

FINAL EXAMINATION

June 2023

**P-20(C)[ENTS]
Syllabus 2022**

ENTREPRENEURSHIP AND STARTUP

Time Allowed: 3 Hours

Full Marks: 100

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

All Sections are compulsory. Each section contains instructions regarding the number of questions to be answered within the section.

All working notes must form part of the answer.

Wherever necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.

Answer Question No. 1 and 8 are compulsory.

Answer any four from Question No. 2, 3, 4, 5, 6 and 7.

Section-A

Answer *Question No.1* which is compulsory.

1. Choose the correct alternative. Provide justification in each case. (1 mark is allotted for correct selection and 1 mark for the justification): **2×10=20**

(i) _____ provide investments and also assist start-ups in their business operations.

- (A) Angel investors
- (B) Venture capital funds
- (C) Incubators
- (D) NBFCs

(ii) In _____ crowdfunding, the fund providers own a portion of the company they are supporting. Justify your selection.

- (A) Donation
- (B) Debt
- (C) Rewards
- (D) Equity

- (iii) Whereas the basic version of Adobe Acrobat Reader is free to download and use, the advanced features are available at a cost. The business model followed by Adobe in this case is known as _____. Provide justification for your selection.
- (A) Subscription model
 - (B) Freemium model
 - (C) On demand model
 - (D) Marketplace model
- (iv) Under _____ data analytics, data are examined to determine the cause-and-effect relationship. Justify your selection.
- (A) Descriptive
 - (B) Diagnostic
 - (C) Predictive
 - (D) Indicative
- (v) Which of the following is not a constituent of micro environment and why?
- (A) Customers
 - (B) Suppliers
 - (C) Demographics
 - (D) Competitors
- (vi) Which of the following is not a type of risk monitoring and why?
- (A) Voluntary
 - (B) Obligatory
 - (C) Continual
 - (D) Occasional
- (vii) A forward contract is an example of _____. Provide justification for your selection.
- (A) Internal strategy
 - (B) Risk sharing
 - (C) Risk pooling
 - (D) Risk transfer

(viii) Financial risk is a part of _____. Justify your selection.

- (A) Systematic risk
- (B) Unsystematic risk
- (C) Both (A) and (B)
- (D) None of (A) and (B)

(ix) Which of the following is a possible reason of ups and downs of a new edge business any why?

- (A) High inventory costs
- (B) Lack of technological application
- (C) Lack of new product idea
- (D) Lack of competition

(x) Which social enterprise business model facilitates trade relationship and why?

- (A) Market intermediary
- (B) Free-for service
- (C) Low-income client
- (D) Market linkage

Section-B

Answer *any four* Questions from Question No. 2, 3, 4, 5, 6 & 7. 16×4=64

2. (a) “Entrepreneurs must have a detail understanding of the basic laws of the land and rules and regulations applicable for the business activities they are trying to engage in.”— In the light of the above statement, **examine** the various compliance requirements to be considered while setting up a business in India.
- (b) Demonstrate various schemes for credit and financial assistance to MSMEs. 9+7
3. (a) A successful entrepreneur should possess a number of psychological traits. **Critically assess** any six of such traits.
- (b) MATRIN LTD. is commencing a new project for manufacture of Plastic Component.

The company has applied for a loan to a commercial bank UJI bank for financing its working capital requirements. The information about the projected profit and loss account of this company is as under:

	₹
Sales	63,00,000
Cost of Goods sold	45,90,000
Gross Profit	17,10,000
Less: Administrative Expenses	4,20,000
Less: Selling Expenses	3,90,000
Profit before Tax	9,00,000
Provision for Tax	3,00,000

Cost of Goods sold has been derived as follows:

	₹
Material used	25,20,000
Salaries and Wages	18,75,000
Other Overheads etc.	7,05,000
	51,00,000
Less: Stock finished goods (10% not yet sold)	5,10,000
	45,90,000

Additional Information:

- (i) The figures given relate only to the goods that have been finished and not to work-in-progress. Goods equal to 15 per cent of the year's production (in terms of physical units) are in progress on an average, requiring full materials but only 40 per cent of other expenses
- The company believes in keeping two months consumption of material in stock.
 - Desired cash balance is expected to be ₹ 1,20,000.
 - Average time-lag in payment of all expenses is 1 month.
 - Suppliers of materials extend 2.5 months Credit.
 - Sales are 20 per cent cash, rests are at two months credit.
 - The company wants to add 10% to the estimated figures to cover unforeseen contingencies.

