

**Government Arts College – Autonomous, Coimbatore -18**  
**Department of Economics: I BA Economics: II SEMESTER**  
**Entrepreneurial development: 18 BEC 24A**

**CLASS NOTES**

**Unit I: Entrepreneurship:**

**Meaning**

Entrepreneurship is the ability and readiness to develop, organize and run a business. This is done with a profit motive. And there is an element of risk taking in this function.

**Characteristics**

- **Ability to take a risk-** Starting any new venture involves a considerable amount of failure risk. Therefore, an entrepreneur needs to be courageous and able to evaluate and take risks, which is an essential part of being an entrepreneur.
- **Innovation-** It should be highly innovative to generate new ideas, start a company and earn profits out of it. Change can be the launching of a new product that is new to the market or a process that does the same thing but in a more efficient and economical way.
- **Visionary and Leadership quality-** To be successful, the entrepreneur should have a clear vision of his new venture. However, to turn the idea into reality, a lot of resources and employees are required. Here, leadership quality is paramount because leaders impart and guide their employees towards the right path of success.
- **Open-Minded-** In a business, every circumstance can be an opportunity and used for the benefit of a company. For example, Paytm recognised the gravity of demonetization and acknowledged the need for online transactions would be more, so it utilised the situation and expanded massively during this time.
- **Flexible-** An entrepreneur should be flexible and open to change according to the situation. To be on the top, a businessperson should be equipped to embrace change in a product and service, as and when needed.
- **Know your Product-** A company owner should know the product offerings and also be aware of the latest trend in the market. It is essential to know if the available product or service meets the demands of the current market, or whether it is time to tweak it a little. Being able to be accountable and then alter as needed is a vital part of entrepreneurship.

**Types**

1. **Small Business Entrepreneurship**
2. **Scalable Start up Entrepreneurship**
3. **Large Company Entrepreneurship**
4. **Social Entrepreneurship**

## **factors influencing the entrepreneurship**

### **Economic Factors**

1. **Capital.**
2. **Labor**
3. **Raw Materials**

### **Psychological Factors**

1. **Passion**
2. **Need for Achievement**
3. **Resilience**

### **Social Factors**

1. **Family Background**
2. **Education**
3. **Social Networks**

### **Technical factors**

1. **Training**
2. **Technical support**
3. **Educational support**
4. **Marketing support**

## **Functions of entrepreneurs**

1. Taking Initiative
2. Organizing Resources
3. Identifying Opportunities and Prospects
4. Risk-Taking
5. Decision Making
6. Technology Transfer and Adaptation
7. Innovation
8. Fostering Autonomy
9. Social Responsibility
10. Public Relations
11. Experience Sharing
12. Managerial Roles
13. Balanced Economic Development

### **Entrepreneur versus Intrapreneur**

Entrepreneur is a person owning a business. This person takes risk and uncertainty and earns profit.

Intrapreneur is a person working in the business. This person is in charge for making innovations in produce, process and service.

An entrepreneur uses the personal resources and has intuition. And this entrepreneur is independent with readiness to incur the loss also.

The intrapreneur is dependent on the business, takes no loss, and raises no resources for the bus