



Entrepreneurship for Handloom Weavers

Code: 672

Course Coordinator
Anitha Nair



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Entrepreneurship for Handloom Weavers

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Hello Friends

I welcome you...

I am your course coordinator. I welcome you for this programme on Entrepreneurship for Handloom Weavers. The programme has been specially designed for you to help you to understand the integrities of entrepreneurship. It will also help you set up your own small business, especially in the area of Handloom sector. You will also find it interesting to do your self assement as to whether you have the traits required to become an entrepreneur. However dont worry, if you score less, since the traits can also be developed by patience & will power.

Friends, do not forget to complete all the Portfolio Activities & Practical Work as given in the Lessons.

We hope that you will enjoy this course, as we have enjoyed it developing for you. Do not hesitate to write to me in case you face any problem.

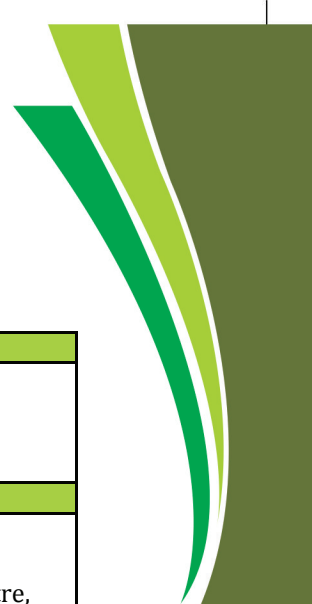
Good luck for your learning and Good luck for your future!

Anitha Nair
Deputy Director
Vocational Department, NIOS



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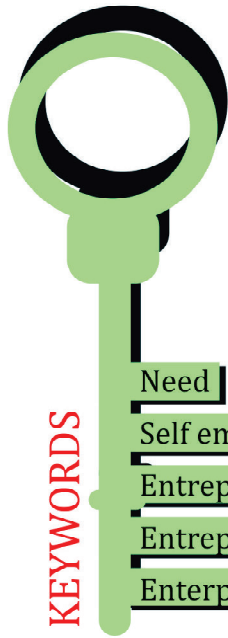
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1. First Step towards Entrepreneurship



KEYWORDS

Need

Self employment

Entrepreneur

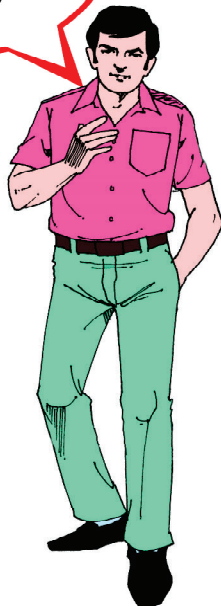
Entrepreneurship

Enterprise

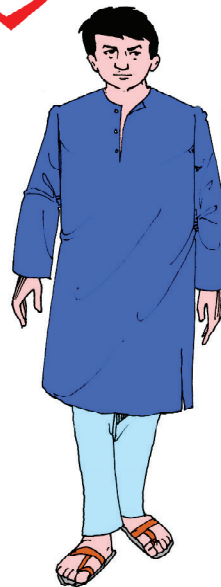
OBJECTIVES

- * Describe the concept of entrepreneurship
- * Explain the need and importance of entrepreneurship
- * List the myths associated with entrepreneurship
- * Enlist the difference between self employment and entrepreneurship

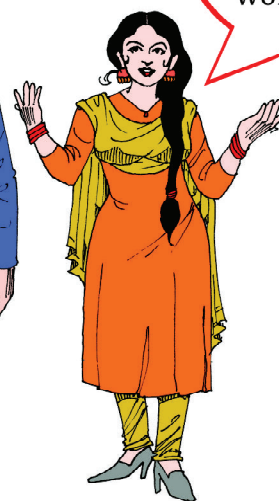
I am working for a company but not happy. I want to leave job.



Whatever I am earning, I am not able to fulfill my family needs.

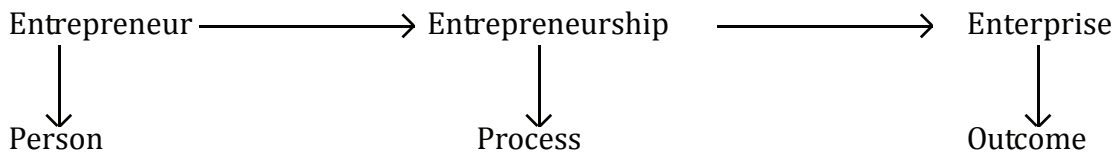


I have a different thought. I would like to start some work of my own.





1.1 Entrepreneurship



An entrepreneur is a person responsible for setting up a business or an enterprise. He has the initiative, skill for innovation and looks for high achievements. An entrepreneur is one who always searches for changes, responds to it and exploits it as an opportunity.

The result of entrepreneurial efforts is an enterprise and the entire process of setting up an enterprise is **entrepreneurship**.

Entrepreneurial Characteristics

The following characteristics are required for becoming an entrepreneur.

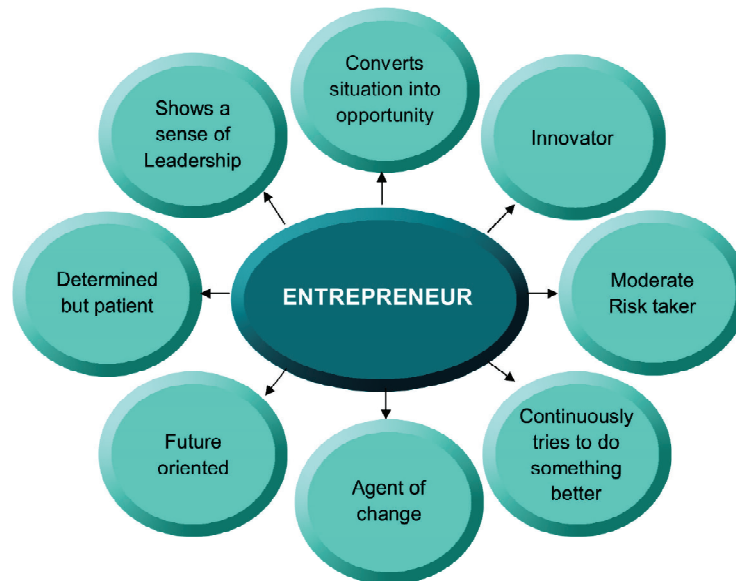


Figure 1.1 : Characteristics of an Entrepreneur

Know your Progress 1.1

State whether the following statements are True or False.

1x4=4

- 1) Entrepreneurs are innovators.
- 2) Entrepreneurs show a sense of leadership.
- 3) Entrepreneurs don't take risks.
- 4) Entrepreneurs don't have patience.

Fill your score...../4

1.2 Need and importance of Entrepreneurship

- Brings innovation.
- Is lifeline of a nation.
- Increases national income and profits.
- Creates new businesses and jobs.
- Creates social changes and benefits.
- Improves standard of living.
- Adds improved product and technologies.

Portfolio Activity 1.1

Collect information from various sources about two entrepreneurs in the textile industry and answer the following questions in two separate sheets in the portfolio.

- Q1. Name of the Entrepreneur.
- Q2. What motivated him/her to become an entrepreneur?
- Q3. List down the challenges faced by him/her.
- Q4. How did he/she solve the challenges faced?

1.3 Myths of Entrepreneurship

- Entrepreneurs are born not made.
- Entrepreneurs should be young.
- Lot of capital is required to start a business.
- Entrepreneurs give little attention to their personal life.
- Entrepreneurs are often technically qualified.
- Banks do not lend money to start a business.



- Women cannot become entrepreneurs.
- Own land/building is required to start a business.
- There are lot of legal requirements to start a business.

The above mentioned myths should not stop entrepreneurs from taking initiative and going ahead with entrepreneurship. Look around, you will observe that there are many people who have broken these myths and have become successful entrepreneurs.

Know Your Progress 1.2

Fill in the blanks with appropriate words

1x4=4

- 1) Entrepreneurs are born not.....
- 2) Entrepreneur should beat age.
- 3) Entrepreneurs give little attention to theirlife.
- 4) Lot of is required to start a buisness.

Fill your score...../4

1.4 Difference between Self employment and Entrepreneurship

SELF EMPLOYMENT	ENTREPRENEURSHIP
<ol style="list-style-type: none">1. It is about engaging in routine business.2. Risk involved is less as tried and tested methods of doing business are used.3. Rewards or profits associated are usually average.Example: using traditional approach to design	<ol style="list-style-type: none">1. It is based on new ideas to follow for work and success.2. Risk taking is more as new ideas are explored and exploited.3. Rewards or profits may be very high.Example: mixing modern trends with traditional designs

Know your Progress 1.3

State whether the following statements are True or False

1x3=3

1. Self employment is about engaging in routine business.
2. In Entrepreneurship, risk taking is more.
3. Rewards or profits are usually average in entrepreneurship.

Fill your score...../3



1.5 This is What you Have Learnt



1.6 Let us Practice

- 1) Differentiate between self employment and entrepreneurship.
- 2) List the myths associated with entrepreneurship.
- 3) Enumerate the need and importance of entrepreneurship.
- 4) List any five qualities of entrepreneurs.



1.7 Answers to Know Your Progress

1.1 1) True

2) True

3) False

4) False

1.2 1) made

2) young

3) personal

4) capital

1.3 1) True

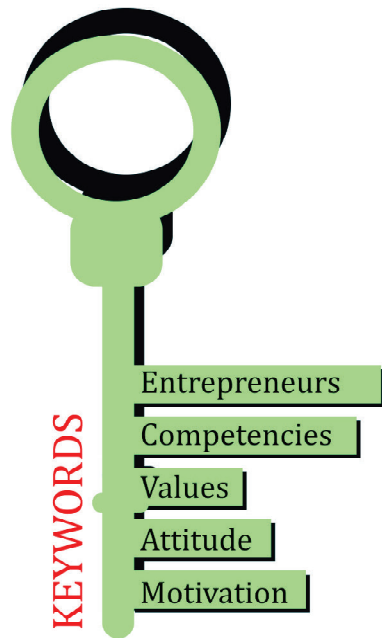
2) True

3) False

Your total score is...../11



2. Entrepreneurial Characteristics



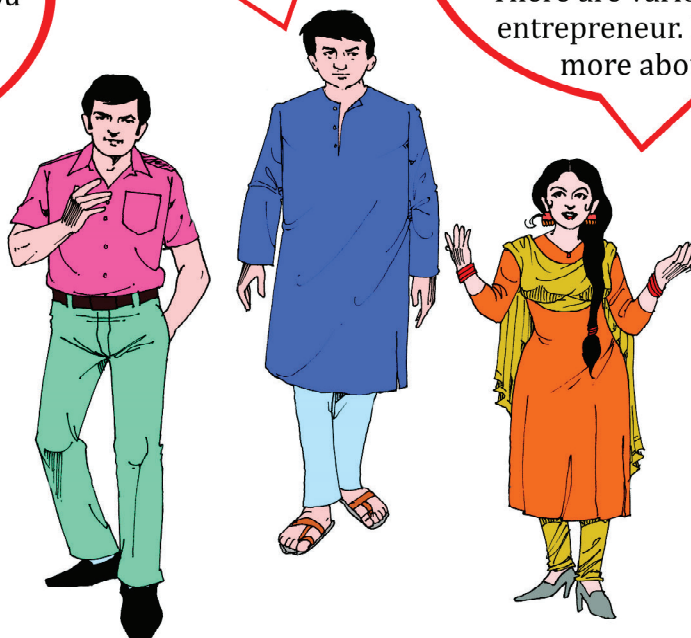
OBJECTIVES

- * Describe various types of entrepreneurs
- * Explain the competencies of an entrepreneur
- * Identify the core values, attitudes and behavior of an entrepreneur
- * Describe the concept of entrepreneurial motivation

Hey Vidushi , earlier you told us about who is an entrepreneur. Now could you please tell us whether anybody can become an entrepreneur'?

And also, what should be the competencies of a person to become an entrepreneur?

Yes friends, anyone can be an entrepreneur. All entrepreneurs share some common competencies. But all entrepreneurs are not same. There are various types of entrepreneur. Let's know more about it....



2.1 Types of Entrepreneurs

Every entrepreneur has different qualities and personality traits. Some entrepreneurs may choose to work alone while others may prefer to work in groups. One common link they share is the desire to have 'freedom' to do their work. Entrepreneurs are generally of four types:

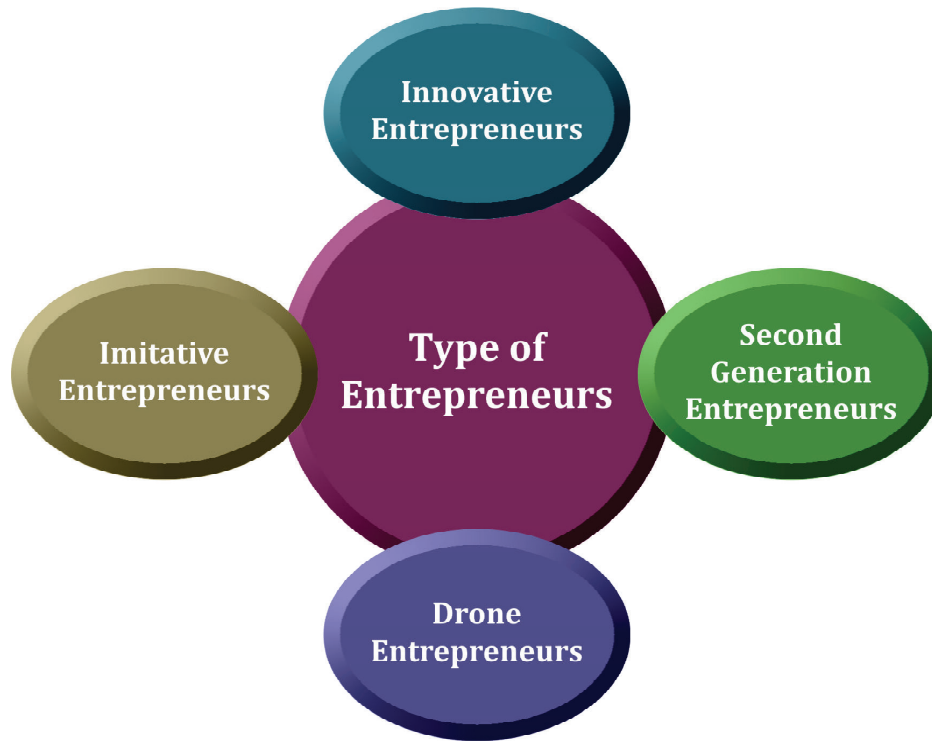


Figure 2.1: Types of Entrepreneurs

Innovative Entrepreneurs:



Figure 2.2: Characteristics of Innovative Entrepreneurs

Imitative Entrepreneurs:

Imitative entrepreneurs generally copy or adopt the new and suitable innovations made by innovative entrepreneurs. They are revolutionary, adaptive and more flexible.

Second-Generation Entrepreneurs:

These entrepreneurs are the second-generation entrepreneurs in the family business who follow the footsteps of their predecessors. They are the ones who:

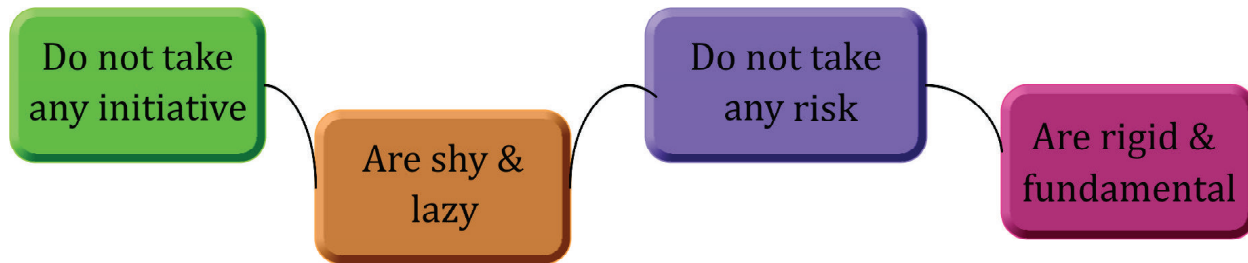


Figure 2.3: Charateristics of second generation Entrepreneurs

Drone Entrepreneurs:

These entrepreneurs are very conventional in their approach. They are reluctant to change and refuse to copy or use the opportunities that come across them.

Portfolio Activity 2.1

Collect information from newspaper, magazines, internet etc. about any weaver entrepreneur. Identify which type of entrepreneur he/she is.

Know your progress 2.1

Match the following: 1x4=4

1. Innovative entrepreneurs	a. Shy & lazy
2. Imitative entrepreneurs	b. Conventional
3. Second-generation entrepreneurs	c. Ready to take risk
4. Drone entrepreneurs	d. Copy other's ideas

Your score is.../4

2.2 Competencies of an Entrepreneur

You must be wondering, what is meant by entrepreneurial competencies?

The term “Entrepreneurial competencies” refers to the key characteristics or qualities that should be possessed by successful entrepreneurs in order to perform entrepreneurial functions effectively. Some of the competencies are already present in the entrepreneur while others are acquired through training and practice.

Here are some of the competencies of an entrepreneur:





Figure 2.4: Competencies of an entrepreneur

i. Initiative

Initiative means the inner desire in a person to start something. An entrepreneur should be a keen observer of the society, product types, commercial trends, and choices of consumers so as to start his /her enterprise.

ii. Risk Taking

Entrepreneur should be able to identify and calculate risk and to evaluate, generate and implement solutions to the problems.

iii. Leadership Qualities

An entrepreneur should be able to lead and motivate his/her team as well as other associates. He/she should have good communication skills and will power.

iv. Persistent and Persuasive

An entrepreneur should make repeated efforts to overcome any obstacle that might come in his/her way to success. He/she should also possess the skill to convince others through his/her logical reasoning.

v. Quality Consciousness

Entrepreneurs set high standards and always believe in excellence which is reflected in their performance.



Portfolio Activity 2.2

Note down any four competencies of the entrepreneur selected in Activity 1 above in your portfolio.

2.3 Entrepreneurial Values, Attitudes, Behavior and Motivation

Entrepreneurial Values

Values are the beliefs shared by members of a culture. It guides the members about what is good or bad and desirable or undesirable. Values influence a person’s behavior and attitudes. The qualities like honesty, integrity, truthfulness are considered to be of great value for a civilized society. Some of these qualities guide and direct the entrepreneurs and hence they are called entrepreneurial values.

Core Values of Entrepreneurs



Figure 2.5: Core values of an entrepreneur

Creativity and Innovation

These values guide entrepreneurs for innovation of new ideas, products, services, production processes etc. For example, launching of power banks to charge smart phones.

Self-reliance

Self reliance helps entrepreneurs to be the master of their own destiny and to derive immense satisfaction in ‘ownership’.



Trust

Trust allows the entrepreneur to deal with the market and especially customers to overcome mistrust, selfishness and ruthlessness.

Honesty

Honesty allows the entrepreneur to avoid false security and to remain calm during confusing situations in the business.

Outstanding Performance

Entrepreneurs value performance of high order and have strong motivation to succeed.

Respect for work

Entrepreneurs believe that they can achieve anything through hard work and dedication towards the task.

Entrepreneurial Attitudes

Attitude is a tendency to think in favorable or unfavorable way towards an object, idea or person. Entrepreneur should have positive attitude towards his/her business.



Figure 2.6: Entrepreneurial Attitudes



Passion for work

Entrepreneurs should be passionate about their ideas and goals. During difficult times, passion of the entrepreneur will help to resolve the problem.

Trustworthiness

Entrepreneurs should be able to show their truthfulness and honesty to customers and associates.

Curiosity

Entrepreneurs should be curious to know what is happening in the environment related to their business.

Flexible

Entrepreneurs must change plans, policies and strategies as per the changes in business environment

Strong work Ethics

Entrepreneurs should work with honesty, truthfulness and integrity towards customers, suppliers, govt, society and other stakeholders.

Belief in themselves

Entrepreneurs should have confidence in themselves as well as their teams.

Know Your Progress 2.2

Match the following:

1x4=4

- | | |
|-------------------------|--|
| 1. Self reliance | a. Entrepreneurs must change plans, policies and Strategies as per the changes in business Environment |
| 2. Honesty | b. allows the entrepreneur to avoid false security |
| 3. Flexible | c. helps entrepreneurs to be the master of their own destiny |
| 4. Belief in themselves | d. Entrepreneurs should have confidence in themselves as well as their teams |

Your score is.../4

2.4 Entrepreneurial Motivation

Entrepreneurial motivation is the inner force that directs the behavior of the entrepreneur towards his/her goal. It is this essential component which shall be the deciding factor for anyone to take up entrepreneurship.



