STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2008-2009)

SUBJECT CODE : CM/ME/ED64

B.Com. DEGREE EXAMINATION APRIL 2011
COMMERCE
SIXTH SEMESTER

COURSE	**:**	**MAJOR – ELECTIVE**	
PAPER	**:**	**ENTREPRENEURIAL DEVELOPMENT**	
TIME	**:**	**3 HOURS**	**MAX. MARKS : 100**

SECTION – A

ANSWER ALL QUESTIONS: **(10 x 3 = 30)**

1. Who is an innovative entrepreneur?
2. What are the personal factors which influence entrepreneurship?
3. Mention any three barriers to entrepreneurship in India.
4. Identify the stages involved in new product introduction?
5. What are the components of working capital?
6. What are the different sources of short and long term finance?
7. Bring out the meaning of incentives and subsidies?
8. Mention any three schemes of finance in operation with the Tamil Nadu Industrial Investment Corporation Ltd.
9. What is network analysis?
10. What do you mean by cost benefit analysis?

SECTION – B

ANSWER ANY FIVE QUESTIONS: **(5 x 6 = 30)**

11. Explain the various functions of an entrepreneur.
12. What are the sources from which business ideas emanate?
13. Give a brief account of the different phases of Project Life Cycle?
14. Bring out the advantages of limited company in comparison with partnership firm.

15. Identify the institutions that offer financial support to the entrepreneurs.

16. Differentiate Critical Path Method from PERT.

17. Highlight the advantages and draw backs of Payback period method in evaluating the project.

SECTION – C

ANSWER ANY TWO QUESTIONS: **(2 x 20 = 40)**

18. Discuss the role of commercial banks in entrepreneurial development.

19. Explain in detail the distinct stages of Project formulation.

20. Discuss the need and importance of promoting women, rural and small entrepreneurs in our country.

21. A Company is considering the replacement of its existing machine, which is obsolete and unable to meet the rapidly rising demand for its product. The company is faced with two alternatives: (i) to buy Machine A which is similar to the existing machine or (ii) to go in for Machine B which is more expensive and has much greater capacity. The amount required to purchase Machine A is Rs. 25 lacs and for Machine B is Rs.40 lacs. Following are the cash inflow of the two proposals:

Cash in flows (in lacs of Rs.) at the end of year:

Year	1	2	3	4	5
Machine A	Nil	5	20	14	14
Machine B	10	14	16	17	15

The company's cost of capital is 10%. Advice the finance manager by evaluation of the two proposals using (a) Net Present Value; (b) Profitability Index; (c) Payback period; and (d) Discounted Payback period.

Note: Present values of Re 1 at 10% discount rate are as follows:

Year	0	1	2	3	4	5
P.V.	1.00	0.91	0.83	0.75	0.68	0.62

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