- (ii) The following are the holding norms accepted by the Bank for this particular industry:

Stock of material	: 2½ months
Work-in-Progress	: 1 month
Book Debts	: 1½ months
Finished Goods	: 2½ months
Trade Creditors	: 2½ months

You are asked to assess the requirements of working capital and also how much of it the banks are likely to finance. 6+(6+4)

4. (a) What do you mean by bootstrapping in the context of a start-up? List the motivations behind choosing bootstrapping. Demonstrate some well recognized methods that may help an entrepreneur in the early stages of the bootstrapped start-up.
- (b) **Briefly examine** the importance of packaging to a start-up. (2+4+4) + 6
5. (a) “Though crowdfunding is an excellent way for entrepreneurs to receive funding and exposure they want to verify, execute and help their ventures grow, it is also not devoid of limitations.” – In the context of the above statement, **assess** the demerits of Crowdfunding.
- (b) **Demonstrate** various phases of a customer validation process. 9+7
6. (a) **Demonstrate** various methods of valuing a start-up.
- (b) Ms. MRITIKA, an investor is evaluating the prospects of investing stock of SP LTD. She has estimated the returns associated with the market index based on the subjective probability approach.

Economic scenario	Probability	Returns associated with (%)	
		SP Ltd.	Market Index
Recession	0.20	15	10
Normal	0.40	14	16
Boom	0.40	26	24

Required:

Evaluate the following:

- (i) Expected rate of return of SP Stock and Market.

- (ii) Expected standard deviation for SP Stock and Market.
- (iii) The co-variance between SP Stock and Market.
- (iv) The co-efficient of correlation between the returns of SP Stock & Market.

(v) The beta of SP Stock.

9+ (2+2+1+1+1)

7. (a) Briefly **discuss** various ethical issues in marketing domain in the context of a start up.

(b) **Compare** and contrast a social entrepreneur and a business entrepreneur. 8+8

Section – C

Answer the following questions.

8. (a) MJK is a non-profit organization that focuses on providing Education and Training to poor girl child and youth in rural area. MJK is also looking after old age home where day to day requirement of old age persons is duly fulfilled by providing food, shelter and medical facilities. MJK was founded by a group of Social Entrepreneurs who wanted to create positive social change in their society, state and county. MJK has been in operation for 10 years and has had a significant impact on the lives of hundreds of poor girl child, youth people and old age persons.

Required:

- Summarize the challenges MJK face in this social entrepreneurship in the coming time.
- How MJK can contribute for sustainable development?
- Enumerate the potential risk and ethical considerations associated with social entrepreneurship like MJK.
- What role does collaboration plays in MJK and how can this collaboration be effective?

2+2+2+2

- (b) Harliv is a professionally managed start up which mainly deals in artificial intelligence, solar panel and follows the current trends in entrepreneurship. The government has taken various initiatives to establish a favourable Indian start up ecosystem, and they have launched a new portal, start up India, for promoting Indian start ups. Harliv wants to tap such opportunities in the environment with the latest technology, customer-friendly approach, new taxation policy, and relaxation in GST, ease of business registration.

Required:

- How the emergence of new technologies impacting entrepreneurship?
 - How Harliv should focus on social and environmental impact changing entrepreneurship?
 - How Harliv address the challenges of access to capital?
 - Discuss the long term implications of emerging trends on Harliv. 2+2+2+2
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SUGGESTED ANSWERS TO QUESTIONS

SECTION-A

1.