Motivating Factors for Entrepreneurs

The entrepreneurial motivating factors have been divided into two groups:

Internal Factors: These factors are present within the entrepreneur and often originate from his/her values and needs. They include:

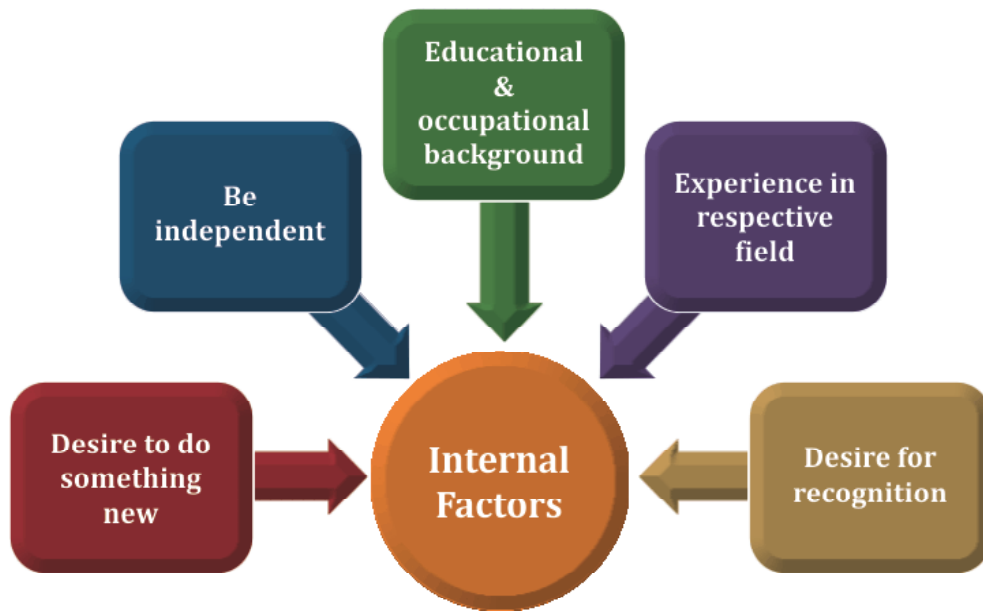


Figure 2.7: Internal factors of motivation of an entrepreneur

External Factors: These factors generally come from outside sources. These include:

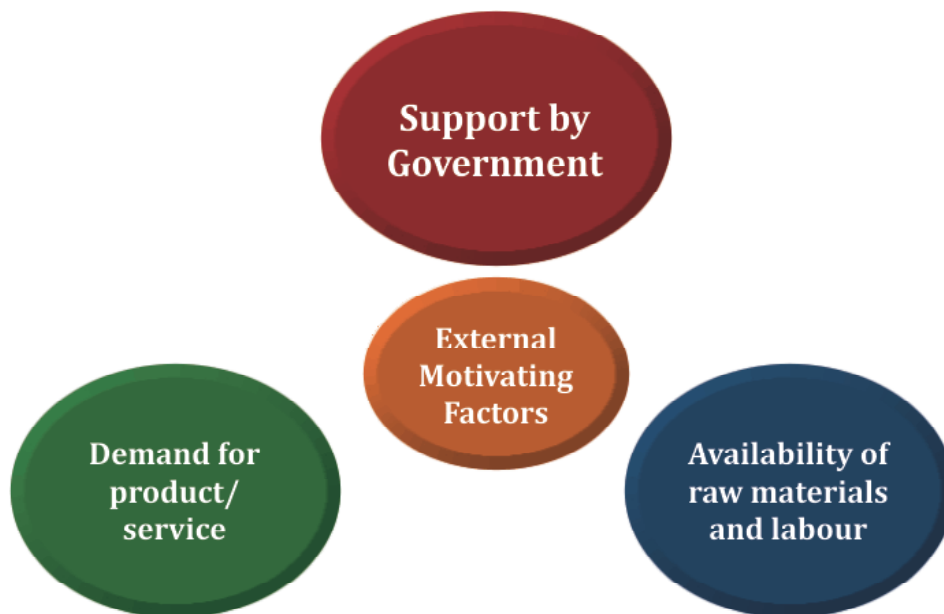
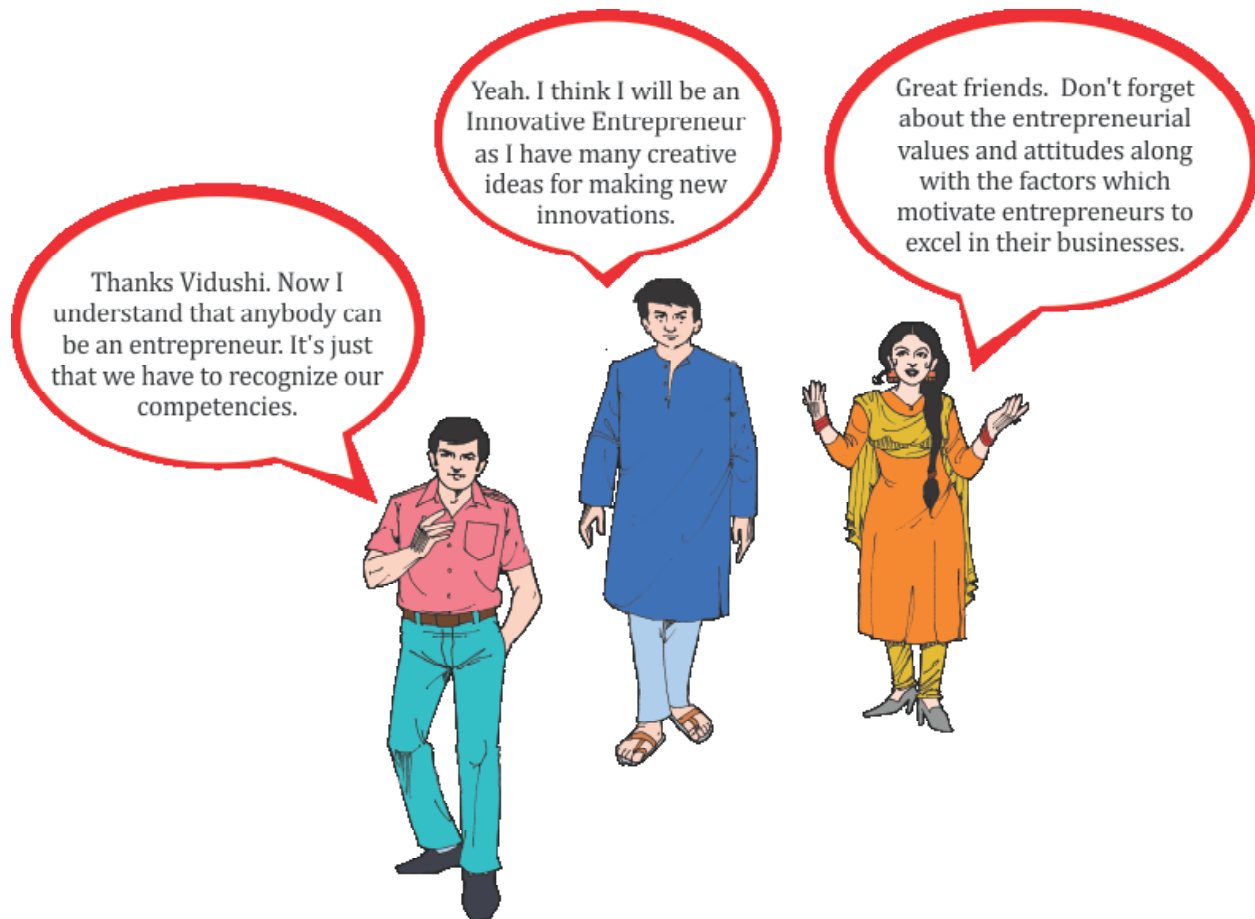


Figure 2.8: External factors of motivation of an entrepreneur

2.5 This is What You Have Learnt



2.6 Let us Practice

- Q1. List the various types of entrepreneurs and describe any one of them.
- Q2. Explain any two competencies of an entrepreneur.
- Q3. Enumerate the core values of an entrepreneur.
- Q4. Sita is a 15 years old girl working with her father who is a handloom weaver by profession. She wants to start her own business and is saving money for it. What entrepreneurial competencies are reflected in Sita's approach?

2.7 Answers to Know Your Progress

- 2.1 1-c 2-d 3-a 4-b
2.2 1-c 2-b 3-a 4-d

Your total score is.../8



PRACTICAL WORK

Practical 2.1

Objectives: Identification of the types of entrepreneurs.

Step:

1. Read about any one entrepreneur from textile industry by using internet, journals, magazines, newspapers etc.

Identify the type of entrepreneur he/she is. Record this in the portfolio.

Practical 2.2

Objective: Identification of entrepreneurial competencies

Steps:

1. Visit any one entrepreneur in your neighborhood.
2. Discuss with him/her about starting up business, problem faced and solutions generated.
3. Identify his/her entrepreneurial competencies and record these in the table given below.
4. Compare these with your entrepreneurial competencies.

Tick the competencies present in the entrepreneur and your own self:

Competencies	Entrepreneur	Self
· Initiative		
· Leadership Qualities		
· Risk Taking		
(write few on your own)		
·		
·		



3. Entrepreneurial Opportunities



KEYWORDS

- Entrepreneurial Environment
- Entrepreneurial Opportunities
- Sensing Opportunities
- Trends
- Creativity
- Innovation

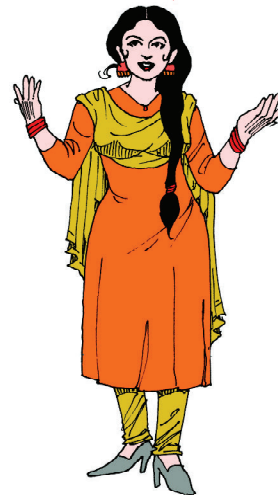
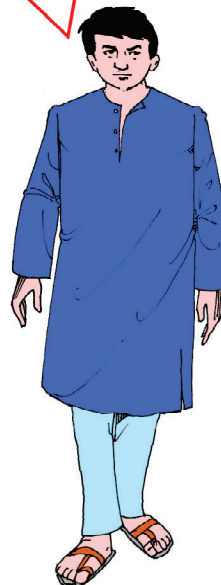
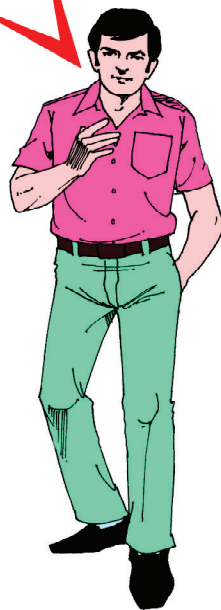
OBJECTIVES

- * Describe the concept and elements of environment scanning
- * Explain the factors for sensing entrepreneurial opportunities
- * Describe trend spotting
- * Explain the concepts of creativity and innovation
- * Select the right opportunities in the entrepreneurial environment

It was good to know about entrepreneurship. Can you tell me how I can look for opportunities for starting a business?

Vidushi, even I am eager to know

Sure, let me tell you about creativity, environmental scanning and trend spotting and how important they are for starting a new business.



3.1 WHAT IS ENVIRONMENT SCANNING?

'Environment scanning' refers to the careful monitoring of an enterprise's internal and external environment for detecting opportunities and threats.

Importance of environment scanning

You must be wondering why it is so important to scan the environment. Benefits of understanding the relevant environment of an enterprise are:

- a. **Identification of opportunities** - For example, government's ban on polythene bags gave the idea to manufacture cloth bags, jute bags, paper bags etc.
- b. **Identification of useful resources** - For example, identifying financial institutions which can give loans at low rates of interest.
- c. **Improved performance** - For example, if we understand our customers' needs, we will be able to improve our products as per their expectations.
- d. **Keeping pace with rapid changes** - For example, with the increase in number of working women, there is a need for more convenience goods such as ready to eat food items.
- e. **Building goodwill** - For example, entrepreneurs who comply with air and water pollution regulations of the government increase goodwill of an enterprise.

Environmental Elements

Micro environment has a direct influence on the enterprise. Some elements of micro environment are as follows:

Suppliers - provide raw material. For example, for a textile manufacturing company, provider of rayon, silk and other fabrics will be the supplier.

Sellers - sell the product in the market. For example, Fab India and Khadi Gram Udyog are sellers.

Customers - buy the products of entrepreneur. For an enterprise which is making cotton fabric, one of the customers is textile industries.

Intermediaries - help in taking product from producer to customer. For example, wholesalers, retailers etc. are intermediaries.

Competitors - are providing similar products and services as you. For example, Fab India and Khadi Gram Udyog are competitors.

Macro environment is not under direct control of an entrepreneur. Some of the components of the macro environment are as follows:

Political environment - affects enterprise's policies. For example, tariffs, environmental law, tax policy, consumer protection laws impact enterprises.

Economic environment - relates to economic matters of an enterprise. For example, interest rates, inflation, slow down of economy etc. impact enterprises.



Social environment - affects society's beliefs, customs, practices and behaviors. For example, a change in beliefs and values towards energy conservation led to consumer preference for LED lights.

Technological change - refers to introduction of new technologies. For example, with changes in technology, now money can be transferred via mobile phone.

- **Ecological environment** - refers to all living and non-living things around us. It is important to protect ecological environment. For example, using natural dyes.

Enterprise Environment

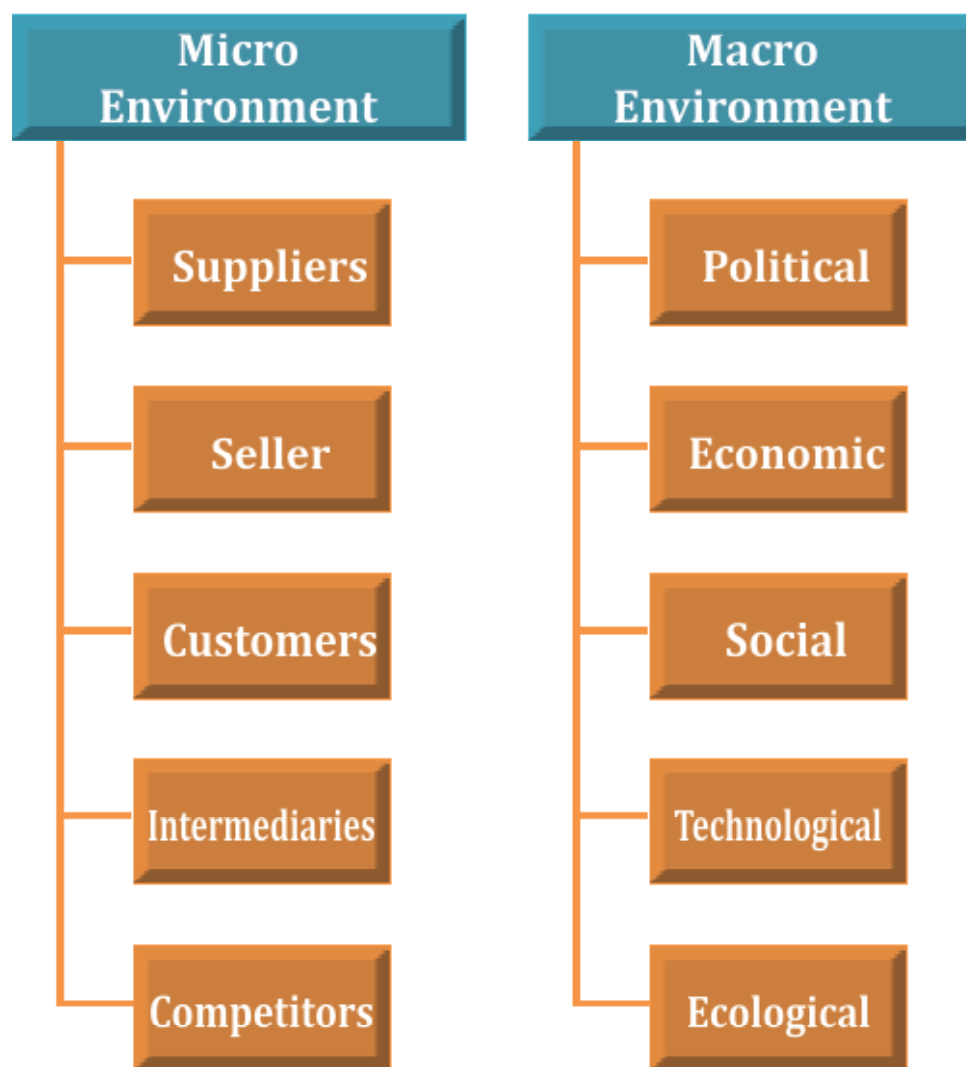


Figure 3.1: Elements of Enterprise Environment

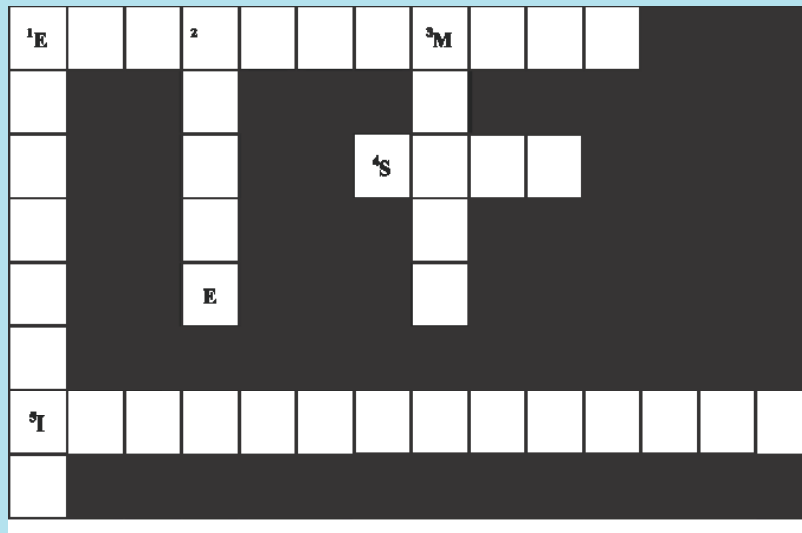


Portfolio Activity 3.1

Your friend is planning to open a handloom weaving unit. Help your friend to scan the environment for his/her enterprise. Make a list of the factors in micro and macro environment for his/her enterprise.

Know your progress 3.1

I. Fill in the crossword puzzle according to the clues given below: 1x6=6



Across:

- 1. A dynamic entity which keeps on changing.
- 4. Careful monitoring of an enterprise’s internal and external environment for detecting opportunities and threats for the enterprise.
- 5. One of the components of the micro environment for any enterprise.

Down:

- 1. One of the components of the macro environment for any enterprise.
- 2. One of the benefits of environmental scanning is to build _____.
- 3. One of the two elements of entrepreneurial environment

Your Score is .../6

3.2 SENSING ENTREPRENEURIAL OPPORTUNITIES

Have you ever thought how an entrepreneur comes up with an idea?

Our environment is full of opportunities and an entrepreneur should be able to spot the entrepreneurial opportunities present in his/her environment. But not all opportunities are worth taking up. Entrepreneur may take help of given below tools for sensing the opportunities-



Questionnaire and Survey – for example, getting information from customers by asking questions.

Interviews/Face to face interactions – talking to prospective customers in formal or informal way.

Secondary Sources – taking help of TV, internet, newspapers, magazines etc.

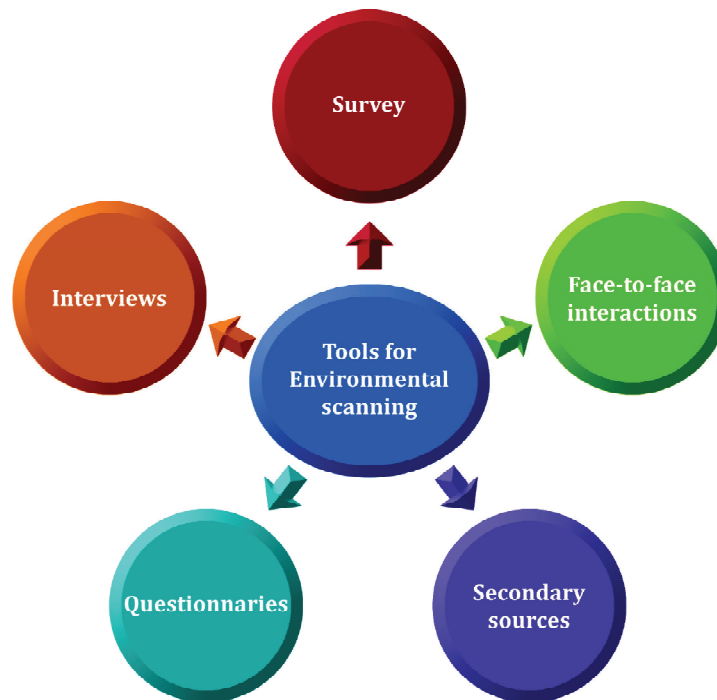


Figure 3.2 Tools for sensing the opportunities

Characteristics of an Entrepreneurial Opportunities

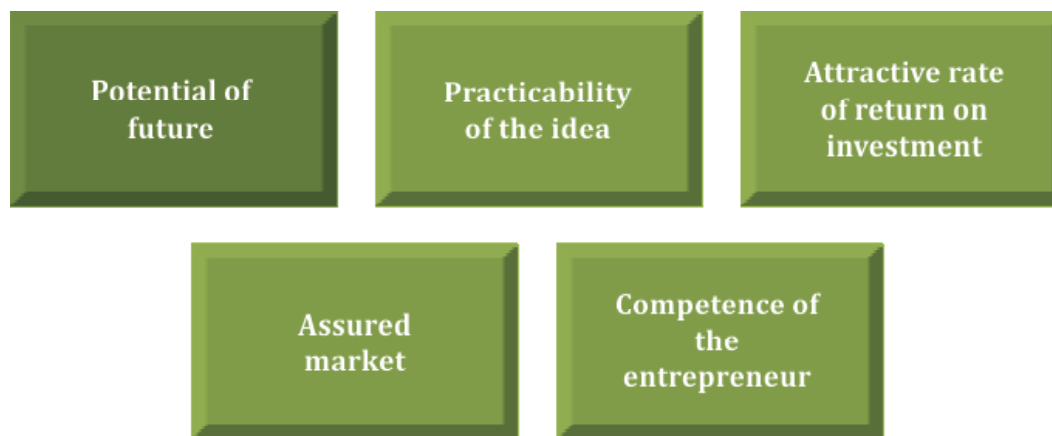
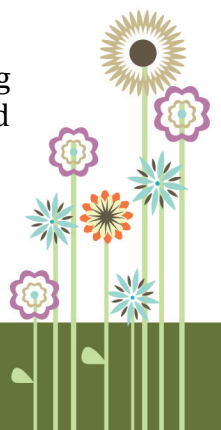


Figure 3.3: Characteristics of Entrepreneurial Opportunities

An entrepreneurial opportunity has five characteristics which are as follows:

- a. **Assured market** – It means that the product should have an assured possibility of selling in the market. For example, jute bags have good market scope after government banned polythene bags.



- b. **Attractive rate of return on investment** – The products should give good rates of return, which means an enterprise should be profitable.
- c. **Practicability of the idea** – Some ideas are good only when conceived but they are not practical. Opportunities should be such that they could be transformed into physical product
- d. **Competence of the Entrepreneur** – An entrepreneur should be competent enough to take risks and bring the opportunity into existence.
- e. **Potential of Future** – The opportunity should also provide for growth of the enterprise.

Sources of an Entrepreneurial Opportunity

Do you know from where entrepreneurial opportunities can be generated? Some of the sources are:



Figure 3.4: Sources of entrepreneurial opportunities

- a. **Problems:** Usually it is observed that innovative solution to a problem leads to an entrepreneurial opportunity.
- b. **Change:** A change in society or technology may lead to new entrepreneurial opportunities. For example, changes in technology have led to the creation of mechanized system for textile production.
- c. **Inventions:** Invention refers to creation of new products or services or innovative improvements to an existing product or service. For example, invention of power looms.



