

**MANAGEMENT PROGRAMME**

**Term-End Examination**      0 1 7 1 0  
**June, 2013**

**MS-93 : MANAGEMENT OF NEW  
AND SMALL ENTERPRISES**

*Time : 3 hours*

*Maximum Marks : 100  
(Weightage 70%)*

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- Note :** (i) Attempt *any three* questions from *Section-A*. carrying  
20 marks each.  
(ii) *Section - B* is *compulsory* and carries 40 marks.
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**SECTION-A**

1. Briefly explain the meaning of Entrepreneurial competencies. Discuss the stages in which it is developed?
2. What are the factors which influence the decision for selection of site for a Small Scale Enterprises (SSE). State the locational problems confronted in the selection of plant site with respect to single as well as multi-facility location.
3. Discuss the common errors committed in the formulation of a Business plan.

4. What are the functions carried out in work services and how are these managed ? Illustrate.
  
5. Write short notes on *any four* of the following:
  - (a) Total Performance Index.
  - (b) Inventory control
  - (c) Firm Flexibility
  - (d) Professionalisation in family Business.
  - (e) Market Demand Analysis.

## SECTION-B

6. Read carefully the case given below and answer the questions given at the end of the case :

### IT'S ALL ABOUT MONEY

Nirmal Jain came from a family of commodity traders. Over the years, they had made and lost large sums of money. After completing his postgraduation from IIM Ahmedabad, he decided to start his own venture rather than take up a job in the corporate world. Starting Probity Research, an equity research firm, really paid off. The nineties was the time the Indian masses had discovered the stock exchange as an investment vehicle and they needed all the advice they could get to understand this uncertain environment. By 1999, Probity Research had a turnover of almost one crore and things were looking good, But Nirmal was not happy; he wanted to try for something much bigger.

It was around that time that the Internet too was having an impact on business and society in India. Anybody who knew a little about it was getting into some business based on the Net in the fear of missing out on something big. Nirmal too was excited about this new medium of communicating and doing business. He took a big risk and put all his content online by launching Indiainfoline.com. This put an end to the way he

was conducting his business and opened up entirely new possibilities. Not everyone was convinced that he was on the right track. Many members of his top management at Probity Research left him and his family was apprehensive that he had prematurely ended a good business.

Initially things seem to have worked out for the better. Even though he had not started making profits, Indiainfoline was making a name for itself and was able to gain very high visibility in the right circles. He was attracting interest from banks and venture capitalist alike. Indiainfoline became the first company to offer e-broking in India and Nirmal was even contemplating starting a TV channel.

With the dot-com bust, everything seemed to come apart. Good employees left the firm, financier pulled out and revenues plummeted. The stock market plummeted and that affected his basic business premise.

As a reaction to the macro-economic changes, he scaled down operations, got rid of all frills and concentrated on e-broking and financial services. He persevered with his new business model through some harrowing times and finally things started looking up in 2003. Currently, Indiainfoline has revenues of over ₹ 300 crore and annual profit of over ₹ 60 crore. Nirmal Jain's stake in Indiainfoline to be worth over ₹ 300 crore.

*Questions :*

- (a) Do you think Nirmal Jain took a gamble by starting Indiainfoline?
  - (b) What are the external factors at work which prompted Nirmal Jain to take the plunge?
7. To facilitate small scale sector government has stipulated that investors bringing FDI in single brand retailing should source 30% of there products from small scale sector.  
Discuss the advantages and disadvantages of this measure for Small and Medium Enterprizes (SMES).
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