- (i) (C)
- (ii) (D)
- (iii) (B)
- (iv) (B)
- (v) (C)
- (vi) (D)
- (vii) (B)
- (viii) (B)
- (ix) (A)
- (x) (D)

SECTION-B

2 (a)

Entrepreneur should have or they should hire or outsource someone who has a good understanding about the basic laws of the land, rules, regulations that are applicable and various government schemes that are drawn for the welfare of the budding businesses and their smooth functioning. An entrepreneur should follow the following as a part of business compliance:

1. Select which type of business entity is to be established. (Sole proprietorship, private limited, public limited, partnership, limited liability partnership (LLP) etc.).
2. Business Licensing.
3. Company law-based compliances (Annual General Meeting, Board Meetings, Appointment of Auditor).
4. Taxation based compliances.
5. IPR based compliance.
6. Compliances under labour laws.
 - (i). The Industrial Disputes Act, 1947
 - (ii). The Trade Unit Act, 1926
 - (iii). Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996
 - (iv). The Industrial Employment (Standing Orders) Act, 1946
 - (v). The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
 - (vi). The Payment of Gratuity Act, 1972
 - (vii). The Contract Labour (Regulation and Abolition) Act, 1970
 - (viii). The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - (ix). The Employees' State Insurance Act, 1948

2 (b)

The two credit and financial assistance schemes to MSMEs are as follows:

- i. **Prime Minister's Employment Generation Programme (PMEGP):** The Prime Minister's Employment Generation Programme (PMEGP) was started in the year 2008-09 (September 2008), by integration of the erstwhile Rural Employment Generation Programme (REGP) implemented by KVIC and Pradhan Mantri Rojgar Yojana (PMRY) implemented by District Industries Centers. The scheme targets to generate employment opportunities in rural as well as urban areas of the country through the setting up of new self-employment ventures/projects/micro-enterprises. Besides, the scheme also employs all segments of traditional and prospective artisans and rural/urban unemployed youth in the country, to stop migration from rural to urban. The scheme also emphasizes raising the wage-earning capacity of artisans. The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal

agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs), Coir Board (for coir units), and banks.

In FY 2020-21, PMEGP assisted 74,415 applicants in setting up new micro-enterprises through disbursing a subsidy of Rs.2,188 crores and generating employment opportunities for an estimated 5.7 lakh persons. This has been PMEGP's best performance since its inception in 2008-09 despite COVID challenges throughout the year.

ii. Credit Guarantee Trust Fund for MSEs (CGTMSE) - Provision of Collateral Free Credit for MSMEs:

Under this scheme, guarantees are provided for extending collateral-free lending to Micro and Small Enterprises through banks and financial institutions (including NBFCs). The Scheme covers collateral-free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 200 lakh per borrowing unit.

As of 31st December 2021, cumulatively 56.03 lakh proposals have been approved for guarantee cover of Rs. 2.90 lakh crores.

3 (a)

The psychological traits are as follows:

- (i). Dream big in small input
- (ii). Delegate the work to others
- (iii). Set High Standard Goals and Deliver
- (iv). Take a Practical Approach
- (v). Map it out
- (vi). Treat and Raise your Business like a Child
- (vii). Fear Equals Downfall
- (viii). Gratitude is your Attitude
- (ix). Get investors
- (x). Never lose composure
- (xi). Have fun
- (xii). Fall every day
- (xiii). Stay creative

3 (b)

Total Requirements of Working Capital ₹ 16,44,830

Permissible Bank Finance ₹ 12,92,625

4 (a)

Bootstrapping is the process of building a business from scratch without attracting investment or with minimal external capital. It is a way to finance small businesses by purchasing and using resources at the owner's expense, without sharing equity or borrowing huge sums of money from banks. A business that uses bootstrapping is characterized by a high dependence on internal sources of financing, credit cards, mortgages, and loans. In other words, bootstrapping is characterized by limited sources of financing.