- d. Competition:** To overcome competition entrepreneurs come up with new ideas. For example, textile designers keep on bringing new ideas and designs in textiles to keep pace with competitors.

Sensing Opportunities

Sensing entrepreneurial opportunities is a process of converting an idea into an opportunity and then into an enterprise.

To begin with, needs and problems are analysed, which give rise to entrepreneurial opportunities. Entrepreneurs then collect relevant information from environment to exploit these opportunities.

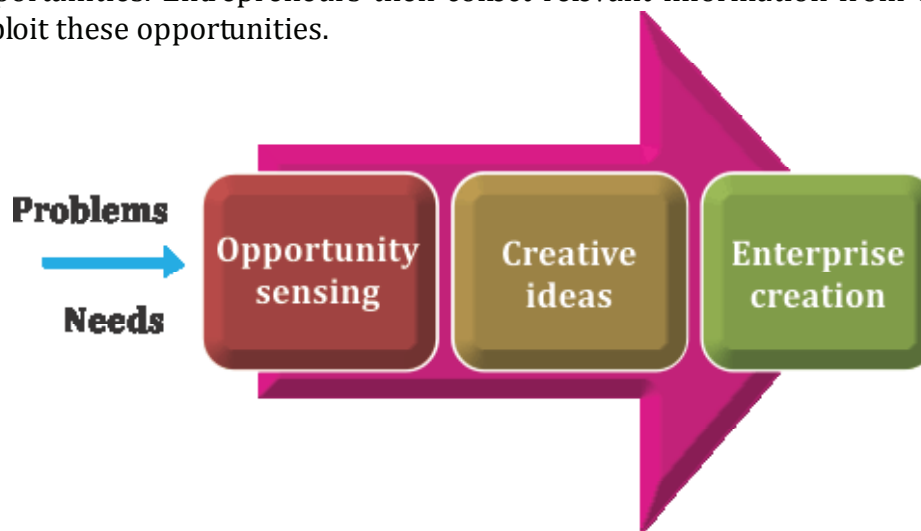


Figure 3.5: Sensing and converting opportunity

Major Factors associated with sensing entrepreneurial opportunities

1. Ability to observe basic ideas which could be used commercially.
2. Ability to make use of different sources of information.
3. Creativity.

3.3 TREND SPOTTING

Trend spotting is identification of new trends in the market. It helps an entrepreneur to understand the market and produce products or services accordingly.

Ways to spot trends:

- a. **Reading about trends-** in publications and websites like industry publications, trade association sites, major newspapers, key business magazines etc.
- b. **Talking about trends-** to people from the same industry. For example, a weaver might talk to other weavers regarding the current trends.
- c. **Watching trends** – to have practical experience of current market. For example, visiting malls, restaurants, shopping centres etc.



Know your progress 3.2

1. Match the options in column A with correct answers in column B: 2x3=6

S. No.	Column A		Column B
1.	Reading about trends	a.	Visiting malls and shopping centres
2.	Talking about trends	b.	Newspapers and business magazines
3.	Watching trends	c.	Talking to other weavers

your score is/6

3.4 CREATIVITY AND INNOVATION

Creativity and *innovation* are two important components to become an entrepreneur.

Creativity

- Creativity is the ability to generate new ideas by combining, changing, or reapplying existing ideas.
- It is characterized by novelty, usefulness and appropriateness.

The process of creativity involves five steps:

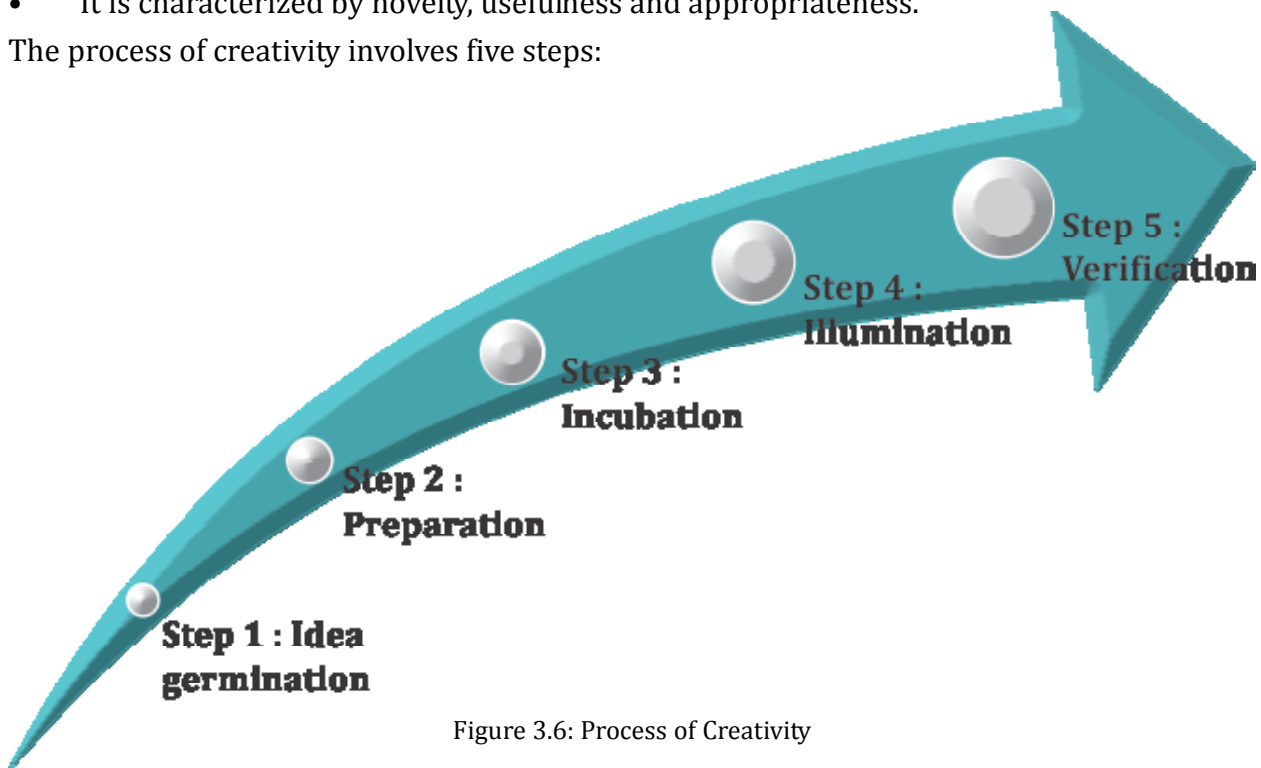


Figure 3.6: Process of Creativity

Step 1: Idea germination - is recognising that an opportunity exists. For example, entrepreneur might come up with an innovative idea of producing eco-friendly dyes for fabrics.

Step 2: Preparation - is looking for answers to implement the idea. For example, to make eco-friendly dyes, entrepreneur will start exploring various eco-friendly materials.

Step 3: Incubation - is implementation of idea in his mind. For example, the entrepreneur will think about the pros and cons of making eco-friendly dyes.

Step 4: Illumination – is coming out with viable plan to give practical shape to the idea. For example, by collecting raw-material, exploring various financial institutions for funds etc.

Step 5: Verification –Here, the idea is verified to prove its value. For example, when eco-friendly dyes have been developed, acceptance in the market for such a product might be an obstacle.

Innovation

Innovation is successful development of commercially competitive product and it is the key to entrepreneurship. The innovation process consists of four steps.



Figure 3.7: Process of Innovation

Step 1: Analytical Planning – is identifying the product or service features and the needed resources.



Step 2: Resource Organization – involves obtaining required resources, materials, technology, human and capital resources.

Step 3: Implementation – is using the resources in order to accomplish the plans and make products.

Step 4: Commercial Application – involves providing value to customers through the final product

3.5 SELECTING THE RIGHT OPPORTUNITY

As you have seen, there are a number of opportunities present in the environment of an entrepreneur. However, all the opportunities might not be feasible and profitable.

An entrepreneur should take following steps while selecting the right entrepreneurial opportunity:



Figure 3.8: Selecting the right opportunity

Portfolio Activity 3.2

Select an entrepreneur and ask him/her about problem faced related to availability of raw material in starting an enterprise. Think of an innovative solution to the problem faced by the entrepreneur. Write down your observations.



Know your progress 3.3

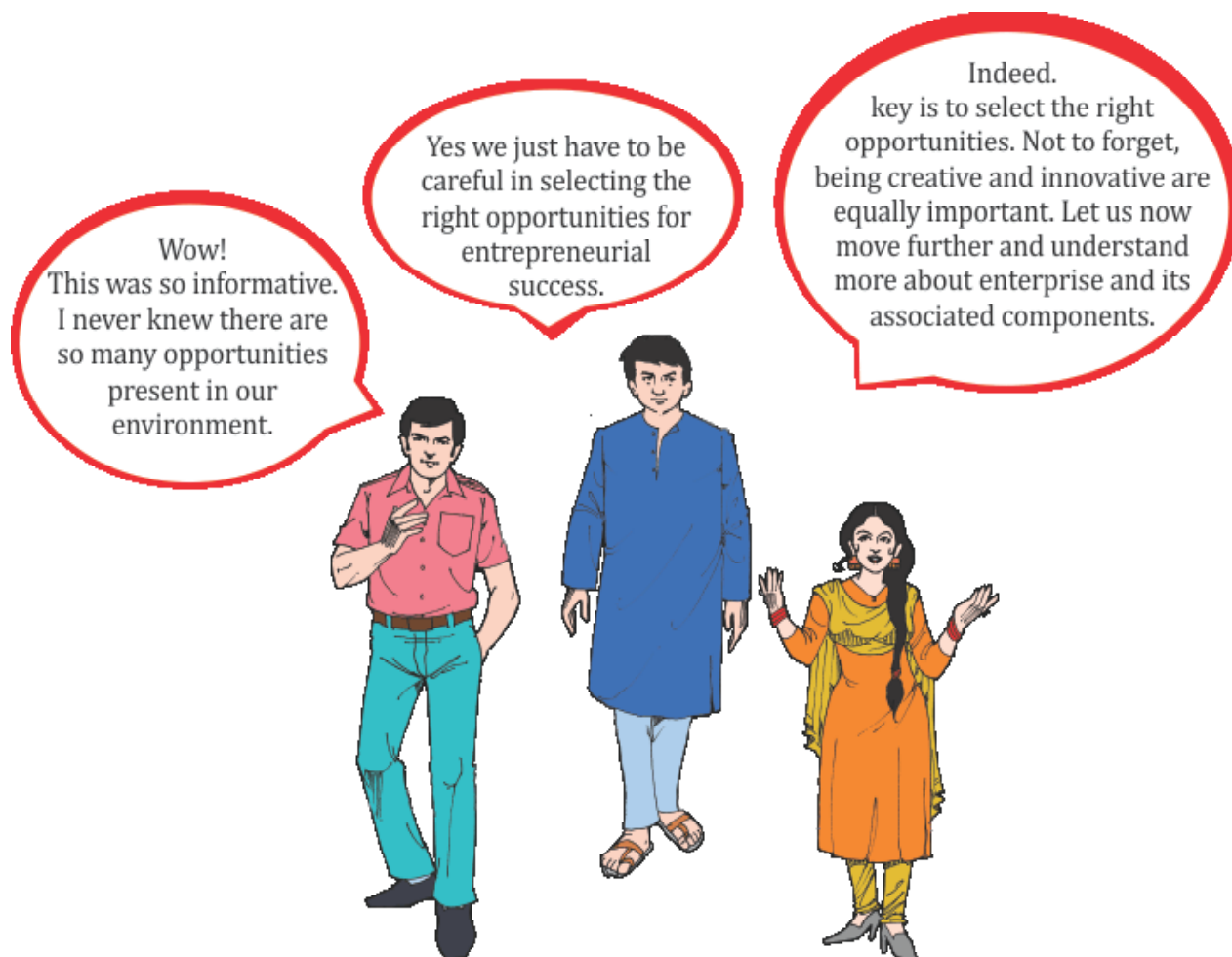
State whether the following statements are True or false

1x4=4

1. Idea germination is third stage of creativity.
2. Resource Organization involves obtaining required resources, materials, technology, human and capital resources.
3. Creativity and innovation are two important components to become an entrepreneur.
4. Creativity is successful development of commercially competitive product

Your score is/4

3.6 This is What You Have Learnt:



3.7 Let us Practice

1. Enlist micro elements of environment scanning.
2. Enumerate factors for sensing entrepreneurial opportunities.
3. Describe trend spotting.
4. List down the steps in process of creativity.

3.8 Answers to Know your progress

3.1 Crossword:

¹ E	N	V	² I	R	O	N	³ M	E	N	T			
C			M				I/A						
O			A			⁴ S	C	A	N				
N			G				R						
O			E				O						
M													
⁵ I	N	T	E	R	M	E	D	I	A	R	I	E	S
C													

3.2

1-b, 2-c, 3-a

3.3

1. false
2. true
3. true
4. false

Your score is.../16



PRACTICAL WORK

Practical 3.1

Objective: Spotting clothing trends in the environment

Steps:

- Visit any three nearby clothing markets.
- Identify any two latest trends in women's clothing.
- Record the observations in the below given format:

Sl. no	Name of the market	Latest trend observed
1.		
2.		
3.		
4.		
5.		



Practical 3.2

Objective: Environmental scanning

Steps:

Select one clothing retail outlet and one grocery retail outlet in your locality.

Talk to the owner/manager/employee and identify the elements of micro and macro environment for the outlets.

Compare the results and List down the differences in elements of environment (micro and macro) for both the outlets.

Observations:			
Sl. no	Name and type of the retail outlet	Elements of micro environment	Elements of macro environment
1.		Suppliers: Customers: Intermediaries: Competitors:	Political: Economic: Social: Technological: Ecological:
2.		Suppliers: Customers: Intermediaries: Competitors:	Political: Economic: Social: Technological: Ecological:



4. Understanding the Market



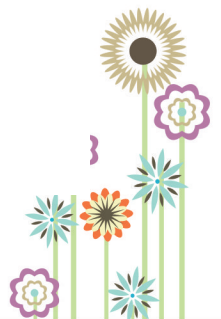
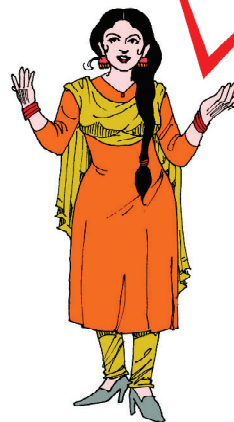
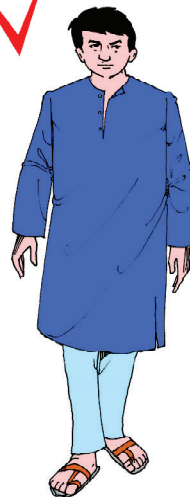
OBJECTIVES

- * Explain different types of business: sole-proprietorship and partnership
- * Explain the concept of self-help groups and the process of its registration
- * Describe the market cycles and various market forces
- * Explain the concepts of pricing and factors affecting the same
- * Illustrate the importance and process of market survey.
- * Differentiate between traditional channel of buying & selling and e-commerce
- * Demonstrate working on word processing and spread sheet on computer
- * Demonstrate web browsing and working on social media

I am really keen to know more about entrepreneurship. Can I individually set up an enterprise and sell my products online

I think it is important to understand how to take your enterprise to market.

You are right. It is very essential for any entrepreneur to understand the market. As it is the final place where you launch your product/service and so, it is very important. Let us explore this further.



4.1 TYPES OF BUSINESS

There are various types of business like sole proprietorship, partnership, Joint Stock Company, co-operative society, public corporations etc. However, here we will just discuss the first two in detail.

Sole Proprietorship

It is the form of business which is owned, financed, controlled and managed by only one person.

Characteristics of sole proprietorship

- a) Individual ownership
- b) Individual management and control
- c) Individual financing
- d) Individual liability/responsibility
- e) Individual beneficiary
- f) Minimum legalities
- g) Limited area of operation and managerial abilities.

Partnership

Here, two or more persons may form an enterprise by making a written or oral agreement to carry a business jointly and share its earnings.

Characteristics of Partnership

- a) Minimum two persons
- b) Usually have written agreement so that disputes, if any, can be resolved better.
- c) Profit sharing amongst partners.
- d) Unlimited liability of partners
- e) Mutual faith and confidence in one another

4.2 SELF-HELP GROUPS (SHGs)

It is a small voluntary association of people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through mutual help.

Characteristics of an Ideal SHG

- a) It comprises of 15-20 members.
- b) Leadership should be rotated for the distribution of power and to provide leadership opportunities to all the members.
- c) Member should regularly attend meetings, save money and participate in all activities.
- d) The group should make rules and regulations for effective functioning.
- e) Accounts should be maintained and updated regularly in a transparent manner.
- f) A self-help group may be registered or unregistered.



The following form needs to be filled for registering a self-help group:

**Application form for SHG Registration
(To be submitted by PFT to DPMU)**

Date

To,
Coordinator,
PFT

Name of Cluster : Block : District :

Subject : Application for SHG registration.

We here by declared that we have discussed demorcatrically and taken decision to register our group as Self - Helf Group. We agreed that

1. We collectively responsible for all SHG work. If any financial responsibility emerges then that also we accept.
2. All member will meet regularly twice in a month date and date
3. All member will do saving and distribute profits among all members.
4. Will keep all records correctly and also inform members and gram sabha about it.
5. If any discrimination found in social audit then in future we will not eligible to get any support, Detail about us is given below :

Name of SHG: Kindly do necessary action to register our group as SHG
List of members and office bearers is enclosed as enclosure - A

Signature of Group's apPresident

Verification by PFT

I have participated in SHG meeting on date at Place. This is verified by me that during the group meeting total members depositing fixed saving amount. I recommended the registration of the group.

Name and Signature of PFT member

Date.....





Figure 4.1 : Joining Hands for a better future

Portfolio Activity 4.1

Visit your neighbourhood and talk to 5 persons residing in your locality. Ask them the following questions:

1. Do you know about SHG?
- If yes:
 2. Where did you hear about the same?
 3. Are you willing to form a self-help group?

If No:

Explain the concept of SHG to them. Then ask if they are willing to form a self-help group.

4.3 MARKET CYCLES AND MARKET FORCES

A market consists of all the sellers and potential customers.

Market cycles are the trends or patterns that exist in a given market environment. Market cycles are visible in price movements that may rise or fall. Markets grow and reduce majorly due to economic forces and this natural rise and fall of the markets is known as market cycle. The various forces impacting the market which can be categorized as micro environment and macro environment are explained in the previous chapter i.e. Entrepreneurial Opportunities.

4.4 PRICING

Price is the amount you charge from your customer for the goods and services that you offer. It produces income for the enterprise. Pricing is important due to following reasons –

- (a) Source of income
- (b) Lower prices usually attract more customers
- (c) Helps in achieving other organizational objectives



Factors Affecting Pricing

- a) Cost of production
- b) Usage and demand for the product
- c) Extent of competition in the market
- d) Government and Legal Regulations such as Value Added Tax (VAT), GST (Goods and Services Tax) etc.
- e) Marketing methods used such as print, electronic etc.

Know Your Progress 4.1

- I. State whether the following statements are true or false. 1X4=4**
- a. Self-help group is an informal group of about 15-20 people.
 - b. Self-help group should ideally have people from different socio-economic background.
 - c. Cost of production is not one of the factors affecting pricing strategy.
 - d. Pricing strategy is crucial to profits.

Your score is/4

4.5 MARKET SURVEY

Market survey is one of the most widely used market research techniques for collecting relevant information.

Importance of Market Survey

- a) To understand the needs of customer
- b) To reduce risk while finalizing a business plan.
- c) To collect information regarding the current trends of market
- d) To forecast future trends and sales
- e) To make better decisions regarding pricing, packaging, distribution and promotion

Process of Market Survey

Market survey typically consists of the following steps:

Step 1

Planning the survey : The entrepreneur must first of all decide what does he/she want or need to know about the market.



The entrepreneur should do the following:

- a) Define the problem clearly and accurately.
- b) Select the most appropriate method to conduct the survey viz. personal interview, telephonic, interview etc.
- c) Decide the area and extent of the study.
- d) Questionnaire development.

Step 2
Field Work – Questionnaire is taken to the customers and their responses are recorded.

Here, entrepreneur should take care that :

- a) Responses should be honestly and accurately recorded.
- b) Time schedule should be followed.

Step 3
Analysis and interpretation of data : Once the data has been collected, it has to be analysed and interpreted. The entrepreneur can either use software program or do it on his own by hand.

It should be seen that data is:

- (a) Edited
- (b) Tabulated, processed and interpreted

Step 4
Report Making : Is the last step and includes summarizing findings and giving recommendations.



Tools for Market Survey

Some of the common tools used for survey are as follows:

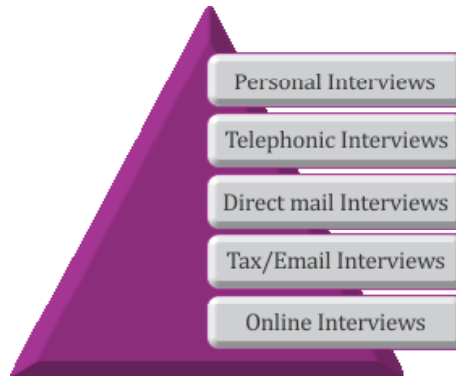


Figure 4.1: Tools for Market Survey

4.6 TRADITIONAL MARKETS Vs E-COMMERCE

Traditional Markets

Traditional markets are the ones where buying and selling is done in a physical set-up. Following are the characteristics of traditional markets:

- (1) Place: The goods available for sale are brought to a specific place and the buyers of those goods reach those places for buying them.
- (2) Different markets for different commodities such as vegetable market, food grains market etc.

E-Commerce

E-commerce refers to carrying out buying and selling through internet. The internet users can now order goods, receive their delivery and make their payment while sitting at home, with the help of internet.

E-commerce is offering great opportunities especially to small entrepreneurs and start-ups to enter global markets.

