map out the team you need to scale your business, a first step is determining the skills required to meet your goals and identifying any skills gaps you have on your team. Examples of hard and soft skills include: Hard skills - Coding, business analytics, search engine optimization, graphic design, and project management. Soft skills - Agility, customer service, communication, organization, time management. Also take leadership skills into consideration, as leaders on your team are responsible for providing direction and ensuring team members understand what needs to be accomplished to achieve your business goals.



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Examples of leadership skills are - Active listening, Problem-solving, Relationship building, Emotional intelligence, Delegation.

- External Support: During the early stages of business growth, many organizations have a handful of core team members who wear multiple hats. However, in the long run, expecting every team member to be a high-performing generalist can lead to costly errors and burnout. As you scale your business, consider bringing in skilled specialists to improve efficiency and drive outcomes.
- Making of practical plan: Businesses that effectively scale strike the right balance between setting reasonable, yet challenging goals. Goals that aren't clear or realistic might demotivate team members, which can have a negative impact on your ability to scale. Once the leadership team aligns on goals, communicate your plan with the entire team to get everyone on board and excited to contribute.
- Develop management skills: Managers at your organization are responsible for motivating team members and achieving independent team goals as well as holding team members accountable for outcomes. Individual managers' effectiveness can have a direct impact on your organization's likelihood to successfully scale. Therefore, managers across departments need to have the right skills to drive positive business outcomes. Management skills can include Critical thinking, Strategic planning, Time management, Change management, Leadership.
- Focus the company's offerings: Companies with a main priority of growth as opposed to scale focus on bringing in as much revenue as possible, often casting a wide net with company offerings and targeted customers. This approach can drive initial revenue, but often poses risks to long-term growth and scalability. Here are a few ways to focus your company's offering; Understand your strengths and weaknesses, Carve out a niche for your products and services (think customer size and industry), Calculate your total addressable market, Assess the competition, Identify your target customers' challenges.

- (b) Risk reduction, also referred to as mitigation, involves all proactive measures taken to minimize the severity or likelihood of a hazard and its impacts. In the context of entrepreneurship and startups, risk reduction aims to strike a balance between negative risks and the benefits of business operations. This includes identifying vulnerabilities—whether physical, economic, or social—and implementing strategies to address them before a disaster or failure occurs.

Mitigation measures are classified into two categories:

1. **Structural Measures:** These are organized and tangible efforts such as building disaster preparedness plans, installing failsafe systems (e.g., rupture discs in high-pressure equipment), setting up early warning systems, and conducting evacuation planning. Structural measures are essential for industries and factories to maintain operational continuity and reduce losses in the event of accidents or natural calamities.
2. **Non-Structural Measures:** These include laws, policies, codes of conduct, public education, training of personnel, and land use planning. Non-structural measures help in reducing risk by

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setting regulatory frameworks and promoting awareness. However, their effectiveness depends on strict implementation and enforcement.

Additionally, mitigation measures can be categorized as:

- **Passive Measures:** These rely on legal controls such as building codes, zoning regulations, and safety protocols. While they create a safety framework, their impact is limited if not enforced properly.
- **Active Measures:** These involve providing incentives for disaster reduction, such as government grants, subsidies for safe construction, reduced insurance premiums for compliance, and technical support. Active measures often yield better results because they motivate stakeholders to voluntarily adopt risk-reducing behaviors.

Preparedness is a critical part of mitigation. Tools such as HAZOP (Hazard and Operability) studies help industries anticipate risks and take preventive actions. Failsafe systems, like rupture discs, are designed to minimize damage when a system fails, ensuring safety during unexpected events.

In high-risk tasks, outsourcing can serve as a risk mitigation strategy if the vendor has higher expertise. For example, demolishing an old building can be outsourced to professionals capable of doing it safely without harming people or the environment.

Disaster-preparedness plans form the backbone of effective mitigation. These plans outline clear roles and procedures during emergencies, saving crucial time and improving coordination. For instance, utility departments like the electricity board have specific response plans to restore services quickly after a disaster.

India's Contingency Action Plan (CAP) provides a national framework for disaster response across government levels. However, there is a need for regular revision and clear operational guidelines to enhance its effectiveness. Recent initiatives involve developing disaster management plans at the central, state, and district levels, coordinated by a high-power committee.

In conclusion, risk reduction or mitigation is a holistic approach involving technical, institutional, and social strategies to reduce the impacts of hazards. For startups and enterprises, effective mitigation enhances resilience, reduces potential losses, and ensures long-term sustainability.

7. (a) **Suggest some smarter ways in establishing a sustainable competitive advantage in digital markets.** [7]
- (b) **Evaluate the key differences between Social Entrepreneurs and Business Entrepreneurs.** [7]