The motivations for taking bootstrapping as a business model are different. Entrepreneurs begin to engage in bootstrapping if they:

- Lack experience in formulating business plans and in entrepreneurship
- Lack skills for product promotion and contacts with suppliers
- Do not know how to raise financing
- Do not want to share income with investors
- Do not want to spend time searching for an investor

Below are some proven methods that will help an entrepreneur in the early stages of the bootstrapped startup:

- a. Reinvest net profit.
- b. Create a business plan. Planning is necessary, and it will help the owner organize things and understand the vectors of movement.
- c. A business idea (product/service) should solve someone's problem. Otherwise, there is neither a product nor a target audience.
- d. Attract a mentor or any person who is successful in that business and who will give useful advice.
- e. Use the most of networking opportunities and communicate with a network of personal contacts. In a developed personal network (or a network of friends and relatives), there may be journalists who will write about you or graphic designers who will make a logo or a minimalistic but trendy website out of friendship.

4 (b)

There are various reasons to need a well-designed package to gain the trust of the new customers and market.

- a. Good marketing strategy: Product packaging is one of the best ways to promote and advertise the newly launched products in the competitive markets. When the consumers purchased the products, they only recognize the design of the material. Through the wrapping of the material companies promote or market their material through the packages.
- b. Maintain the product's safety: Without the packaging, selling the products is not possible, that's why companies use the wrapper. There are various types of packaging like cans, bags, cartons, boxes, trays, etc. As per the material protection, the companies select the type of packaging.
- c. Build your brand awareness: With the unique and attractive product wrapping companies reach several new consumers and grow their businesses. The poor design distracts the consumers, and the creative design helps the industries to convince the consumers to buy the products.
- d. Stand out from the crowd: If the Start-up businesses want to stand out in the crowded market then they need wrapping designs that are simple and easily get the attention of the consumers to purchase the products.
- e. Effect on purchasing decision: The product packages also affect the consumer's mind. With the packages, they make decisions about purchasing the products. An attractive package attracts consumers to buy the products. The design of wrapping is to communicate with the consumers and tell the story of the production.

5 (a)

Some disadvantages of the Crowd funding are –

(i). Inflexible:

One downside to Crowd funding is the inability to make alterations to a campaign once it's launched. This means the description, terms and conditions, and allotted completion time cannot be changed. So, these are static in that sense. If entrepreneurs are forced to make changes to the campaign, they could find the project null and void and be required to give investors a refund.

(ii). False and Negative Results:

Another common disadvantage of crowd funded campaigns is conclusions based on false-negative results. This is particularly true when looking at idea validation. For example, entrepreneurs could falsely conclude that the project failed because the product didn't meet a market need. However, in truth, its failure was largely down to poor marketing and a lack of understanding of what the product did. It does meet a market need – but just needs to be 'marketed' a little better.

(iii). Time Consuming:

Many entrepreneurs fail to appreciate the time, effort, and planning a successful Crowd funding campaign requires. Regular communication with investors, detailed financial reports, forecasts, POA (plan of action) for the invested funds, etc.

(iv). Administration and Accounting:

This is more of a warning than a negative, but entrepreneurs need to consider the administrative and accounting challenges they will face.

(v). Idea Theft:

Arguably the biggest drawback of publicly crowd funded campaigns is idea theft. This is very common picture in the periphery of startup business. Entrepreneurs are incredibly vulnerable to copycats swooping in, stealing their ideas, and taking them to other investors or corporations.

(vi). Difficult for Non-Consumer Projects:

Currently, Crowd funding campaigns are largely successful in the B2C (business-to-consumer) marketplace. It's not common to see the same success for B2B (business-to-business) ventures. This is largely down to the investment community. When they see a product that has a clear, tangible impact on consumers they can immediately identify with it. Its purpose is clear and they're more willing to invest. Services and other forms of non-consumer ventures are more difficult to interpret, and their value unclear.

(vii). Lack of Transparency:

Not everybody is keen on opening up financial and other sensitive information to the public. However, if an entrepreneur is looking to raise funding through one of these platforms, investors are going to need access to this material to make informed decisions. This is not for everybody, so think carefully before committing to a campaign.

(viii). Access to Funds:

One of the drawbacks to Crowd funding campaigns is that you have to wait until the allotted time is up before receiving the funds. Depending on the duration of the campaign this could be anywhere between 60-90 days, so definitely worth taking into consideration.