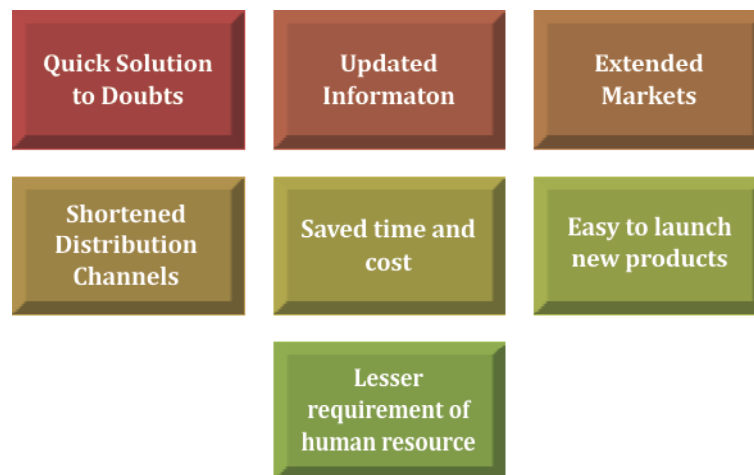


Figure 4.2: Advantages of E-commerce



Know your progress 4.2

State whether the following statements are true or false. 1x4=4

1. E-commerce requires the buyer to go to the store and purchase the product
2. Personal interview is one of the tools for market survey.
3. Traditional markets are the ones where buying and selling is done in an automated set-up.
4. Market survey helps in understanding the needs of customer.

Your score is /4

4.7 USE OF TECHNOLOGY AND SOCIAL MEDIA

Entrepreneurs need to have some basic understanding of the following technology to keep pace with changing environment:

- a) **Managing emails**
- b) **Communicating via social media** including Whatsapp, Facebook, Twitter, and LinkedIn etc.
- c) **Handling computer**

As the use of technology has greatly helped entrepreneurs to expand their markets and reach global customers, it is important to learn the above mentioned tools. This will also help to sell the products on-line directly without the involvement of middlemen.

The detailed explanation of using the above tools has been given in Annexure I (Word Processing), Annexure II (Spread Sheets) and Annexure III (Internet browsing and social media), given at the end of this chapter.

Portfolio Activity 4.2

Visit any five e-commerce websites on internet like Amazon, Flipkart etc. Find out the procedure of buying products online and compare the results. Record your observations.

Know Your Progress 4.3

Fill in the following blanks with the appropriate words: 1x4=4

- a. _____ helps you type and print documents.
- b. Firefox is a type of _____.
- c. Excel file is a _____ that can hold many worksheets.
- d. E mail is a _____ method of sending messages.

Your score is.... /4



4.8 This is What You Have Learnt



4.9 Let us Practice

1. Explain two different types of business with examples.
2. Differentiate between traditional channel of buying & selling and e-commerce.
3. Suppose you are the Marketing Manager of a company manufacturing woven fabrics. What factors will you consider before finalizing the price of the fabrics?
4. Your friend has started her own boutique . He/she she wants your help in marketing the garments on the internet. Which four websites will you suggest to to your friend?

4.10 Answer to Know Your Progress

- | | | | | |
|-----|---------------------|-----------|-----------|----------|
| 4.1 | (a) True | (b) False | (c) False | (d) True |
| 4.2 | (a) False | (b) True | (c) False | (d) True |
| 4.3 | (a) Word processing | | | |
| | (b) web browser | | | |
| | (c) workbook | | | |
| | (d) paperless | | | |

Your total score.../12



PRACTICAL WORK

Practical 4.1

Objectives: Exploring handloom websites

Steps:

- Explore the various available web browsers like Internet Explorer, Mozilla Firefox and Chrome
- Using any of the above browsers, find any two websites in India, where handloom products are sold.
- Collect their contact details.

S. No	Web browser used	name of handloom website visited	Contact details

Practical 4.2

Objectives: Creating e-mail account

Steps:

- Visit various websites like Gmail, yahoo mail, Rediffmail, hotmail etc. and explore the procedure for creating an e-mail account

Select any one website and create an e-mail account

Write down the procedure of creating the email account and also your email id.

Take a print out of the practical activity and paste it in your portfolio.

Practical 4.3

Objectives: Create a facebook page

Steps:

- Explore the process of creating a facebook page.

Create a facebook page for textile products.

Upload pictures of any two textile products on that facebook page.

Give any name to the facebook page created.

Take a print out of the practical activity and paste it in your portfolio.



Practical 4.4

Objectives: Exploring On-line Selling Portals viz. Myntra, Amazon Snapdeal, Flipcart etc.

Steps:

- Using any of the web browsers, visit the websites of any two on-line sellers.
- Collect information regarding the fashion clothing they are selling on-line.

Observations and analysis:

S. No	Name of online sellers visited	Contact details	Kinds of products sold

- Write an email (using the e-mail account you created in previous practical) to these on-line selling portals to find the minimum requirement of products to register on their portal and sell.

Practical 4.5

Objectives: Creating a Whatsapp group (This Practical may be performed as group activity)

Steps:

- Install Whatsapp on a smart phone (if not done already).
- Create a Whatsapp group of about 5-10 people.

Observations:

- Name of the Whatsapp group created: _____.
- No. of people included in the group: _____.

Paste the same in your portfolio.



Annexure I

Working on MS Word

MS Word 2000 is an application program that allows you to create letters, reports, newsletters, tables, form letters, brochures, and Web pages. Using Word you can add pictures, tables, and charts to your documents.

I. Opening a Word file

To open your Word file, follow the steps below:

Click on the Start button.

In the menu that appears select Programs → Microsoft Word. In few seconds you will see Word screen on the monitor.

II. Word screen layout

The Word screen contains a number of objects. The layout is shown in figure 1.

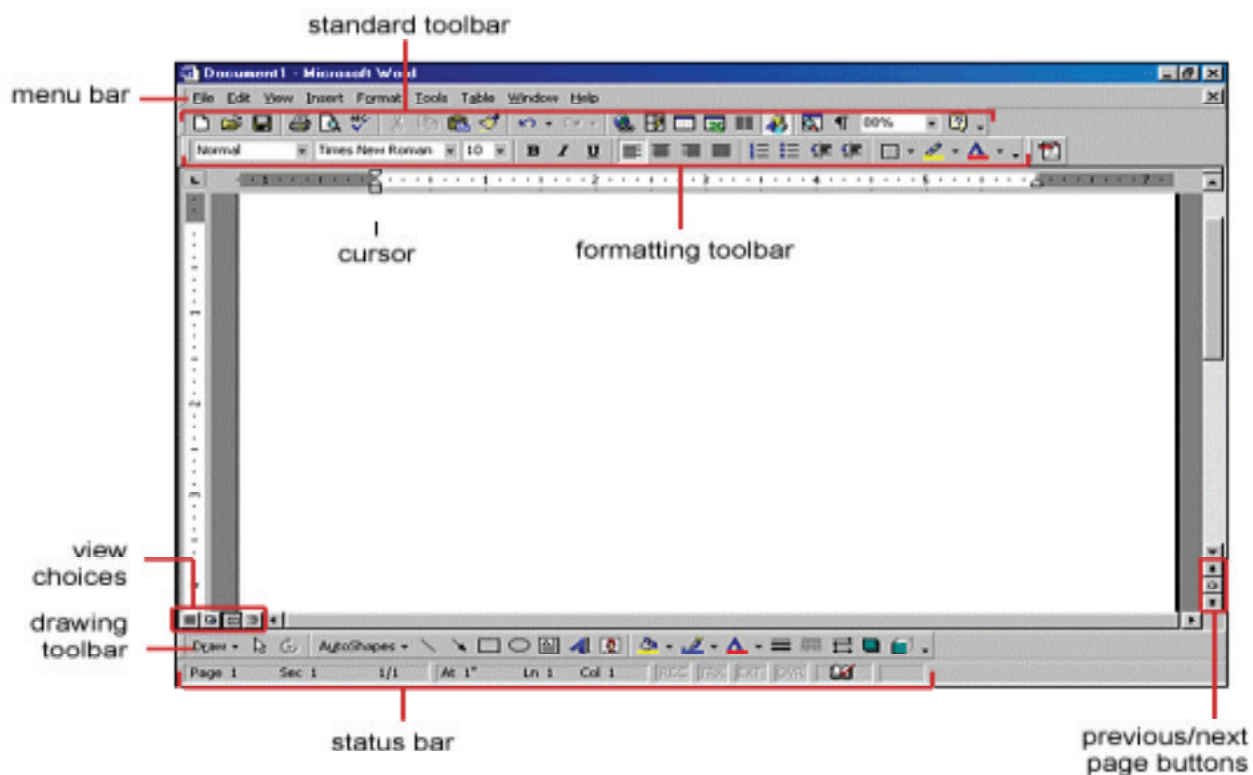


Figure 1: Word screen layout

III. Menus

The menus in Word 2000 display only the commands you have recently used (collapsed form). To view all options (expanded form) in each menu, you must click the double arrows at the bottom of the menu. Figure 2 shows the format menu in collapsed form figure 3 shows it in expanded form.

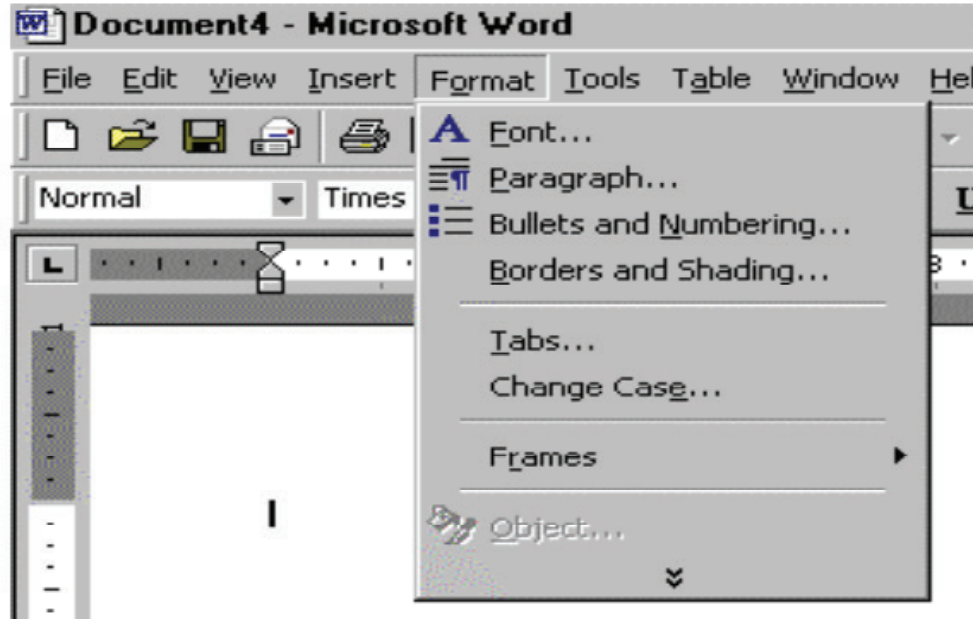


Figure 2: Collapsed format menu

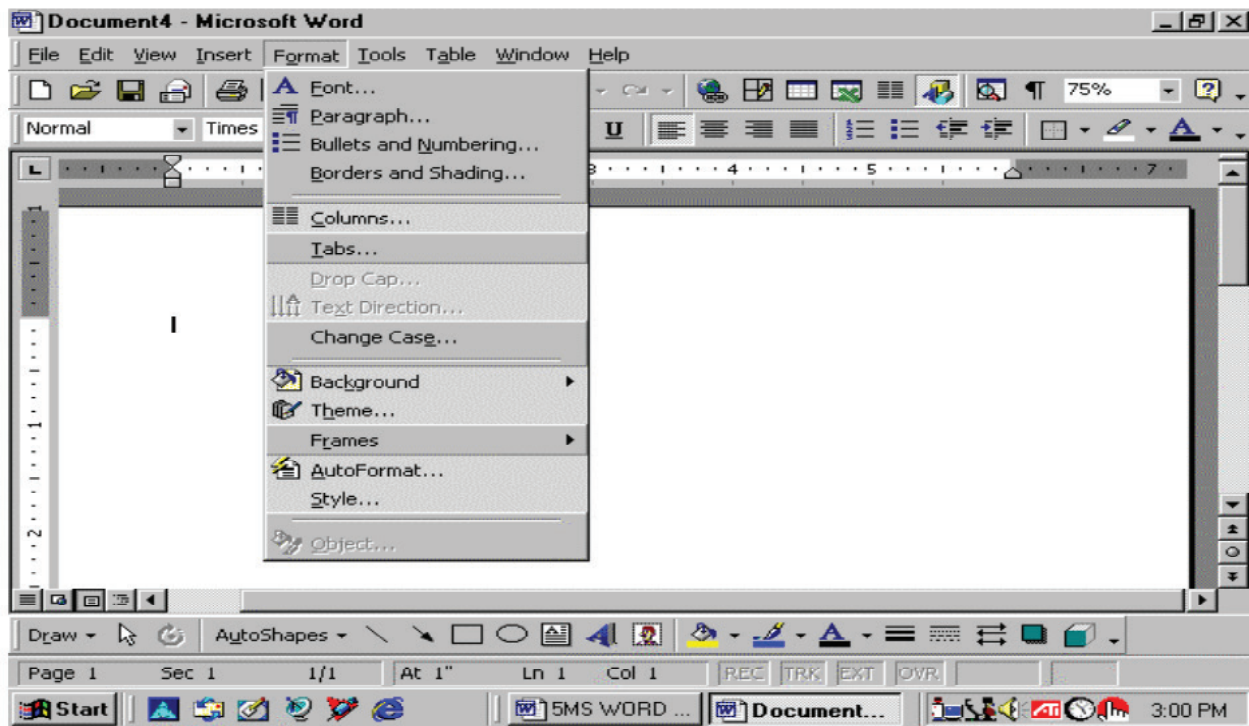


Figure 3: Expanded format menu

Shortcut Menus: These features allow you to access various Word commands faster than using the options on the menu bar. View shortcut menus by right-clicking the mouse. The options on this menu will vary depending on the element that was right-clicked. For example, the shortcut menu below is produced by right-clicking on a bulleted list. Actions such as “Decrease Indent” and “Increase Indent” are only applicable to lists and therefore only appear on the list shortcut menu. The shortcut menus are helpful because they



display only those options that can be applied to the item that was right-clicked and, therefore, prevent searching through the many menu options.

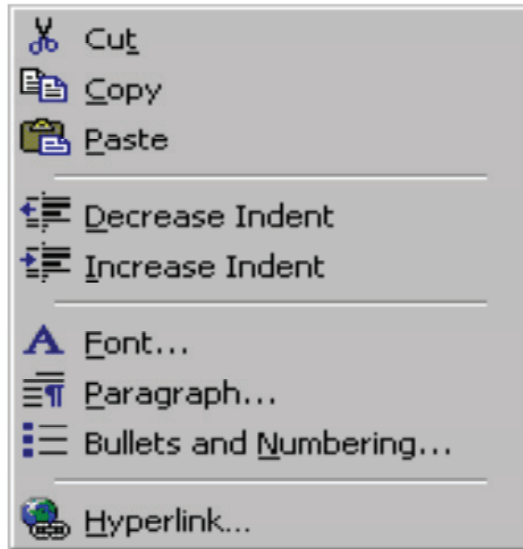


Figure 4: Shortcut menu

Toolbars: Many toolbars displaying shortcut buttons are also available to make editing and formatting quicker and easier. Select View → Toolbars command on the menu bar from the menu bar to select the toolbars. The toolbars that are already displayed on the screen are checked. Add a toolbar by simply clicking on the name.

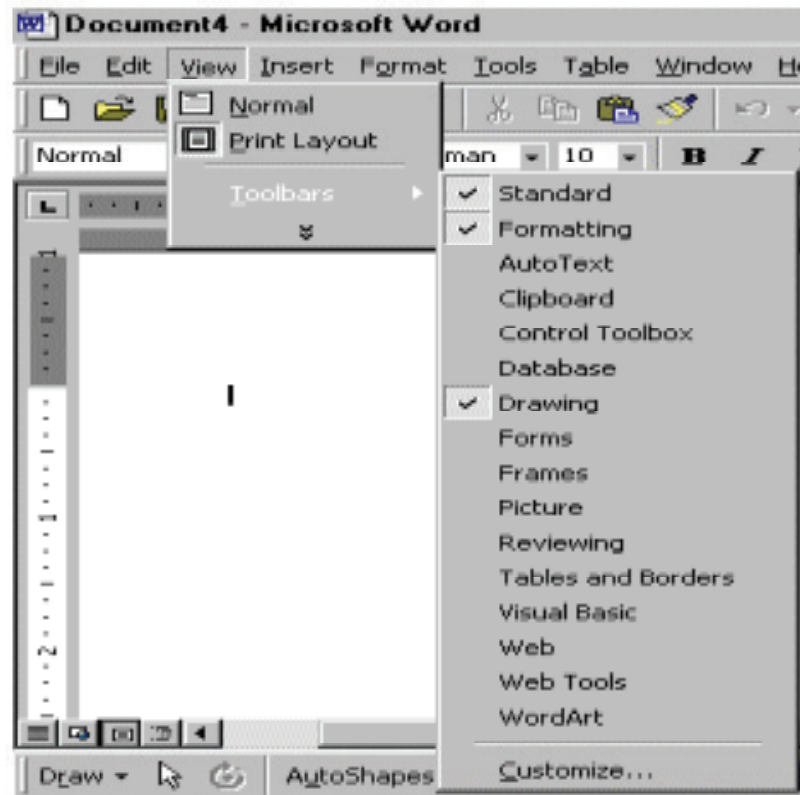


Figure 5: Toolbars



I. Typing screen objects

The open area below the toolbars is writing or typing area. There are certain objects that are a permanent part of the typing area. These are: (a) Insertion Point, (b) Mouse Pointer, and (c) End-of-Document Marker.

Insertion Point: The black vertical blinking line is the insertion point that is initially at the top left side of the typing area. It indicates the place where your typing is inserted into the document. When you use the up, down, left, or right arrows of the keyboard, the insertion point moves accordingly.

Mouse Pointer: When you move the mouse around in the typing area, the mouse pointer is in the shape of a thin I-beam. As you move the mouse near the menu bar and toolbars, the mouse pointer becomes a pointing arrow. If you move the mouse pointer to some existing piece of text and click the mouse, you will see the insertion point in that spot of the text.

End-of-Document Marker: The horizontal line (like a short underline) at the end of the document is called end-of-document marker. This marker lets you know where the end of document occurs. If you don't see the end-of-document maker on the screen, choose View → Normal from the menu to see the marker.

Vertical and Horizontal Scrollbars: The typing area is bordered on the right side by the vertical scroll bar with a scroll button and arrows. The single down arrow scrolls through the document line by line. The double down arrow allows you to move to the top of the next page. The double up arrow allows you to move to the top of the previous page. The double down arrow allows you to move to the top of the next page. You can also drag the vertical scroll button up and down the scroll bar to move up and down through the document. The first bar along the bottom of the typing area is the horizontal scroll bar. To see the text that is off the right side of the screen, use the left arrow button. To see the text that is off the left side of the screen, use the right arrow button. You can also drag the horizontal scroll button to move left or right of the document.

II. Managing documents

Let us now learn how to open a new/existing document, save a document, closing an open document and printing a document.

Create a New Document: To create a new document, choose File → New command from the menu bar.

Open an Existing Document: To open an existing document, click the Open File button on the menu bar. Choose the file and click the Open button.

Save a New/Existing Document: To save a new/existing document, select File → Save commands on the menu bar from the menu bar. If the document is already named and saved earlier, it will simply save the document. On the other hand, if the file is a new document then it will prompt you by opening Save As dialog box. Select the folder where you want to place your document in Save In: box, type the name of the document in File Name: box, and then click OK.



Close the current document: To close a document, select File → Close command on the menu bar or click the Close icon if it is visible on the Standard toolbar.

Printing a document: To print a document or selected pages follow the steps given below:
Open the document to be printed.

Choose File → Print command on the menu bar. The Print dialog box will open.

Select the Options like print range, Number of copies, Printer name etc. See that printer is switched on and the paper is available in the printer tray.

Click OK.

III. Typing Text

To enter text, just start typing. The text will appear where the blinking cursor is located. Press ENTER key at the end of a paragraph. To deleting the text, use the BACKSPACE and DELETE keys on the keyboard. Backspace will delete the text to the left of the cursor and Delete will erase the text to the right.

IV. Formatting Text

Font Type : Font comes in families such as Times New Roman or Ariel. Each font family has a specific way of formatting individual letters. Click the arrowhead to the right of the font name box in the Formatting toolbar to view the list of fonts available. Scroll down to the font you want and select it by clicking on the name once with the mouse.

Font size : It determines how large each letter will appear. The font size is measured in points (1/72 of an inch). Click on the white part of the font size box in the Formatting toolbar to enter a value for a font size or click the arrowhead to the right of the box in the Formatting toolbar to view a list of font sizes available. Select a size by clicking on it once.

Font Style : Font style determines the emphasis or weight that the letters have when they are displayed. Each font can be displayed as bold, italicize, and underline.

Alignment : Text can be aligned to the left, center, or right side of the page or it can be justified across the page.

Text Colour : This option changes the colour of the text. The colour shown on the button is the last colour chosen. Click the arrowhead next to the button image to select another colour.



Annexure II

Working on MS Excel

MS-Excel 2000 is quite useful in entering, editing, analysis and storing of data. Arithmetic operations with numerical data such as addition, subtraction, multiplication and division can also be done with Excel. You can solve simple financial, mathematical and statistical formulas.

I. Starting Excel

To start the Excel program, click on the Start button on the Windows Taskbar at the bottom of the Screen. Highlight the Programs item. The program menu will open. Select Microsoft Excel from the list of programs and click on Microsoft Excel.