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7. (a) a. Workforce: One's workforce will be one of your biggest (or worse) competitive advantages. Never undervalue the value of having competent, helpful, and proactive staff. Making sure your workforce is engaged, well-trained, and productive is vital.
- Establishing unambiguous performance guidelines.
 - The standards of mystery shopping.
 - Launching incentive programmes.
 - putting them through training programmes
 - Encouraging them to expand their understanding of the goods/services.
 - Holding yearly courses for sale.
- b. Location: Location decisions also affect the ability to recruit and retain the right talent, improve delivery times to customers and from key suppliers, manage risk due to natural disasters and even create synergies with industry partners.
- c. Unique Product: Crafting unique competitive advantage gives customers a reason to buy from the company, informs about the positioning, and drives the business strategy.
- d. Excellent Website: A website's particular advantage may be that it is more visually appealing or simpler to use than rivals. A top-notch Website can also be a competitive advantage. It makes prospects and customers happy with a great Website full of information they can't wait to read because it helps them do their job better or improves the quality of their lives.
- e. Brush up on Technical Knowledge: In any company, information technology has a powerful effect on competitive advantage in either cost or differentiation. The technology affects value activities themselves or allows companies to gain competitive advantage by exploiting changes in competitive scope Lowering cost.
- f. Suppliers: Suppliers have evolved to become an opportunity for creating market winning competitive advantages or allowing competition to leverage those advantages to the detriment of your company. Realization of this emerging reality has resulted in the increasing adoption of the principles and processes of strategic sourcing. A healthy connection will offer:
- Superior assistance and support. You might also receive training for your personnel in addition to advertising materials, displays, and signs.
 - Better availability and quicker delivery.
 - Better customer service and return policies.
 - Early warning about promotions or reductions.
- Being associated with a sizable, reputable supplier is unquestionably advantageous. It's possible that they handle the majority of the market research, product development, consumer analysis, and national branding and advertising that strengthens your credibility. It will be more challenging for an independent to compete with you.
- g. Strategic alliances and joint ventures: Creating alliances and joint ventures with other firms is one of the finest methods to compete against larger corporations. For instance, by teaming up

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with other companies in your sector, one can frequently get greater group prices from suppliers than you would if you placed your order alone.

(b) Although these two forms of business can be similar, here are some key differences:

- **Emphasis on Team vs. Individual:** The “Stanford Social Innovation Review” notes that venture capitalists invest in private business on the basis of a new company’s leadership team and the organization that supports it. Philanthropists – individual who raise and donate money for charitable causes – rather than venture capitalists are often the primary investors in social entrepreneurs’ projects. They’re more likely to gauge the viability of a project based on the individual at the helm. The review challenges the focus on the individual in light of research showing that successful change depends on a range of competencies – competencies that require strong leadership but that rarely can be undertaken by a sole individual.
- **Perceptions of Value:** For the business entrepreneur, value lies in the profit the entrepreneur and investors expect to reap as the product establishes itself in a market that can afford to purchase it. The business entrepreneur is accountable to shareholders and other investors for generating these profits. To the social entrepreneur, there’s also value in profits, as profits are necessary to support the cause. That said value for the social entrepreneur lies in the social benefit to a community or transformation of a community that lacks the resources to fulfill its own needs.
- **Measure of Profitability:** The ventures of business entrepreneurs are always designed to turn profits that benefit stakeholders, such as shareholders or private investors. Social entrepreneurs also may engage in for-profit activities. However, they often structure their organizations as nonprofits, or they donate their profits to the causes they support.
- **Approach to Wealth Creation:** Although the business entrepreneur and the social entrepreneur are similarly motivated to change the status quo, their missions differ significantly. The business entrepreneur is driven to innovate within a commercial market, to the ultimate benefit of consumers. If successful, the innovation creates wealth. The venture’s success is gauged by how much wealth it creates. To the social entrepreneur, wealth creation is necessary, but not for its own sake. Rather, wealth is simply a tool the entrepreneur uses to effect social change. The degree to which minds are changed, suffering is alleviated or injustice is reversed represents the organization’s success.

8. **Mission Statement McDonald’s brand mission is to be our customers’ favourite place and way to eat and drink. Our worldwide operations are aligned around a global strategy called the Plan to Win, which centre on an exceptional customer experience- People, Products, Place, Price and Promotion. We are committed to continuously improving our operations and enhancing our customers’ experience. Vision Statement McDonald’s corporate vision is “to move with velocity to drive profitable growth and become an even better McDonald’s serving more customers delicious food each day around the world.”**

a. **Critically analyse the mission and vision statement of McDonald.**

**ENTREPRENEURSHIP AND STARTUP**

- b. Based on your observation, has McDonald's mission statement defined the company's business, its objectives and its approach? [14]**

Answer:

- 8. a.** McDonald's brand mission is to be our customers' favourite place and way to eat and drink. Our world-wide operations are aligned around a global strategy called the Plan to Win, which centre on an exceptional customer experience- People, Products, Place, Price and Promotion. We are committed to continuously improving our operations and enhancing our customers' experience. McDonald's mission statement is focused on the customers. It this looks forward at ensure that the customers feel comfortable and thus it being the customer's favourite place. By being the customers' favourite place, they will provide food to eat and drink. This therefore becomes the purpose of the establishment of McDonald's organization. The operation of the organization is aligned around a global strategy which is the plan to win. This is the direction of the mission statement. It gives the company the direction which is the strategy known as the plan to win. The organization is committed to continually improve the operations as well as to enhance its customer's experience.
- b.** McDonald's mission statement satisfies many but not all of the criteria for developing ideal mission statements. For example, the company includes products (food and beverage) and part of its business philosophy and self-concept (becoming the favourite place and way) in its corporate mission. However, McDonald's does not include information about its target consumers (every consumer), target markets (global), and stakeholders (employees and others). The company can improve its corporate mission through the inclusion of such additional information. This recommendation aims to make the corporate mission statement easier to implement in all areas and aspects of McDonald's business organization and its network of franchised locations. McDonald's vision statement is strong in satisfying the criteria for developing ideal vision statements. For example, the company's corporate vision is clear and concise. It is also focused on the future. Such focus makes the statement stable in terms of suitability for future business situations. Also, the emphasis on becoming an even better McDonald's makes the corporate vision statement challenging and inspiring. These characteristics make the company's corporate vision satisfactory. However, a suitable improvement would be to include information about how the company can make itself better.