5 (b)

Four phases of customer validation are discussed below:

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

6 (a)

The start-up valuation methods are as follows:

- a. **Berkus Method:** This method, created by American venture capitalist and angel investor Dave Berkus, looks at valuing a start-up enterprise based on a detailed assessment of five key success factors: (1) Basic value, (2) Technology, (3) Execution, (4) Strategic relationships in its core market, and (5) Production and consequent sales. A detailed assessment is carried out evaluating how much value the five key success factors in quantitative measure add up to the total value of the enterprise. Based on these numbers, the startup is valued. The Berkus Approach may sometimes also be referred to as “the Stage Development Method or the Development Stage Valuation Approach.”
- b. **Scorecard Valuation Method:** The scorecard valuation method works based on the comparison. The scorecard method is ideal for determining the target’s average value and determining an acceptable average. Various factors such as market size, region, type of organization, quality of management, and the industry sector are considered. The scorecard method has proven to be comprehensive. This startup valuation method analyses the prospects of a startup on all fronts. Using this method, startups are compared to those which are already funded.
- c. **Risk Factor Summation Method:** The Risk Factor Summation Method values a startup by taking into quantitative consideration of all risks associated with the business that can affect the return on investment. Under this method, an estimated initial value is calculated for the startup using any of the other methods discussed in this article. To this initial value, the effect, whether positive or negative, of different types of business risks are taken into account, and an estimate is deducted or added to the initial value based on the effect of the risk.
- d. **Cost-to-Duplicate Method:** The Cost-to-Duplicate Method involves taking into account all costs and expenses associated with the startup and the development of its product, including the purchase of its physical assets. All such expenses are taken into account in order to determine the startup’s fair market value based on all the expenses.
- e. **Market Multiple Method:** The Market Multiple Method is one of the most popular startup valuation methods. The market multiple method works like most multiples do. Recent acquisitions on the market of a similar nature to the startup in question are taken into consideration, and a base multiple is determined based on the value of the recent acquisitions. The startup is then valued using the base market multiple.
- f. **Comparable Transactions Method:** It is one of the most conventional methods proven to provide investors with realistic scenarios and values. Having been built on precedents is what makes it the most popular method. This method takes information such as how many other similar startups were acquired in recent years and uses that as a precedent to arrive at a valuation. The comparable transactions method is commonly utilized to compare and analyze two similar businesses.
- g. **Discounted Cash Flow Method:** This method of startup valuation relies on a future-based approach. It makes predictions relating to the company’s future growth and potential profit. This method is most suited for recently launched startups and paints a clear picture of the future. Discounted Cash Flow method helps decipher an accurate investment return rate and therefore helps forecast the business’s potential. It further highlights the scope of growth, making it a precise startup valuation method.

6 (b)

- (i) Expected rate of return = 19% for Security SP and 18% for Market.
- (ii) Expected Standard Deviation = 5.73% for Security SP and 5.37% for Market.
- (iii) Co-Variance between Stock SP and Market = 27.20%
- (iv) Co-efficient of Correlation between Stock SP and Market = 0.88
- (v) Beta of Stock SP = 0.94

7 (a)

Conflicts and a lack of consensus on certain issues give rise to ethical problems in marketing. The parties participating in marketing transactions have expectations regarding the development of the business relationships and the manner in which various transactions must be carried out. The various ethical issues that may come up in marketing are as follows:

- (i). **Emerging Ethical Problems in Market Research:** Market research has experienced resurgence with the widespread use of the Internet and the popularity of social networking. It is easier than ever before for companies to connect directly with customers and collect individual information that goes into a computer database to be matched with other pieces of data collected during unrelated transactions. The way a company conducts its market research these days can have serious ethical repercussions, affecting the lives of consumers in ways that have yet to be fully understood. Further, companies can be faced with a public backlash if their market research practices are perceived as unethical.
- (ii). **Grouping the Market Audience:** Unethical practices in marketing can result in grouping the audience into various segments. Selective marketing may be used to discourage the demand arising from these so-called undesirable market segments or to disenfranchise them totally. Examples of unethical market exclusion may include the industry attitudes towards the gay, ethnic minority, and plus-size groups.
- (iii). **Ethics in Advertising and Promotion:** An advertiser who does not meet the ethical standards is considered an offender against morality by the law. Some select types of advertising may strongly offend some groups of people even when they are of strong interest to others. Female hygiene products as well as haemorrhoid and constipation medication are good examples. A negative advertising policy lets the advertiser highlight various disadvantages of the competitors' products rather than showing the inherent advantages of their own products or services. Such policies are rampant in political advertising.
- (iv). **Deceptive Marketing Policies:** Deceptive marketing policies are not contained in a specific limit or to one target market, and it can sometimes go unseen by the public. There are numerous methods of deceptive marketing. It can be presented to consumers in various forms; one of the methods is one that is accomplished. Some marketers offer an escape or relief from various types of human constraints, and some advertisers may take the advantage of this by applying deceptive advertising methods for a product that can potentially harm or alleviate the constraints.
- (v). **Anti-Competitive Practices:** There are various methods that are anti-competitive. The advertisements for some products or services that have a low price; however, the customers find in reality that the advertised good is unavailable and they are "switched" towards a product that is costlier and was not intended in the advertisements. Another type of anti-competitive policy is planned obsolescence. It is a method of designing a particular product having a limited useful life. It will become non-functional or out of fashion after a certain period and thereby lets the consumer to purchase another product again.
- (vi). **Pricing Ethics:** There are various forms of unethical business practices related to pricing the products and services. Bid rigging is a type of fraud in which a commercial contract is promised to one party; however, for the sake of appearance several other parties also present a bid. Predatory pricing is the practice of sale of a product or service at a negligible price, intending to throw competitors out of the market, or to create barriers to entry.

7 (b)

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

(a) **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 – individuals 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.

(b) 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.

(c) 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.

(d) 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.

SECTION-C

8 (a)

- (vi) MJK may face a number of challenges in the coming time which includes limited access to funding, a lack of infrastructure and resources, and the need to balance social impact with financial sustainability.
- (vii) MJK can contribute to sustainable development by addressing social and environmental challenges, promoting economic growth and job creation for youth in rural area and empowering marginalized communities.
- (viii) The potential risks and ethical considerations that MJK may face include the potential for unintended consequences, the risk of exploitation or harm to vulnerable populations (old age persons) and the need to balance social impact with financial sustainability and accountability. MJK must be vigilant in identifying and addressing these risks and ensure that their work is guided by ethical principles and values.
- (ix) In case of MJK, collaboration plays a critical role in social entrepreneurship, as it allows social entrepreneurs to leverage the strengths and resources of other organizations and individuals to achieve greater impact. To collaborate effectively, social entrepreneurs must establish clear goals and objectives, communicate openly and honestly, and build strong relationships based on trust and mutual respect.

8 (b)

- (i) The emergence of new technologies is enabling entrepreneurs like Harliv to develop and scale their businesses in new ways. Cloud computing has made it easier for firms to access and manage data, while artificial intelligence is helping businesses to automate processes and improve decision-making. Additionally, the rise of social media has provided new avenues for marketing and customer engagement.

- (ii) The growing focus on social and environmental impact is creating new opportunities for Harlivo to develop businesses that are aligned with their mission and values and can make a positive difference in the world. This trend is particularly evident in the rise of social enterprises, which aim to address social or environmental problems while also generating revenue.
 - (iii) Harlivo can address the challenges of access to capital by leveraging alternative funding sources like Crowd funding, Angel Investing and Venture Capital or by partnering with investors who specialize in early-stage businesses.
 - (iv) The long-term implications of emerging trends in Harlivo includes the potential for new business models and technologies to disrupt traditional industries, as well as the possibility for entrepreneurship to drive social and environmental change. Additionally, the rise of the gig economy and other flexible work arrangements may have implications for the future of work and employment.
-