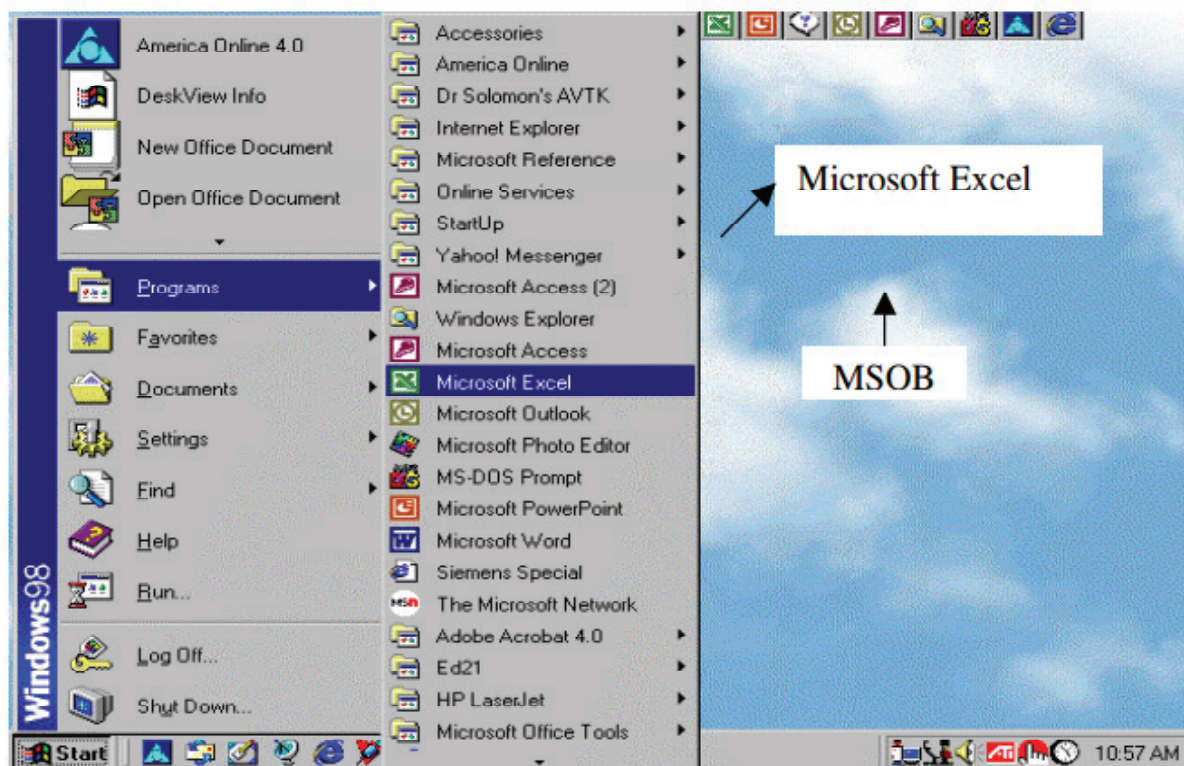


Figure 1: Starting Excel

II. Excel worksheet

Excel allows you to create worksheets like paper ledgers that can perform automatic calculations. Each Excel file is a workbook that can hold many worksheets. The worksheet is a grid of columns (designated by letters) and rows (designated by numbers). The letters and numbers of the columns and rows (called labels) are displayed in gray buttons across the top and left side of the worksheet. The intersection of a column and a row is called a cell. Each cell on the spreadsheet has a cell address that is the column letter and the row number. Cells can contain either text, numbers, or mathematical formulas.

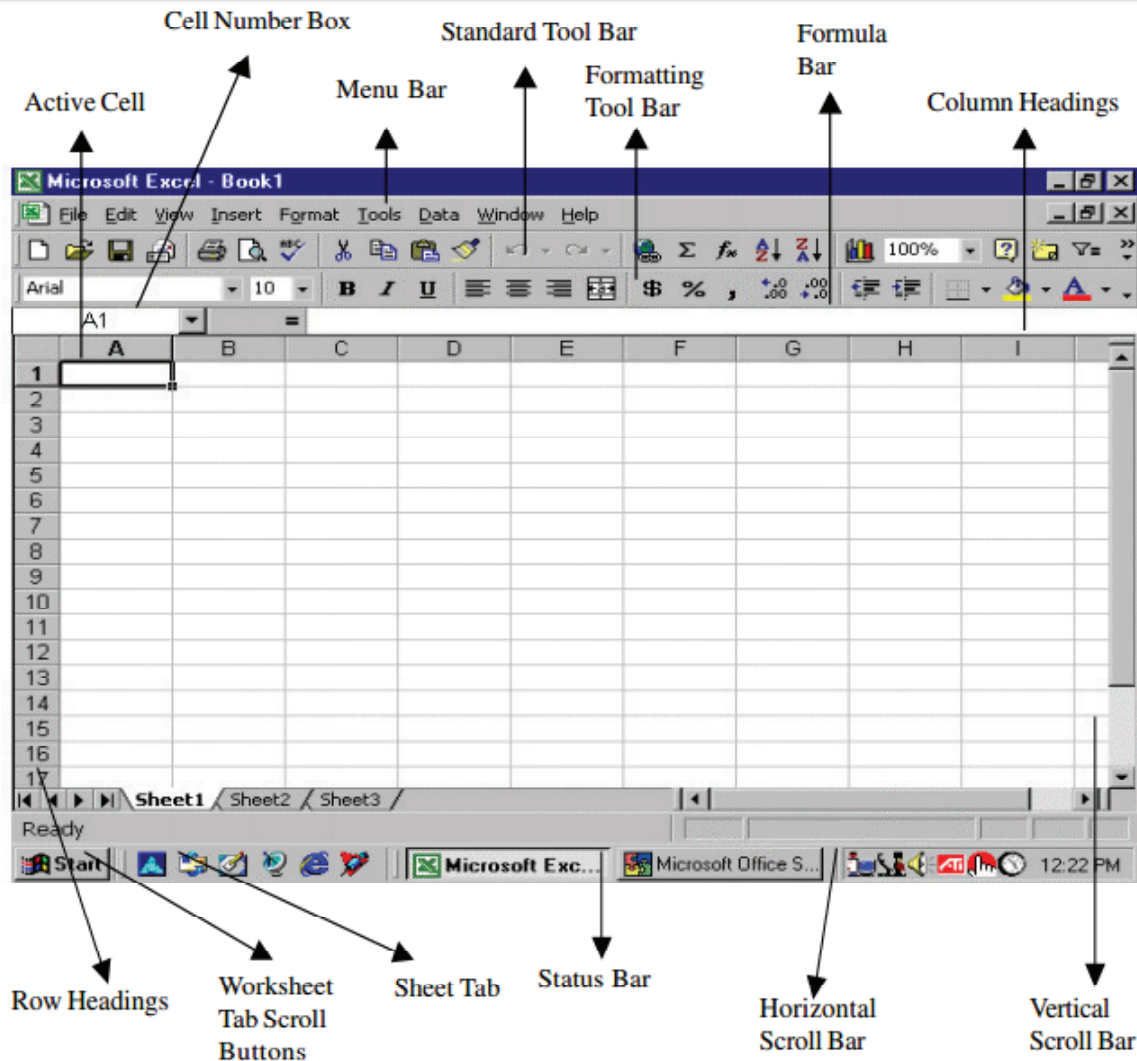


Figure 2: Excel Worksheet

The worksheets in a workbook are accessible by clicking the worksheet tabs just above the status bar. By default, three worksheets are included in each workbook. To add a sheet, select **Insert** → **Worksheet** from the menu bar. To rename the worksheet tab, move the cursor to sheet tab, right-click on the tab with the mouse and select **Rename** from the shortcut menu. Type the new name and press the **ENTER** key.

Standard toolbar - This toolbar is located just below the menu bar at the top of the screen and allows you to quickly access basic Excel commands.

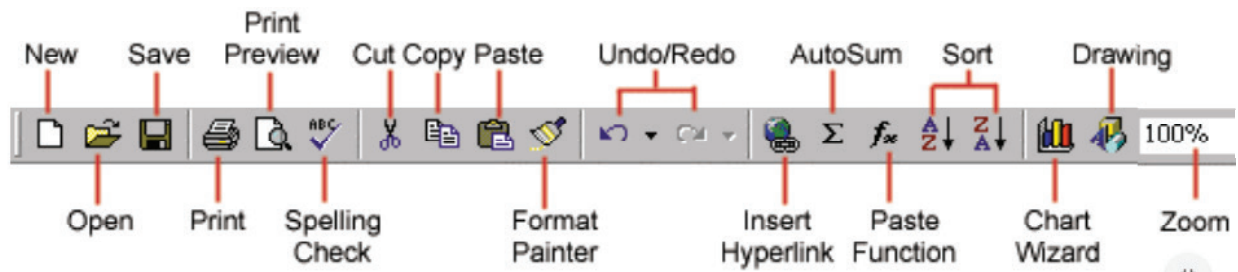


Figure 3: Standard Toolbar



- **New:** Select File → New from the menu bar, or press CTRL+N, or click the New button to create a new workbook.
- **Open:** Click File → Open from the menu bar, or press CTRL+O, or click the Open folder button to open an existing workbook.
- **Save:** The first time you save a workbook, select File → Save As and name the file. After the file is named click File → Save, or CTRL+S, or the Save button on the standard toolbar.
- **Print:** Click the Print button to print the worksheet
- **Print Preview:** This feature will allow you to preview the worksheet before it prints.
- **Spell Check:** Use the spell checker to correct spelling errors on the worksheet
- **Undo and Redo:** Click the backward Undo arrow to cancel the last action you performed like entering data into a cell, formatting a cell, entering a function, etc. Click the forward Redo arrow to cancel the undo action.
- **Insert Hyperlink:** To insert a hyperlink to a web site on the Internet, type the text into a cell you want to be the link that can be clicked with the mouse. Then, click the Insert Hyperlink button and enter the web address you want the text to link to and click OK.
- **Zoom:** To change the size that the worksheet appears on the screen, choose a different percentage from the Zoom menu.
- To enter data into your worksheet you must first have a cell or range selected. When you open an Excel worksheet, cell A1 is already active. An active cell will appear to have a darker border around it than other cells on the worksheet. The simplest way to select a cell is with your mouse pointer. Move your mouse to the desired cell and click on it with right button. Whatever you type goes into the cell. To select a range of cells, click on one cell, hold down the left mouse button and drag the mouse pointer to the last cell of the range you want to select.
- Each worksheet contains a number of columns and rows. Each cell of the worksheet has a unique reference. For example, D5, refers to the cell containing column number D and row number 5.

III. Data entry

You can enter various kinds of data in a cell.

- **Numbers:** Your numbers can be from the entire range of numeric values: whole numbers (example, 25), decimals (example, 25.67) and scientific notation (example, 0.2567E+2). Excel displays scientific notation automatically if you enter a number that is too long to be viewed in its entirety in a cell. You may also see number signs (#####) when a cell entry is too long. Widening the column that contains the cell with the above signs will allow you to read the number.
- **Text:** First select the cell in which data has to be entered and type the text. Press ENTER key to finish your text entry.
- **Date and Time:** When you enter dates and times, Excel converts these entries into serial numbers and kept as background information. However, the dates and times will be displayed to you on the worksheet in a format opted by you.



IV. Data editing

Editing your Excel worksheet data is very easy. You can edit your data by any of the following ways:

Select the cell containing data to be edited. Press F2. Use Backspace key and erase the wrong entry. Retype the correct entry.

Select the cell and simply retype the correct entry.

If you want only to clear the contents of the cell, select the cell and press Delete key.

To bring back the previous entry, either click on Undo button on standard Toolbar or select Edit' → Undo command or use keyboard shortcuts.



Annexure III

Working with Internet

Internet has taken the entire world by surprise with its cutting edge technology to connect people and computers throughout the world. Using Internet, organizations all over the world can exchange data, people can communicate with each other in a faster and effective way, and researchers can gather information in their respective areas of research. Even one can do all his shopping sitting at home.

I. Introduction to web browsers

A web browser is a program you use to access content on the web. There are a variety of browsers available but the most popular are:

- Internet Explorer or IE (from Microsoft)
- Firefox (from Mozilla)
- Safari (from Apple)
- Chrome (from Google)

They all provide similar functionality. All of the above browsers have all the necessary functionality to support you browsing the web. Generally when you buy a computer, you will already have a browser installed and this is normally Internet Explorer.

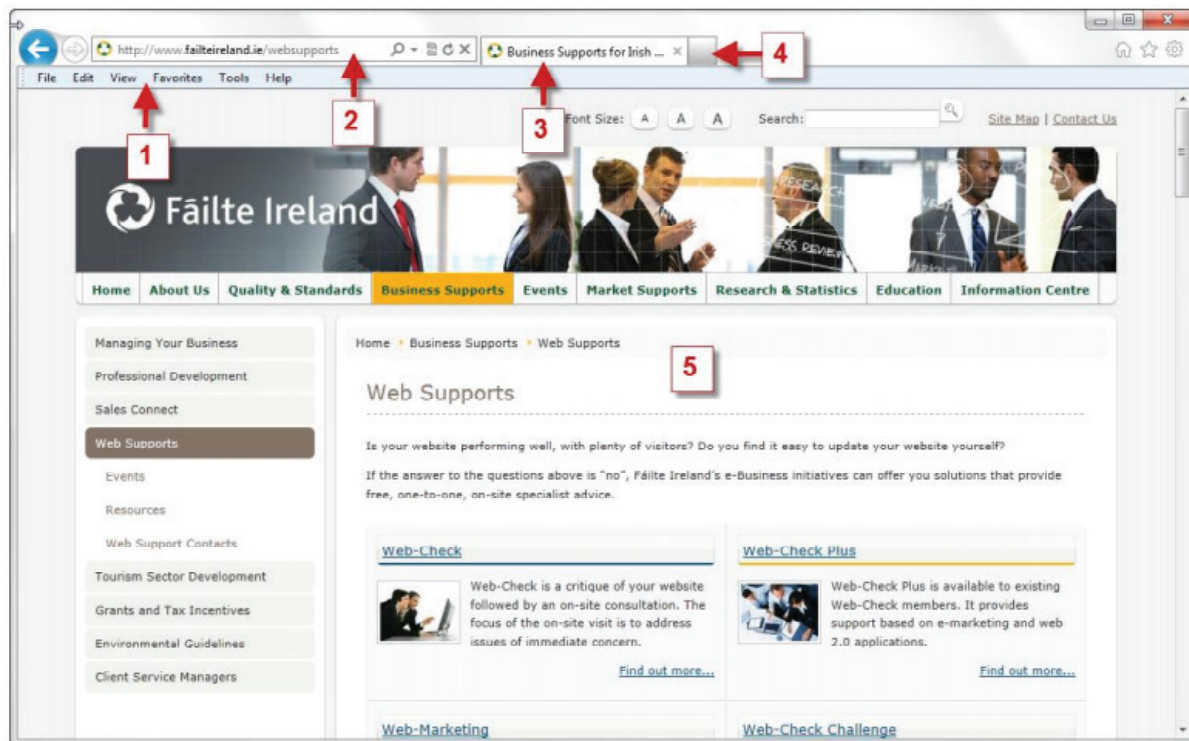


Figure 1: Snapshot of a Web browser

Menu: These are your menu options for your browser. You have options like bookmark, history etc.

Address bar: This is where you type in the address of the webpage or website you want to go to. When you are typing in the address the website will generally require 'http://' before the remainder of the address. For example, <http://www.google.com>. 3.

Title: Every page on the web has a page title.

New Tab: Click on this to open up a new web page. This way you can have multiple websites open at the same time.

Main window: The content of the webpage you want to view is displayed here.

II. URL

URL stands for Uniform Resource Locator. It is the standard way to give the address of any resource (files, images, etc.) on the Internet that is accessible through the World Wide Web (WWW). URLs tell you what kind of site you are accessing (Web page, gopher site, ftp site, telnet link, etc.) and where the site is located. Examples include <http://www.yahoo.com>, <http://www.google.com>.

III. Opening Websites

When you first open your web browser the first page that will be displayed on your screen is the startup page. In other words you have a starting point or home page. Opening a web page or going from one to another can be done in different ways:

You can go to the Location Window and type in a URL of a page you want to visit

You can type in a new URL by clicking the OPEN button on the Toolbar, or selecting "Open Location" on the "File" menu.

Using "Back/Forward" on the Toolbar to go to the pages previously visited is another way to move around.

You can also click the "Home" button to go to the "starting page" instead of going back to the first page among the many pages you might have already seen.

IV. Searching on the web

The Internet is a terrific resource. It contains hundreds of web sites dedicated to thousands of topics. There are some web sites, which are used to search information on the web. Search services on the Internet come in two main flavours: 'search engine' that index words or terms in Internet documents; and 'directories' that classify Web documents or locations into an arbitrary subject classification scheme or taxonomy. Most search engines take one or more words entered by the user, search the contents of every Web page stored in their databases and display the result. Some popular search engines are:

- Google- <http://www.google.com>
- Infoseek- <http://guide.infoseek.com>
- Alta Vista – <http://www.altavista.digital.com>
- Lycos – <http://www.lycos.com>
- Yahoo! – <http://www.yahoo.com>



V. Creating an E-mail id and sending emails

- E-mail or Electronic mail is a paperless method of sending messages, notes or letters from one person to another or even many people at the same time via Internet. E-mail is very fast compared to the normal post. E-mail messages usually take only few seconds to arrive at their destination. One can send messages anytime of the day or night and it will get delivered immediately. You can also send other things such as a file, graphics, images etc. along with your e-mail. The biggest advantage of using e-mail is that it is cheap, especially when sending messages to other states or countries and at the same time it can be delivered to a number of people around the world. Once the mail is received and read, it can be forwarded, replied. One can even store it for later use, or delete.
- As in the case of normal mail system, e-mail is also based upon the concept of a recipient address. The email address provides all of the information required to get a message to the recipient from anywhere in the world. For example, rahul@gmail.com. Here, "rahul" is the local part, which is the name of a mailbox on the destination computer, where finally the mail will be delivered. Gmail is the mail server where the mailbox "rahul" exists; .com is the type of organization on net, which is hosting the mail server.
- You can create an email id on various websites like gmail, yahoo mail, Hotmail etc. After going on the home page of the selected website, the general steps to make an email id are as follows:
 - Click on the Free Sign Up Button
 - Enter all mandatory fields (First Name, Last Name, Gender, etc.)
 - Type in your desired Email Address
 - Choose a secure Password
 - Select your Security Question, type in your Answer
 - Verify your registration by typing the numbers in the captcha picture
 - Click the "Accept" - Button underneath
- Once you have created an email id (For example on gmail), **follow the following steps to send an email:**
- Log in to your Gmail account so that you are on the dashboard (main page) of your mail account
- Click Compose.
- A new blank email window will open up. In the 'To' box, type in the email address of the recipient
- In the subject field, you can write topic of your email, like a heading. You may not write anything in the subject box, but it can help when viewing and sorting email
- Email text can be formatted in a similar way to text in a word document. You can change the font style, colour and size using the formatting icons. You can also create bullet points and check the spelling of your email. Choose your formatting from the menu shown.



Type your message in the main body field of your email.

Click the blue **Send** button at the bottom of the compose window to send the mail.

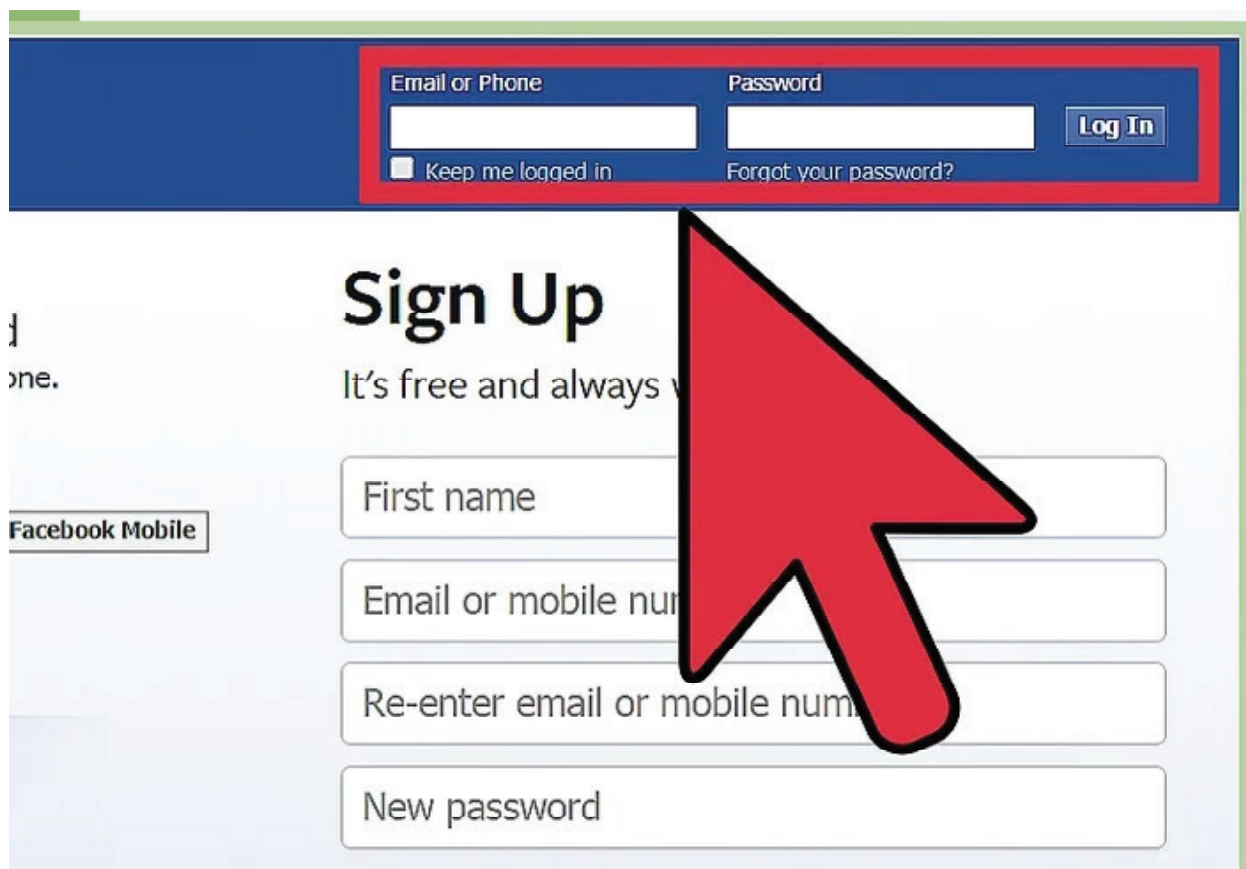
To close, click on the logout button at the top right.

VI. Social Media

Social media are computer-mediated technologies that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks. You can also share pictures etc. over the social media. Examples of social network based websites are facebook, whatsapp, youtube, twitter, instagram etc. We will learn more about making facebook pages and whatsapp groups.

A. Facebook

Creating a facebook account is similar to making an email id. Once you have logged in to your facebook account, to create a page, follow the below mentioned steps:



The image shows a screenshot of the Facebook login and sign-up interface. At the top, there is a blue header with a white search bar. Below the header, there is a login section with a red border. It contains two input fields: 'Email or Phone' and 'Password', a 'Log In' button, and a checkbox for 'Keep me logged in' with a link for 'Forgot your password?'. Below the login section is the 'Sign Up' section, which is titled 'Sign Up' and has the text 'It's free and always v...'. The sign-up form consists of four input fields: 'First name', 'Email or mobile num...', 'Re-enter email or mobile num...', and 'New password'. A large red arrow points to the 'Email or mobile num...' field.

Figure 2: Logging into Facebook account



Click on the settings gear on the top right-hand corner of your page. You can find it to the far right of the page. Click on “Advertising.”

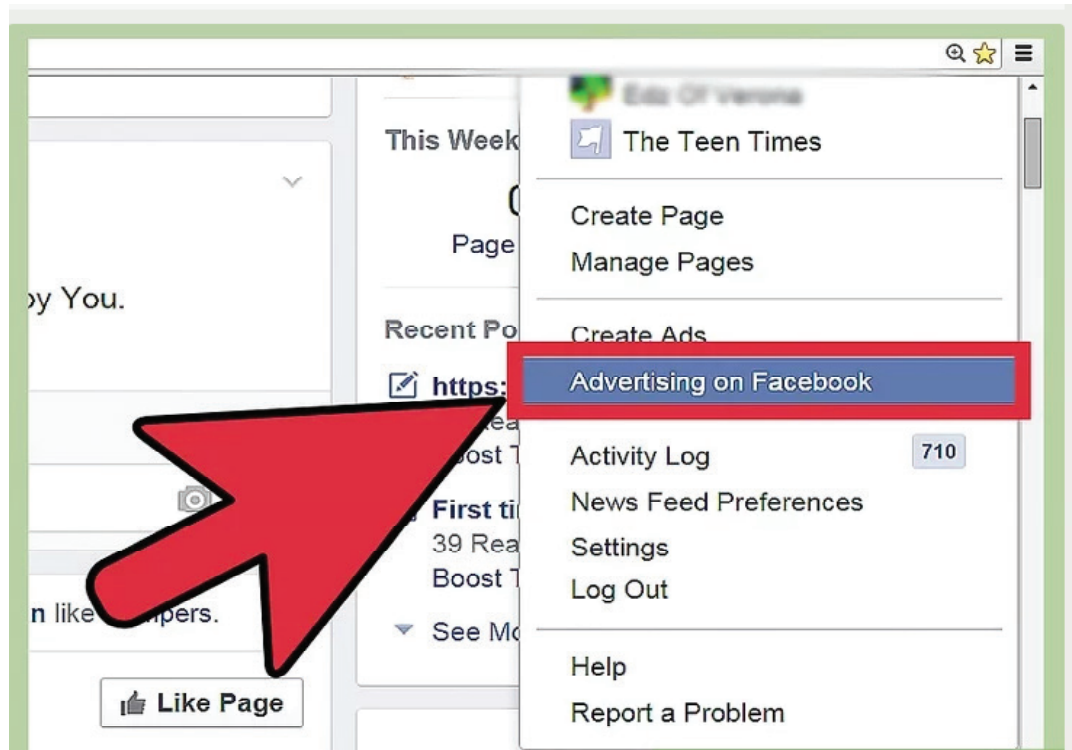


Figure 3: Choosing the link

Build Your Facebook Page” to the left of the center of the screen and click on “Create a Page.”

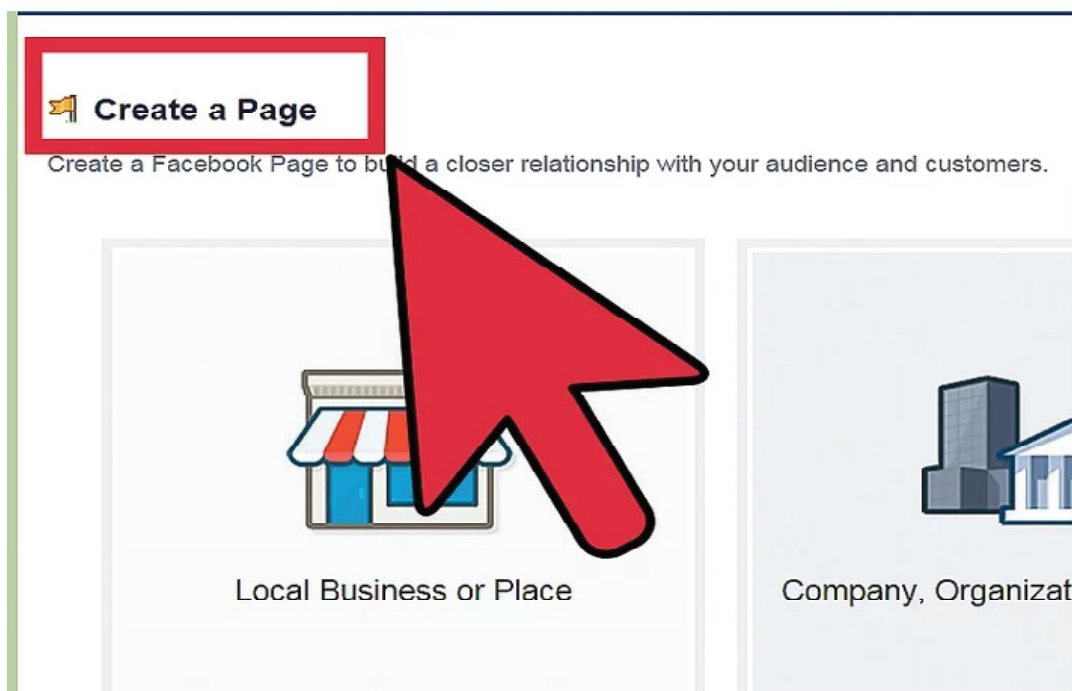


Figure 4: Creating a page



Entrepreneurship for Handloom Weavers

Select a more specific category from the dropdown menu and fill out the required information.

Click Get Started and follow the on-screen instructions.

To add photos to Facebook, click Photo/Video at the top of your News Feed or Timeline. Then, select the photos you want to add to Facebook. Click Post.

Whatsapp

To install Whatsapp on your smart phone, follow the below mentioned steps:

Open the play store on your smart phone.

Tap the magnifying glass icon.

Type whatsapp into the search bar, then tap Go.

Tap the “WhatsApp Messenger” item.

Tap INSTALL.

Tap ACCEPT when prompted.

Wait for WhatsApp to finish downloading, then tap OPEN.

Tap AGREE AND CONTINUE.

Once you have installed Whatsapp on your smart phone, a group can be made by the following steps:

Open WhatsApp and go to the Chats screen.

At the top of the Chats screen, tap the New Group button.

Add group participants by selecting or typing the name of the contact.

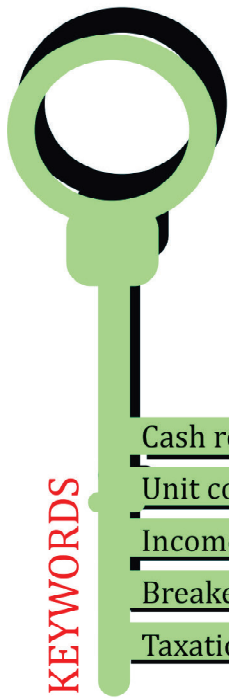
Add an icon for the group by tapping on the empty photo box.

Add a name for the group.

Tap Create when you are finished.



5. Managing Finance



Cash register

Unit costing

Income Statement

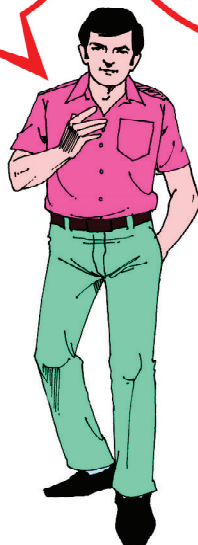
Breakeven Analysis

Taxation

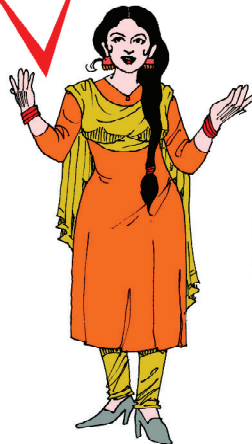
OBJECTIVES

- * Identify Cash Register and their use and importance
- * Explain the process of book keeping
- * Define the concept of Unit costing
- * Enumerate the steps in calculating cost of single product through cost sheet
- * Explain how income statement is prepared
- * Demonstrate the calculation of Breakeven point
- * Describe taxes and processes

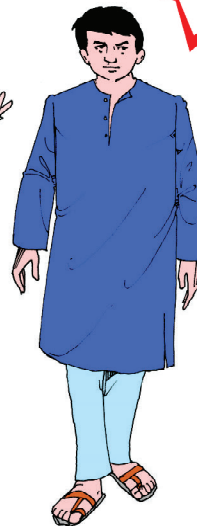
I am ready to start my venture. But how will I manage my finance?



Ok, let me tell you about cash registers, unit costing and how to prepare Income statement.



Great, please tell if any tax is required to be paid by us.



5.1 CASH REGISTER/ BOOK-KEEPING

Cash register **or** Book-keeping is the record of financial data relating to company's operations. It requires proper classification of transactions and events.

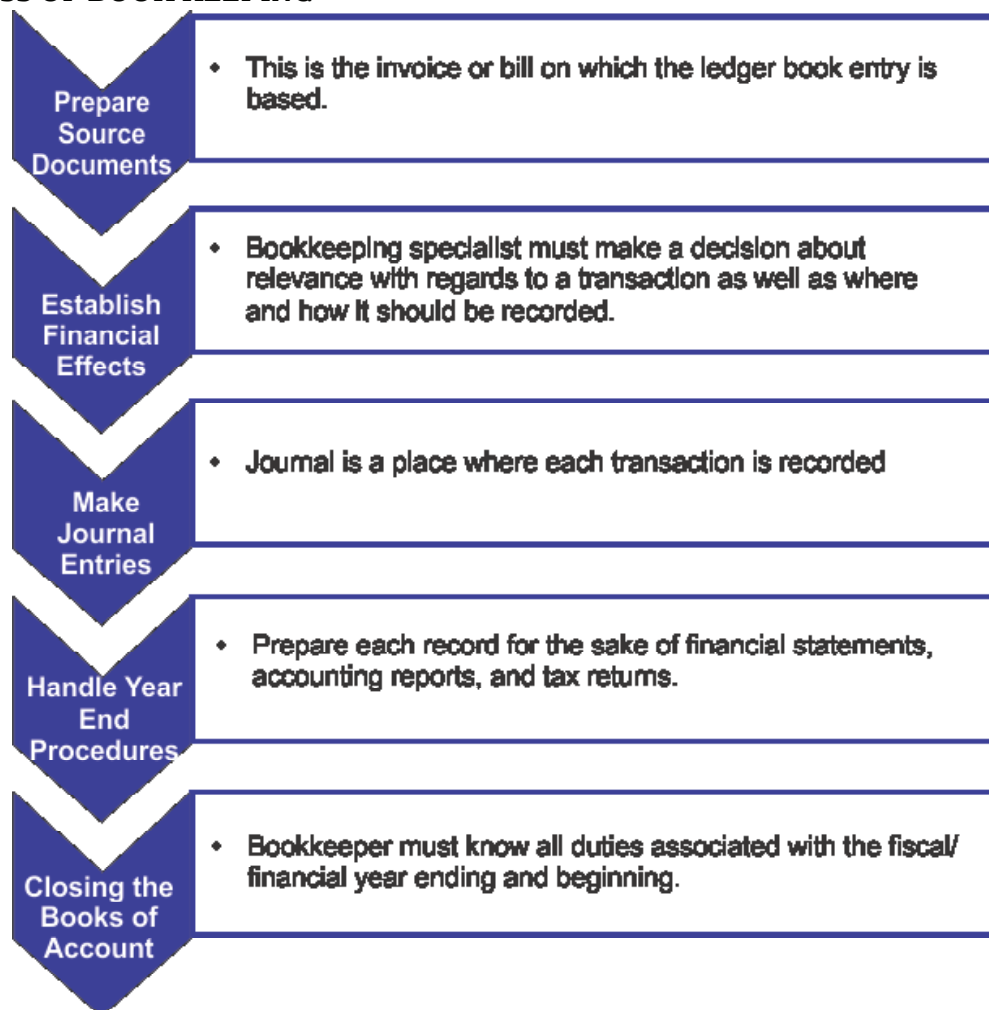
Book- keeping includes:

- Recording in journal entries,
- Posting in ledgers
- Balancing of accounts.

Use and importance of book-keeping

1. It is a permanent and systematic record of every transaction.
2. Helps in judging soundness of business.
3. It is a record related to incomes and expenditures.
4. Enables us to prepare a list of clients and suppliers.
5. Gives opportunities to re-examine the business policies.

PROCESS OF BOOK KEEPING



Know your progress 5.1

Select the best option:

1x2=2

1. Process of book keeping includes the one step as
 - (a) Knowing Financial Effects of transactions.
 - (b) Knowing Social Effects of transactions.
2. Book-keeping is also known as
 - (a) Financial Statement
 - (b) Cash Register.

Your score is.../2

5.3. CONCEPT OF UNIT COSTING

- Unit costing / single costing talks about producing a single article or a small amount of articles which are identical in nature and are expressed in similar quantitative units.
- Industries like oil drilling, breweries, cement works, brick works etc. use this method.
- The cost per unit is calculated by dividing the total expenditure during a period by the number of units produced during that period.
- The cost sheet is prepared for a specific period for calculation of Unit Cost
- Cost is determined on total basis as well as on unit basis.
- It is useful for future production planning
- It helps in preparation of contracts, tenders and fixation of selling prices

In single costing, production cost is usually ascertained by preparing a cost sheet or cost statement. All costs actually incurred or expected to be incurred during a given financial period (starting from April 1 to March 31) are presented in the form of Cost Sheet.

COST SHEET

The elements of Cost are like prime cost, factory cost, work cost, cost of production and total cost. The format of cost sheet is given in the next page.



Cost Sheet for the Period _____

Production _____ Units

Particulars	Amount	Amount
Opening Stock of Raw Material	
Add: Purchase of Raw materials	
Add: Purchase Expenses	
Less: Closing stock of Raw Materials	
Raw Materials Consumed	
Direct Wages (Labour)	
Direct Charges	
Prime cost	
Add :- Factory Over Heads:	
Factory Rent	
Indirect Material	
Indirect Wages	
Factory Asset Depreciation	
Work cost Incurred	
Add: Opening Stock of WIP (Work in progress in)	
Less: Closing Stock of WIP	
Work Cost	
Add:- Administration Over Heads:-	
Office Rent	
Asset Depreciation	
General Charges	
Audit Fees	
Bank Charges	
Office Expenses	
Cost of Production	
Add: Opening stock of Finished Goods	
Less: Closing stock of Finished Goods	
Cost of Goods Sold	
Add:- Selling and Distribution OH (overheades)	
Sales man Commission	
Delivery man expenses/Sales Tax	
Cost of Sales	
Profit (balancing figure)	
Sales	



Illustration. 1

Suzan Manufacturing Co. submits the following information on March 31, 2012. Prepare cost sheet with this information:

	(in Rs.)
Sales for the year	2,75,000
Inventories at the beginning of the year :	
Finished goods	7,000
Work-in-progress	4,000
Purchase of materials	1,10,000
Raw Materials inventory	
Opening	3,000
Closing	4,000
Direct labour	65,000
Factory overhead	60 percent of the direct labour cost
Work -in-progress (Closing)	6,000
Finished goods (Closing)	8,000
Selling expenses 10percent of sales	
Administrative expenses 5percent of sales	

Solution :

Suzan Manufacturing Co.

Cost Sheet

For the year ending March 31, 2012

Particulars	Amount (Rs.)	Amount (Rs.)
Raw materials consumed:	3,000	
Opening stock		1,10,000
Add: Purchases during the year	1,13,000	
Less: Closing stock at the end	4,000	
Direct labour	65,000	
Prime cost		1,74,000
Add :- Factory Over Heads @ 60percent of direct labour cost	39,000	
Work cost Incurred		2,13,000
Add: Opening Stock of WIP	4,000	
Less: Closing Stock of WIP	6,000	
Work Cost / Cost of Production		2,11,000

Add: Opening stock of Finished Goods	7,000
Less: Closing stock of Finished Goods	8,000
Cost of Goods Sold	2,10,000
Add:- Administrative expenses @ 5percent of sales	13,750
Selling expenses @ 10percent of sale	27,500
Cost of Sales	2,51,250
Profit (balancing figure)	23,750
Sales	2,75,000

Portfolio Activity 5.1

Classify the items given in the list below and mention the types of cost they belong to:

1. Manufacturing Costs
2. Distribution Costs
3. Selling Costs
4. Administrative Costs

List of Items

- Materials
- Packing costs
- Accounts office expenses
- Legal expenses
- Office rent
- Director's remuneration
- Postage
- Insurance
- Advertising
- Labour
- Factory rent
- Showroom expenses
- Warehousing costs
- Depreciation
- Power & lighting
- Travel expenses

Know your progress 5.2

Choose the most suitable option out of given:

1x3=3

1. Unit costing methods is used in:
 - (a) Breweries
 - (b) Brick works
 - (c) Both (a) and (b)
 - (d) None of above



2. The elements of cost sheet include:

- (a) Prime Cost
- (b) Cost of Production
- (c) Cost of goods sold
- (d) All of the above

3. Direct Labour is used to calculate the following:

- (a) Prime Cost
- (b) Work Cost
- (c) Cost of goods sold
- (d) None of above

Your score is /3

5.4. Income Statement/ Profit & Loss Statement

- Income statement is the most important statement.
- Interested investment parties always examine it.
- It is prepared for a financial year.
- Title includes the name of firm and the financial period for which it has been prepared.

Comparative Income statement

Comparative Income Statement shows the trend of same items for two or more Income Statements of the firm for different periods.

The interpretations of Comparative Income Statement are as follows:

- The changes in sales of goods sold should be compared with the changes in cost of goods sold. Increasing trend in sales shows the profitability and vice versa.
- The change in net profit will give an idea about overall profitability of production process.
- Decrease in sales or increase in operating expenses would involve decrease in operating profit and vice versa.

A specimen income statement is shown in the next page.



Vipul & Sons
Comparative Statement of Income
(for year ended 31st March, 2014 and 2015)

Particulars	31.3.2014	31.3.2015	Amount of (+) increase or decrease (-)	Percentage (%) (+) increase or decrease (-)
Net sales	8,50,000	9,52,000	(+) 1,02,000	(+) 12
(-) Cost of goods sold	5,25,000	6,00,000	(+) 75,000	(+) 14.3
Gross Profit on Sales	3,25,000	3,52,000	(+) 27,000	(+) 8.3
Operating Expenses				
Advertising	15,000	20,000	(+) 5,000	(+) 33.3
(+) Delivery expenses	20,000	18,000	(-) 2,000	(-) 10
(+) Salesmen salaries	1,50,000	1,53,000	(+) 3,000	(+) 2
(+) Packing and freight expenses	14,000	15,000	(+) 1,000	(+) 7
(+) Other selling expenses	20,000	23,000	(+) 3,000	(+) 15
Total Selling Expenses	2,19,000	2,29,000	(+) 10,000	(+) 4.5
General and Administrative Expenses				
Office salaries	58,000	63,800	(+) 5,800	(+) 10
(+) Office expenses	2,000	4,000	(+) 2,000	(+) 100
(+) Stationery and postage	1,000	2,000	(+) 1,000	(+) 100
(+) Insurance	2,000	1,000	(-) 1,000	(-) 100
(+) Doubtful debts	3,000	4,000	(+) 1,000	(+) 33
Total administrative expenses	66,000	74,800	(+) 8,800	(+) 13.3
Total Operating Expenses	2,85,000	3,03,800	(+) 18,800	(+) 6.6
Operating Profit	40,000	48,200	(+) 8,200	(+) 20.5
Other Incomes				
Interest income		12,000	12,000	- -
(+) Rent income	8,000	16,000	(+) 8,000	(+) 100
(+) Discount received	12,000	18,000	(+) 6,000	(+) 50
Total Other Incomes	32,000	46,000	(+) 14,000	(+) 43.7
Total of Operating Profit & Other Income	72,000	94,200	(+) 22,200	(+) 30.8
Other Expenses				
Interest expense	26,000	17,000	(-) 9,000	(-) 34.6

Particulars	31.3.2014	31.3.2015	Amount of (+) increase or decrease (-)	Percentage (%) (+) increase or decrease (-)
(+)Sales discount	8,000	7,000	(-) 1,000	(-) 12.5
Total Other Expenses	34,000	24,000	(-) 10,000	(-) 29.4
Income before tax				
(Total profit – Total expenses)	38,000	70,200	(+) 32,200	(+) 84.7
(-)Income tax	19,000	31,000	(+) 12,000	(-) 63.1
Income after Tax	19,000	39,200	(+) 20,200	(+) 106.3

Common - Size Income Statement

- In common size income statements figures are converted into percentages to some common base such as 100.
- Each percentage shows the relativity of the individual item to the respective total of Statement
- Can be prepared for two or more firms to see the relative cost efficiency of each item for the firms.

A comparative common-size income statement for two firms in the same industry is illustrated below:

Ram and Raghav Pvt Ltd. Companies
Common size Income Statement
Period ending 31st March, 2014

Particulars	Ram Pvt Ltd		Raghav Pvt Ltd	
	Amount (Rs.)	percent of sales	Amount (Rs.)	percent of sales
Net sales	25,38,000	100.0	9,70,000	100.0
(-) Cost of goods sold	14,22,000	56.0	4,75,000	49.0
Gross Profit on Sales	11,16,000	44.0	4,95,000	51.0
Selling expenses	7,20,000	28.4	2,72,000	28.0
(+) General and administrative Expenses	1,84,000	7.2	97,000	10.0
Total Operating Expenses	9,04,000	35.6	3,69,000	38.0
Operating profit	2,12,000	8.4	1,26,000	13.0
(+) Other income	26,000	1.0	10,000	1.0
	2,38,000	9.4	1,36,000	14.0

Particulars	Ram Pvt Ltd		Raghav Pvt Ltd	
	Amount (Rs.)	percent of sales	Amount (Rs.)	percent of sales
(-) Other expenses	40,000	1.6	29,000	3.0
Income before tax	1,98,000	7.8	1,07,000	11.0
(-) Income-tax	68,000	2.7	28,000	2.9
Net Income after tax	1,30,000	5.1	79,000	8.1

Portfolio Activity 5.2

Collect the Income Statement of any two organizations of two consecutive years from their websites and compare at least five items.

5.5 Break-Even Analysis

Break-even analysis is the calculation of the point at which revenues equal the expenses. Break even analysis is also known as Cost-volume-profit analysis.

- The level or condition of no profit or no loss is called breakeven point.
- At break-even point, volume of sales and revenues exactly equals total expenses.
- In break-even analysis, total costs are divided into fixed costs and variable costs and the relationship between costs, profits and sales is analysed.
- A fixed cost is independent of sales and is related to time. Examples, salaries and rent of factory.
- A variable cost is directly related to the sales, such as selling expenses and commissions distributed.
- Shortage of contribution over fixed costs is loss and excess will be profit.

METHODS FOR BREAK EVEN ANALYSIS

Break-even Points (in Units)

$$= \frac{\text{Total Fixed Costs}}{\text{Selling Price (per Unit)} - \text{Variable Cost (per Unit)}}$$

Or

$$\text{Break-even Points (in Units)} = \frac{\text{Total Fixed Costs}}{\text{Contribution (per Unit)}}$$

Or



$$\text{Breakeven Points (in Rupees)} = \frac{\text{Total Fixed Costs}}{\text{P/V Ratio}}$$

Or

$$\begin{aligned} \text{Breakeven Points (in Rupees)} \\ = \text{Breakeven Points (in Units)} \times \text{Selling Price (Per Unit)} \end{aligned}$$

(All the above formulae are the same).

$$\text{Contribution} = \text{Fixed Cost} + \text{Profit}$$

Or

$$\text{Contribution} = \text{Fixed Cost} - \text{Loss}$$

Or

$$\text{Contribution} = \text{Selling Price (per Unit)} - \text{Variable Cost (Per Unit)}$$

(All the above formulae are the same).

$$\text{P/V Ratio} = \frac{\text{Contribution}}{\text{Sales}}$$

Or

$$\text{P/V Ratio} = \frac{\text{Fixed Cost} + \text{Profit}}{\text{Sales}}$$

Or

$$\text{P/V Ratio} = \frac{\text{Sales} - \text{Variable Cost}}{\text{Sales}}$$

Or

$$\text{P/V Ratio} = 1 - \frac{\text{Variable Cost}}{\text{Sales}}$$

(All the above formulae are the same).

Break-even chart is a graphic representation of relationship between costs, volume and the profits.

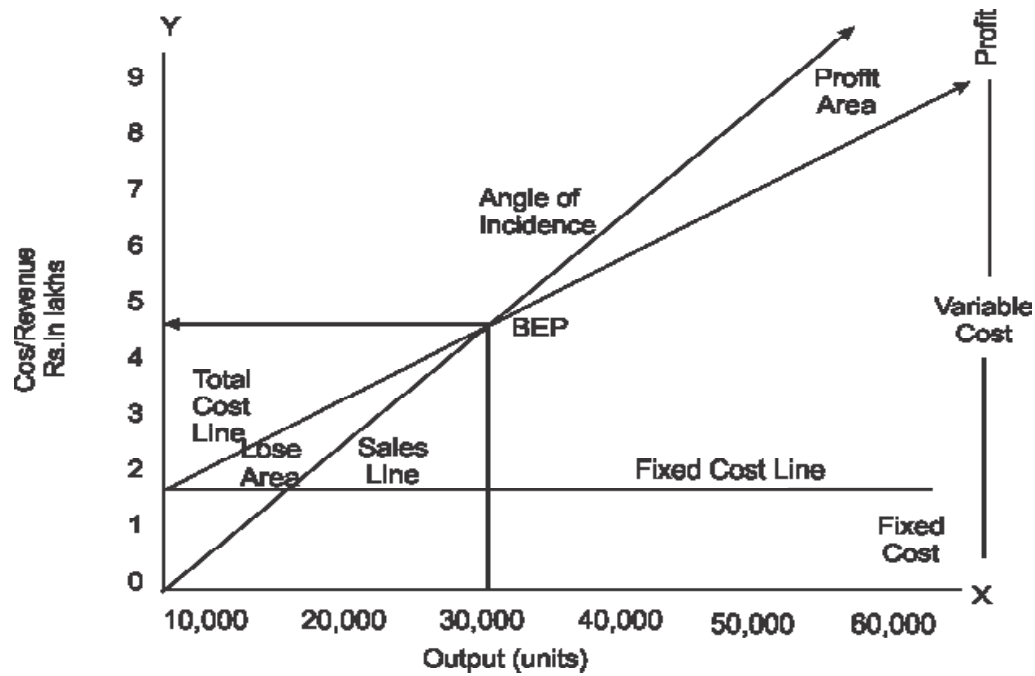


Figure 5.1 Break-even chart

Know your progress 5.3

Select the best option:

1x4=4

1. Breakeven Point is level, where total revenue is equal to total cost:
 - (a) True
 - (b) False
2. Vivox Pvt.Ltd. makes a single product and incurs fixed costs of Rs. 60,000 per annum. Variable cost per unit is Rs. 5 and each unit sells for Rs. 15. Annual sales demand is 7,000 units. The breakeven point is:
 - (a) 6,000 units
 - (b) 4,000 units
3. Sri Ram has sold a product at a price of Rs. 120 per unit and its variable cost is Rs. 80 per unit. The fixed expenses of the business are Rs. 8,000 per year. The Beak Even point in terms of units will be:
 - (a) 700 units
 - (b) 200 units
4. Sri Ram has sold a product at a price of Rs. 120 per unit and its variable cost is Rs. 80 per unit. The fixed expenses of the business are Rs. 8,000 per year. The Beak Even point in terms of Rupees will be: (Consider the answer of above question as the hint)
 - (a) Rs. 96,000
 - (b) Rs. 24,000

Your score is/4

5.6 CONCEPT OF TAX

Taxes are levied by governments to get finances to boost the development of the country and increase the quality of life.

TYPES OF TAXES:

Taxes are mainly of two types:

1. Direct Taxes
2. Indirect Taxes

DIRECT TAX: are levied directly on an individual or on an entity and cannot be transferred on anyone else.

Central Board of Direct Taxes (CBDT) looks into direct taxes.

Types of Direct Taxes:

- 1) **Income Tax:** is levied on income of a person or company in a financial year.
Slab or bracket (no tax to maximum 30 percent) determines the tax to be paid based on annual income.
- 2) **Capital Gains Tax:** is payable on the sale of any assets or property.
Short term capital gains (held for less than 36 months)
Long term capital gains (held for longer than 36 months).

INDIRECT TAX: Is collected by any intermediary such as the person selling the product or service. It is added to the price of the product or service.

Types of Indirect Taxes:

- 1) **Sales Tax:** is levied on the sale of moveable product
Inter State Sale tax is charged by the Union Government
Intra-State sales tax (VAT) is charged by State Government
- 2) **GST - Goods and Service Tax:** is a consumption-based tax and is levied on value-added to goods at each stage of production.
- 3) **Value Added Tax:** or commercial tax is charged at all the stages of production, from distributors to the end user. It is not applicable on such commodities that are zero rated (food and essential drugs) and are in exports category.
- 4) **Custom duty:** is applied on items purchased abroad.
- 5) **Excise Duty: or Central Value Added Tax (CENVAT)** is tax levied on all the factory-made products or products created in India and is charged from manufacturers.



Know your progress: 5.4

Select the best option:

1x4=4

1. Full form of CBDT is:
(a) Central Board of Direct Taxes
(b) Centralized Bureau for Direct Taxation
2. Direct form of taxation includes:
(a) Goods and Service Tax (GST),
(b) VAT (Value Added Tax),
(c) Sales Tax
(d) None of the above
3. Goods and Services Tax (GST) is a:
(a) Utilization specific tax
(b) Consumption-based tax
4. Full form of CENVAT:
(a) Central Value Added Tax
(b) Centralized valuation added Tax

Your score is /4

5.7 This is What You Have Learnt

Now, we know the importance of maintaining the cash registers and income statement for our new venture.

I can calculate Break-even point of my business and can find out at what point I will start earning profits

Guys, I am happy to share this information with you. But don't forget to pay taxes.



5.8`Let Us Practice:

- Q 1. Explain the elements of Unit costing.
- Q 2. Enumerate the steps in calculating cost of single product through cost sheet
- Q 3. Discuss any one formula for calculation of Break even point
- Q 4. Describe the importance of cash register.

5.9 Answers to Know your progress

- 5.1. (a) Knowing Financial Effects of transactions
(b) Cash Register
- 5.2. (1) Both (a) and (b)
(2) All of the above
(3) Prime Cost
- 5.3. (a) True
(a) 6,000 units
(b) 200 units
(b) Rs. 24,000
- 5.4. (a) Central Board of Direct Taxes
(d) None of the above
(b) Consumption-based tax
(a) Central value added Tax

your total score..../9



PRACTICAL WORK

Practical 5.1

Objectives: Preparation of Cost Sheet

Steps

- Collect Financial Statement of any two handloom organizations from their websites
- Compile the cost sheet (as per the format mentioned in chapter) of these two organisations and compare their profits.

Practical 5.2

Objectives: Preparation of Income Statement of a handloom organization

Steps:

- Collect Income Statement of any two handloom organizations from their websites
- Reproduce the comparative Income Statement of these organizations as per the method given in section 5.4.



6. Banking Transactions

KEYWORDS

Banking Services
Banking Accounts
PAN Card
Aadhar Card
BHIM app

OBJECTIVES

- * Describe various types of banking services and accounts
- * Explain PAN Card and its importance
- * Describe cheque, RTGS, NEFT, IMPS
- * State the procedure for opening a Bank Account and Online Banking and procedures
- * Explain Aadhar card, its importance
- * Explain how to use various banking apps like BHIM
- * Describe loan facilities from Bank

Vidushi, can you tell something about financial transactions like, receiving money from customers and making payments to suppliers.

I was also thinking same. Also, can I get some loans?

Why not, banks help entrepreneurs in doing financial transactions in a safe way and provide loans too.



6.1 VARIOUS TYPES OF BANKING SERVICES AND ACCOUNTS

Banks accept cash deposits and gives credit to people. In addition, banks provide many other services to their clients.

BANKING SERVICES

1. Accepting Deposit

Banks accept deposits and give interest to the depositor.

2. Providing Loans:

Banks provide various types of loans to borrowers.

3. Overdraft:

Banks allow customers to withdraw more money than they have in their account by paying interest.

4. Debit cards

Debit cards help to withdraw funds from the cardholders' accounts electronically.

5. Home banking

Home banking helps making account inquiries, transferring money, paying bills, etc. from home.

6. Online banking

Online banking/ internet banking allow the account holders to access their accounts anywhere and at anytime via internet.

7. Mobile Banking

Mobile banking allows for checking balances, payments etc. using mobile phone.

8. Cheque Payment:

Banks provide cheque payment facility to the account holders.

9. Bank Guarantee

Banks become guarantor for customers.

10. Credit cards

Credit card helps holder to make purchases without making payments from account immediately.

11. ATM Services

Banks provide banking functions such as deposits, withdrawals, etc. through ATMs.

12. Bank Draft/Demand Draft

This is a facility to transfer money.



BANKING ACCOUNTS

1. Current Account:

- Most useful
- Opened in the name of the firm
- No restrictions on amount and number of transactions
- Charges are levied for maintenance of account

2. Savings Bank Account:

- Most popular
- Used for keeping savings safe
- Multiple withdrawals and deposits allowed
- Interest is paid

3. Recurring Deposit (RD)Accounts:

- Kind of Term deposit
- Small monthly deposits allowed
- Interest is paid
- Premature withdrawal permitted

4. Fixed Deposit (FD) Accounts:

- Fixed amount deposited for a fixed period
- Period ranges from 7 days to 10 years
- Interest is paid
- Premature withdrawal permitted

Portfolio Activity 6.1

Visit your locality and list down the bank- branches and ATMs in your area.

6.2 PAN CARD

PAN card or Permanent Account Number card is a rectangular laminated card, issued by Income Tax Department, Government of India. It is a unique ten-digit alphanumeric number and looks like ABCPE1111A.



Figure 6.1 front and back view of sample of the PAN card

PAN helps income tax department to link all financial transactions done by a person. These transactions are tax payments, tax deducted at source, tax arrears, returns of income/ wealth/ gift and other financial transactions.

Importance of PAN Card:

An entrepreneur must have a PAN card, as it is compulsory to quote PAN on return of income. It is also necessary to quote PAN when you make following transactions:

- (a) Sale or purchase of any immovable property valued at five lakh rupees or more;
- (b) Sale or purchase of a motor vehicle (two wheelers not included)
- (c) Deposits exceeding Rs. 50,000/-
- (d) Sale or purchase of securities exceeding one lakh rupees
- (e) Opening bank account
- (f) For installation of a telephone and mobile connection
- (g) Payment to hotels and restaurants for bills exceeding Rs. 25,000/-
- (h) Payment in cash for purchase of bank drafts/ pay orders for Rs. 50,000/- or more during a day

Having more than one PAN Card is illegal. Application for PAN is filled on Form 49A. Form is available on the website of Income Tax department or UTIISL (UTI Infrastructure Technology and Services Limited) or NSDL (National Securities Depository Limited) (www.incometaxindia.gov.in , www.utiisl.co.in or <http://tin.nsd.com>).

Visit website of IT department at www.incometaxindia.gov.in and learn the procedure of applying for PAN.

Portfolio Activity 6.2

Apply for a PAN card in your name or help someone else to get one. Else, learn the process of getting a PAN card. Record the entire process in your portfolio.

Know your progress 6.1

State whether the following statements are true or false: 1x4=4

- a) ATM offer banking functions like deposits, withdrawals, account inquiries etc.
- b) Mobile banking allows for checking balances, payments etc. using mobile phone.
- c) Banks never become guarantor for customers.
- d) Full form of PAN is Permanent Access Number.

your score is/4

CHEQUE, RTGS, NEFT, IMPS

CHEQUE:

Cheque is used for paying cash or for transferring a specific amount from one account to another account



Figure 6.2 Sample of a Cheque

Figure 6.2 Sample of a Cheque

RTGS, NEFT and IMPS:

Banks offer services such as RTGS (Real Time Gross Settlement), NEFT (National Electronic Funds Transfer) and IMPS (Immediate Payment Service) to transfer funds fast.

Quick look at RTGS, NEFT and IMPS:

	RTGS	NEFT	IMPS
Service availability	Online and offline	Online and offline	online
Transaction Timings:			
Monday to Friday	9:00 AM to 4:30 PM	9:00 AM to 4:30 PM	Any time during the week or weekends (24*7)
Saturdays	8:00 AM to 7:00 PM	8:00 AM to 7:00 PM	
Transaction Limits			
Minimum	Rs 2 lakh	Re 1	Re 1
Maximum	Rs 10 lakh	No Limit	Rs 2 lakh
Speed of Fund Transfer	30 minutes on Individual basis	Deferred payment on Hourly basis	Immediate
Coverage	Pan India	Pan India	Pan India
Transaction Charges			
Amounts up to Rs 10,000	NA	Rs 2.50	Rs 2.50
Amounts above Rs 10,000 up to Rs 1 lakh	NA	Rs 5	Rs 5
Amount above Rs 1 lakh up to Rs 2 lakh	NA	Rs 15	Rs 15
Amount above Rs 2 lakh up to Rs 5 lakh	NA	Rs 25	Rs 25
Amount above Rs 5 lakh up to Rs 10 lakh	NA	Rs 50	Rs 50

6.3 PROCEDURE FOR OPENING A BANK ACCOUNT AND ONLINE BANKING

OPENING A BANK ACCOUNT

As entrepreneur, you need money to buy raw material such as thread and dyes, to buy machinery such as looms, to make payment to the staff and to meet other expenses. In addition, money received from sales is to be kept aside for future use. You may need to take loans from banks and financial assistance from government agencies. Thus, to run your business smoothly, you need a bank account. This bank account may be in your name or in the name of entrepreneurial venture.

Now, let us learn how to open a bank account-

- Decide type of bank account as discussed earlier. For businesses, open either current account or savings account
- Decide the bank in which you want to open account. Bank operation timings, service charges, and nearness to your place are considered.
- Visit the bank and get account-opening form.
- Submit filled in form and required documents (photo, address proof, identity proof, Aadhar number, PAN)
- If account is in name of firm, attach certified copies of articles and memorandum of association
- Bank verifies the details and opens the account
- Deposit initial amount in newly opened Account
- Get Pass book, cheque book and pay in slip book etc.
- Apply for services such as credit card, mobile banking, internet banking

ONLINE BANKING

Visiting banks for doing transactions wastes lot of time, so banks permit their customers to do financial transactions through internet. This form of banking is called online banking. It is an electronic payment system.

For online banking:

- A bank account is must
- You need to apply for the Internet banking service.
- Bank will provide username and password for first login.
- Log on to bank website and register for online banking.
- Internet enabled computer or mobile phone is must

Some of the financial transactions permitted through online banking are checking account balances, recent transactions, electronic funds transfers, ordering a cheque book, etc.



Know your progress 6.2

1. Fill in the blanks: 1x4=4
- a) Full form of RTGS is
- b) Full form of NEFT is
- c) Full form of IMPS is
- d) For retail customers, the minimum amount remitted through RTGS is
your score is /4

6.4 AADHAR CARD AND ITS IMPORTANCE

- Unique Identification Authority of India (UIDAI), Govt. of India, issues Aadhar card to Indian citizens.
- It is a 12-digit unique identification number.
- Card is issued after capturing demographic and biometric details of the person.
- Only one card is issued per person.
- Card is used as KYC (Know your customer) document for availing government assistance.
- In future, it may become compulsory document.



Figure 6.3 Sample of Aadhar Card

PROCEDURE FOR GETTING AADHAR CARD

- Visit an enrolment centre in your area.
- Fill in enrolment form.
- Attach supporting documents such as photograph, proof of identity and proof of address.
- Give impressions of fingerprints and iris.
- 14-digit enrolment number is given to help you track your application and its status.

You may obtain Aadhar number via Indian Post or an SMS or you can download a copy of the Aadhar card known as the e-Adhaar.

6.5 Banking Apps

Another option to do financial transactions is using mobiles and is known as Mobile payments. Mobile Payment Apps have been launched on all the major app store platforms. Some of the popular mobile payment apps are Apple Pay, Samsung Pay, PayPal, Google Wallet, Paytm & Android Pay. Banks have also launched their own bank apps. Mobile transactions are safe and fast

BHIM APP

BHIM (Bharat Interface for Money) is a Mobile payment App. This app helps the cashless transactions and e-payments. App supports many Indian banks. Users of the app can immediately transfer money between the bank accounts.

Features of app:-

- Can be downloaded on all mobiles
- Easy to operate
- Just a transfer facility
- No fee up to the transaction of 1 lakh.
- Transfers money immediately and 24/7
- BHIM allows users to check current balance in their bank accounts.
- Aadhaar number can be used as payment ID.

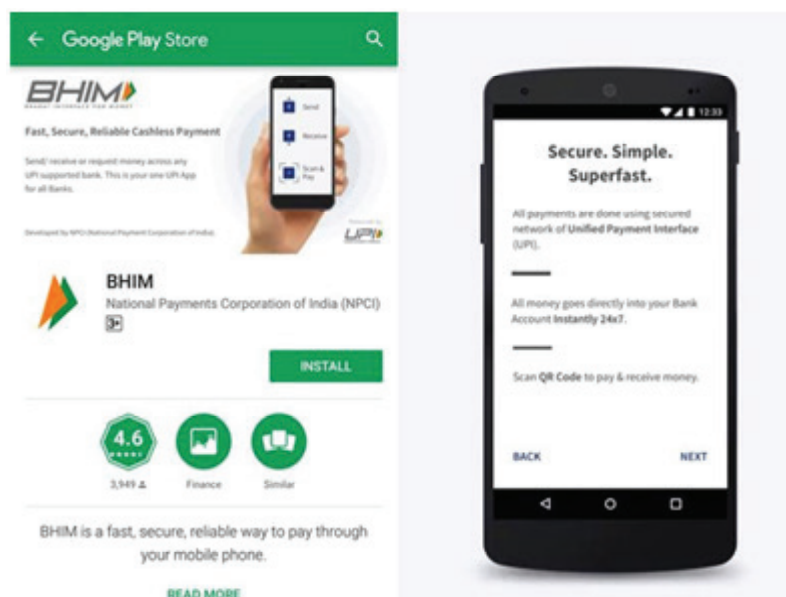


Figure 6.4 Bhim App

6.6 Loan facilities from Bank

Banks help entrepreneurs by providing various loan facilities. Banks secure loans by mortgaging immovable properties, current assets of the business or by right to stock (goods).

Loan facilities provided by the banks :

- (i) **Loan:** –Includes Term loans and Demand loans and are repaid within a definite period.
- (ii) **Cash Credit:** –money can be borrowed within the agreed limit for certain period.
- (iii) **Over Draft:** – Permission to withdraw more money than in the account by paying interest.
- (iv) **Packing Credit:** –to purchase raw materials and to pack manufactured goods for export.

Other credit facilities are:

- Bill Discounted
- Bill Purchased
- Advance against hypothecation of Vehicles (Transport Loan)
- Consumer Loan
- Hire Purchase etc.
- Guaranty for clients
- Buyer credit and supplier credit

Portfolio Activity 6.3

Download BHIM app in your mobile phone from mobile app store. Make an account on the app. If possible, ask one of your friends also to download BHIM app. Now, If possible, try to transfer Rs 10/- to your friend and vice versa. Note down the procedure.

Know your progress 6.3

1. State whether the following statements are true or false: 1x4=4
 - a) Aadhar card is issued by Unique Identification Authority of India
 - b) 14-digit enrolment number helps one track the status of Aadhaar application.
 - c) Loan, Cash Credit and Over Draft are the loan facilities provided by the banks.
 - d) Apple Pay, Samsung Pay, PayPal, Google Wallet, Paytm are popular home banking schemes.

your score is/4

6.7 This is What You Have Learnt



6.8 Let us Practice

1. Describe features of savings bank account.
2. State any two advantages of PAN card.
3. Enlist various loan facilities provided by the banks to entrepreneurs.
4. Discuss any five banking services provided by banks.

6.9 Answers to check your progress

- 6.1 1. a) True b) True
c) False d) False
- 6.2 1. a) Real Time Gross Settlement
b) National Electronic Funds Transfer
c) Immediate Payment Service
d) Rs. 2 lakh
- 6.3 1. a) True b) True
c) True d) False

your total score is..../12



Practical Work

Practical 6.1

Objective: Identification of banking services

Steps :

- Visit any bank branch in your locality.
- Find out which services, out of the given in section 6.1, are provided by the bank.
- Does the bank provide services other than the ones given in the list? Note down the services in the table given below.

S. No.	Name of the service	Yes/No
1	Accepting Deposit	
2	Providing Loans	
3	
4	
5	
	} Any other services	

Practical 6.2

Objective : Opening of savings bank account

(if you already have a bank account help someone to open a bank account, else learn the process of opening the bank account)

Steps : Visit any bank branch near your house and note down the following:

- Procedure for opening savings bank account
- Various documents needed to open the account
- Paste copies of the Application form from the bank for opening a savings bank account in your portfolio

Practical 6.3

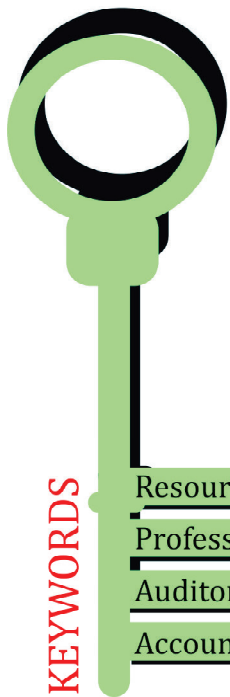
Objective : Familiarity with various banking forms

Steps :

- Go to any bank branch.
- Collect various forms such as pay in slip, withdrawal slip, demand draft form, credit card application form, internet-banking form, debit card application form etc.
- Fill these forms and paste in your portfolio.



7. Resource Mobilisation



Resources
Professionals
Auditors
Accountants

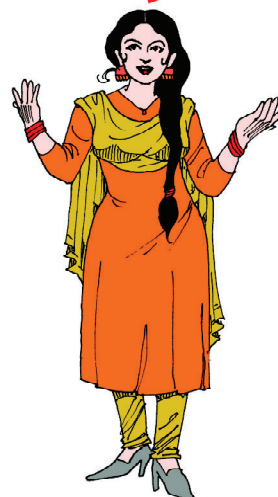
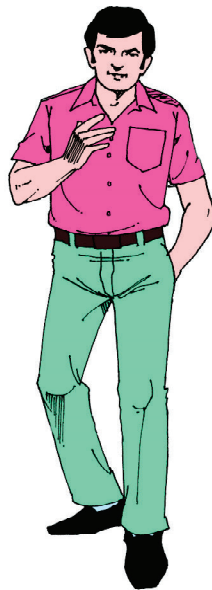
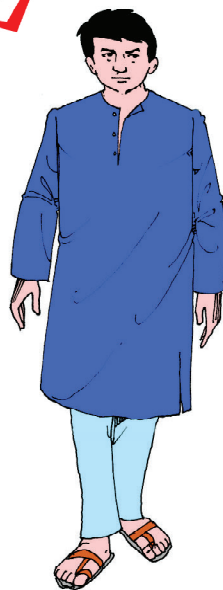
OBJECTIVES

- * Identify various types of resources
- * Explain methods of selection and utilization of human resources
- * Describe the role of professionals like Accountants and Auditors

Have you ever thought what is required in making a handloom item?

I think all that is required is material and of course the person preparing it.

Yes, you are right. We call them resources. We have various types of resources available. Let's identify these and let me tell you more about them....



7.1 TYPES OF RESOURCES

Resource is a person, asset, material or capital that can be used to create value. And resource mobilization refers to all activities involved in getting new and additional resources for an organization.

Resource mobilization can therefore be conceptualized as a combination of :



Figure 7.1: Resource Mobilization

- i) **Resources:** Resources are generally defined as cash and non-cash inputs that help to fulfill human and organizational needs. Resources could mean materials, finance, human (men and women), land and machines.
- ii) **Resource Provider:** Resource provider is an individual, organization, government or foundation who provides financial or other resources for the conduct of business operations.
- iii) **Resource Mobilization Mechanisms-** These are the processes of getting or mobilizing resources from providers and depends upon the environment and the capacity of the organization.
- iv) **Legal Provisions-** It includes the legal framework under which an organization is required to operate.

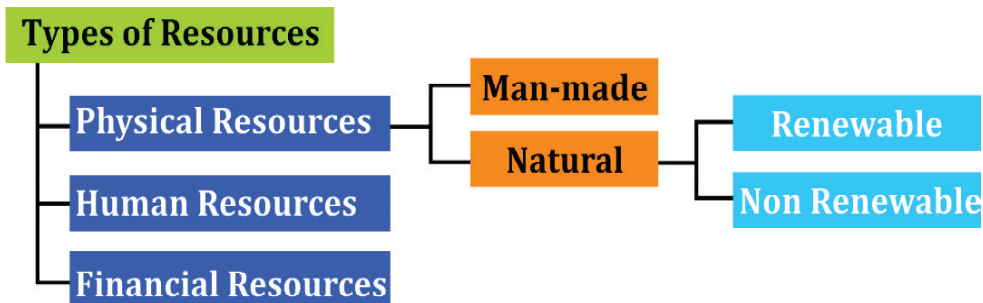


Figure 7.2: Types of Resources



Physical Resources

Physical resources are tangible in nature, such as machines, buildings, office tools, furniture, training tools etc.

These are further divided into:

- A: **Man-Made Resources:** are created by human. For example- roads, buildings, technology, furniture etc.
- B: **Natural Resources:** are naturally occurring substances that can be used in their natural form. For example, we can use yarn and fiber as a raw material to make handloom products.

Natural Resources are of two types-

- Renewable Resources- are constantly available and can be recovered, like vegetative lands, water etc.
- Non-Renewable Resources- cannot be replaced once destroyed. Example fossil fuels.



Figure 7.3: Natural resources for Handloom Industry

Human Resource

Human resource refers to people working in an organization for the achievement of goals and objectives of the organization.

Human Resources required in Handloom Industries

- Operators have the adequate knowledge of sewing machine operations and different types of seams and stitches.
- Designers can design and develop garments according to buyer requirements and as per the current trends.
- Weavers are responsible for creating woven fabrics.
- Multi skill operators can handle technical work and keep the pace with the technological change.

Professionals such as Accountants and Auditors who maintain the book of account of the company and ensure that accounts are prepared as per the standards.





Figure 7.4: Human Resources relevant to Handloom Industry

Financial Resources

Financial Resources are the money or capital to start a new business for purchasing tools, buildings, machinery etc. Before starting a business, an entrepreneur needs to secure sufficient financial resources in order to be able to operate efficiently and effectively.

Know Your Progress 7.1

I. Fill in the Blanks

1x6=6

- _____ is required to start a new business.
- Resource mobilization is a combination of _____, Resource provider, mechanism and_____.
- Physical resources are of two types, namely _____ and _____.

II. Match the following column:

Column A

- Non Renewable Resources
- Fiber, fabric, chemicals etc.
- Weavers, Multi Skill operators etc.

Column B

- Fossil fuels
- Human Resource
- Natural Resources

your score is.../6

Portfolio Activity 7.1

List any 5 man-made resources in your surroundings.

7.2 SELECTION OF HUMAN RESOURCES

Handloom units mostly engage workers in job work such as sub-contracting and weaving. In addition to production workers, professional are required to assist weavers and to expand operations.

Following factors need to be considered while selecting people in handloom industry:-

- i) **Practical knowledge of work:** For example, a weaver needs to know how to weave a fabric practically.
- ii) **Knowledge of fabrics:** such as its structure, color and pattern is must
- iii) **Knowledge of fabric trends:** is important to satisfy consumers' needs.
- iv) **Ability to troubleshoot:** solution to technical problems is required.
- v) **Willingness to do repetitive work:** as nature of work is repetitive.
- vi) **Knowledge of health and safety procedures:** of handlooms industry is a must.
- vii) **Professional knowledge:** is must for professionals. For example, accountant must know auditing principles, procedures, and practices.

7.3 UTILIZATION OF HUMAN RESOURCES

Human resource can be efficiently utilized by:

- i. Estimating total amount of work.
- ii. Estimating correct number of people required for jobs.
- iii. Employing right type of people to do a job.
- iv. Putting right person on the right job.
- v. Providing training to the people.
- vi. Organizing training and development programs to update employees.

7.4 ROLE OF PROFESSIONALS

Professionals are people that are experts in their respective fields.

Professionals relevant to handloom sector are:

- i) **Lawyers:** help protect businesses by providing expertise on legal matters.
- ii) **Bookkeepers and Accountants:** help in managing finances and keeping track of business accounts and filling taxes.
- iii) **Auditors:** help in evaluating the truthfulness of organization's financial statements.



Auditors

An auditor is appointed and authorized to examine accounts to confirm that accounting data provided by the company are accurate.

Qualities of an Auditor



Figure 7.5: Qualities of an Auditor

Types of Auditors

There are three categories of Auditors:



Figure 7.6: Types of Auditor

- i) **Internal Auditor:** is employed by the organizations to examine financial and accounting systems as per the accounting standards. Internal auditors inform owner about what is happening and advise him/her to address issues early.
- ii) **Government Auditors:** review the finances and practices of federal agencies. These auditors work for the Government Accountability Office. Auditors report their findings to the government. On the basis of such reports, government makes policies and sanctions the budget.
- iii) **Independent Auditors:** do not work for the government or any organization. These auditors review the financial statements of a company, municipality, agency or district to determine if the statements and reports are accurate and fair.



Roles and Responsibilities of Auditor

- i) S/he is responsible to plan and to perform the audit to ensure if the financial statements are free from error or fraud.
- ii) S/he should be honest and unbiased in his approach
- iii) S/he should be a watch dog and not a blood hound.
- iv) S/he should not disclose any information without knowledge of client
- v) S/he should report and document the evidences to ensure that the audit was carried out in accordance with the accounting principles.
- vi) S/he should check that all the relevant and important information has been recorded.
- vii) S/he should submit a report having clear written opinion on the financial information.

Role of Accountant

- i) **Maintainer of Books of Accounts:** An accountant maintains systematic records of financial transactions in order to calculate the net profit or loss.
- ii) **Decision maker:** For example, She/he takes decision to continue production of the goods after considering its performance.
- iii) **Internal auditor:** An accountant ensures that the transactions are recorded, classified and summarized in accordance with the established accounting procedures.
- iv) **Preparer of the budget:** A budget is an estimation of income and expenses over a specified future period of time. Accountants plan all the activities to be performed in future and also monitors whether these have been carried out or not.
- v) **Tax Advisor:** An accountant settles the tax liability under the prevailing law and tries to reduce the tax burden by proper tax planning.
- vi) **Investigator:** S/he carries out investigation to determine the financial position of the business for the information of interested parties.
- vii) **Consultant:** An accountant is largely responsible for internal reporting to the management for planning, controlling and decision-making on matters for long-term plans. He provides consultancy services in the areas of expenditure control and export promotion to management.

Know Your Progress 7.2

Match the following:

2x4=8

Column A

1. Independent Auditor
2. Professionals
3. Accountant
4. Auditor

Column B

- a) Certified personnel such as lawyer, doctors
- b) Records financial transaction
- c) A person who checks reliability of financial statements
- d) An auditor not working for government or company

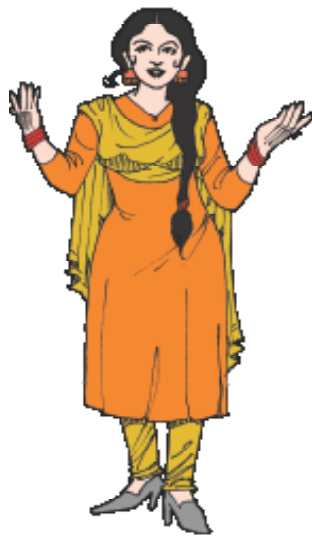
your score is..../8

Portfolio Activity 7.2

Visit any 2 handloom stores. Observe and note down total number of employees who work there as Accountant, Professionals, Auditors, Weavers etc.

7.5 This is What You Have Learnt

So tell me guys what you have learnt so far?



Vijay, now we know various kinds of resources and how these can be used properly.



Also we have understood the role of professionals in handloom industry.



7.6 Let Us Practice

1. List five man made resources.
2. List five natural resources.
3. Describe the role of Accountants in handloom industry.
4. Enumerate the ways of utilizing human resources.



7.7 Answers to Know Your Progress

7.1

- I. a) Financial resources
- b) resources, legal provision
- c) man-made and natural
- II. 1) a
- 2) c
- 3) b

7.2

- I. 1. d
- 2. a
- 3. b
- 4. c

your total score is..../14



PRACTICAL WORK

Practical 7.1

Objective: Identification of resources used in a handloom product

Steps:

1. Take any one handloom item such as saree, bedsheet, rug, carpet, curtain, etc.
2. Observe and record the kind of resources used in its making.

Practical 7.2

Objective: Identification of nature of work of people working in handloom unit

Steps:

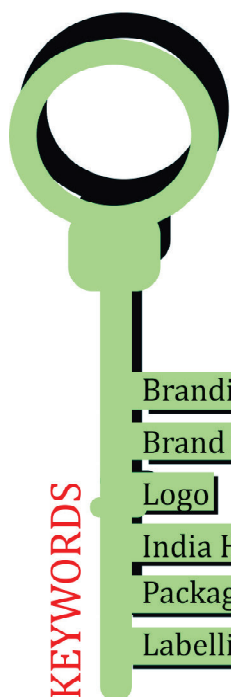
1. Visit any handloom unit or Textile shop in your locality
2. Meet 5 employees working there and ask them about nature of their work.
3. Note down their responses in the table given below.

Learner's observations:

S No.	Name of the employee	Nature of work
1.		
2.		
3.		
4.		
5.		



8. Branding and Packaging



KEYWORDS

Branding

Brand name

Logo

India Handloom Brand

Packaging

Labelling

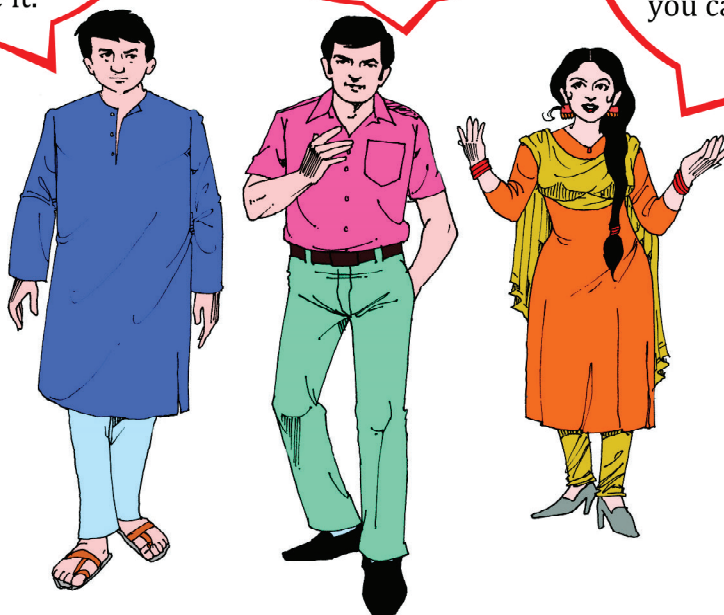
OBJECTIVES

- * Enlist products under India Handloom Brand and its registration process
- * Explain branding and its process,
- * Create name, logo and other brand elements
- * Explain packaging, its levels and importance
- * Describe labelling and its importance

When our product is ready, should we go to some fair/ exhibition etc. to promote it.

But there are lot of similar products. How will people recognize our product?

Right, first of all you should decide a name and logo for your product. This way people can easily recognise your brand and you can promote your product.



8.1 India Handloom Brand (IHB)

- India Handloom Brand is an initiative of Ministry of Textile, Government of India, to bring handloom products under one umbrella brand and promote them all over the world.
- IHB logo is an assurance that the product is as per standards set by the government.
- Registered entrepreneur get technical and financial assistance.

Products under IHB

Table 8.1

Product	Items
Sari: Cotton	Jamdani, Tangail, Shantpuri, Dhaniakhali, Bichitrapuri, Bomkai, Kotpad, Pachampalli, Venkatgiri, Uppada, Siddipet, Narayanpet, Mangalgi, Chetina, Balarampuram, Kasargod, Kuthampally, Chendamangalam Dhoti.
Sari: Silk	Baluchari, Muga Silk, Sualkuchi Silk, Khandua, Berthampuri, Bomkal Silk, Benaras Brocade, Tanchoi, Benarasi Butidar, Jangla, Benarasi Cutwork, Pochampalli, Dharmavarm, Kanchipuram, Arni Silk, Molkalmuru, Paithani, Patan Patola, Champa Silk, Ashawali Silk, Salem Silk (Dhoti), Uppada Jamdani.
Sari: Cotton silk	Chanderi, Maheswari, Kota Doria, Gadwal, Covai, Kora Cotton.
Dress Material: Cotton	Odisha Ikats, Pochampalli Ikats.
Dress Material: Silk	Tanchoi, Benarasi Cutwork, Odisha Ikats, Pochmpalli Ikats, Tasar Fabric, Muga Fabric, Mekhela Chadar.
Bed sheet	Odisha Ikats, Pochampalli Ikats
Scarf/ Shawl/ chadar	Kani Shawl (Handspun/Millspun), Kinnori Shawl, Kullu Shawl, Tangaliya Shawl, Kutch Shawl, Wangkhai phee.

Registration process:

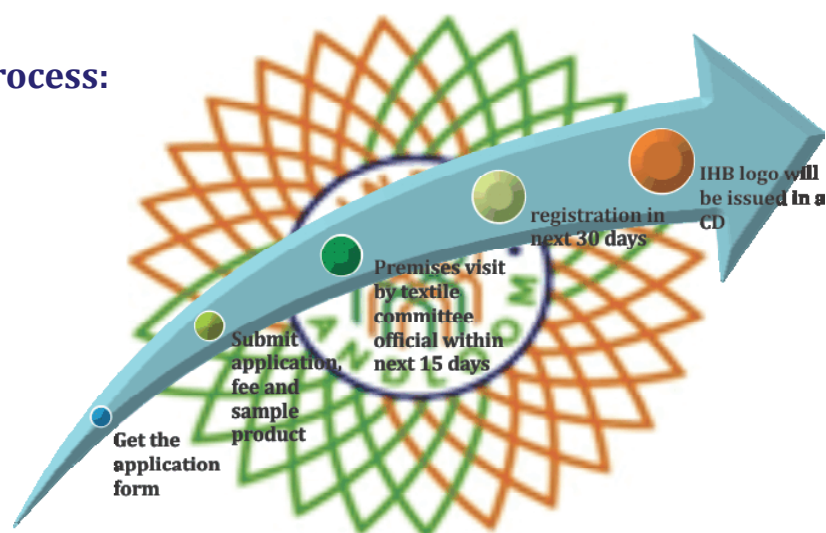


Figure 8.1 Picture depicting step wise process of registration

8.2 Branding process

i. Which **toothpaste** you buy at grocery store?



ii. Which **mobile** do you use?



iii. Which **car** do you like most?



You will find that answers to all these questions are brand names. As compared to the product names (toothpaste, mobile, car), brands have better reach into the mind of customers.

Branding is the process of giving identity to the product or service by creating brand elements. Objective of branding is to get customer attention and loyalty and to assure them of quality.

Brand Elements:

Brand can be created through name, logo, colour scheme, jingle, etc. These are known as Brand Elements and help in promoting the product



Figure 8.2 Brand Elements (Picture used only for academic purpose)



Table 8.2

Brand Element	Description
Name	Spoken component of branding.
Symbol	Symbol is logo without words.
Logo	Logos are visual branding elements that stand for corporate names.
Character	Include human, animal or animation
Slogans	Short phrases to describe brand
Jingles	Musical audio messages
Web Address	Location on internet
Colour Scheme	Use of unique colour combinations

Portfolio Activity 8.1

Visit website www.indiahandloombrand.gov.in, Download application form to apply for IHB registration. Paste this in your portfolio.

Know your progress 8.1

State whether the following statements are True or False: 1x4=4

1. India handloom brand is an initiative of Handloom Association of India.
2. Branding is the process of giving identity to the product or service.
3. Registered entrepreneur do not get technical and financial assistance.
4. Symbol is logo without words.

your score is..../4

8.3 Giving name & logo to a product

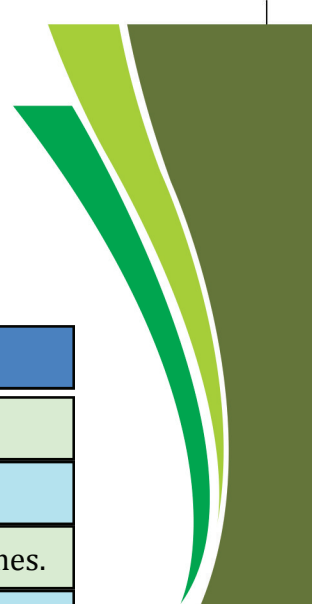
Brand Name:

Giving a name to your product is like naming a child. And this name of the product is called brand name.

Legally protected brand name is known as trade mark. You can decide brand name on your own or can take help of experts.

A brand name should:

- Be easy to spell, speak and remember.
- Reflect benefits and features of product



- Have a proper meaning.
- Be unique.
- Be suitable for packaging and labelling.

Ways to select brand are:

- Using name of organization as a brand.
- Using short name as brand e.g. AMUL, IBM.
- Using features as names e.g. Fair and Lovely Cream.

Logo Creation: Logo is a symbol which increases recall of the brand. Over time, logo may become sole identity of brand.

Logo of IHB contains a flower which signifies 'blooming', Saffron and green colour of flower resemble colours of Indian flag, in the middle of flower handloom mark is drawn. So it depicts both features (hand-woven) and Image (prospering India) of the brand.



Figure 8.3 IHB Logo





Remember, logo should:

- Showcase product features
- Not have different meanings in other languages.
- Be easy to understand and memorise.
- Have colour scheme as per target customer.



Important Certification Logos in Handloom Industry


Table 8.3

Certification	Logo	What it certifies	Certified by
Handloom Mark		Hand loom product	Government of India
India Handloom Brand		Product is 100% hand-woven and natural	Government of India
Silk Mark		100% natural silk	Government of India
Craft Mark		Genuine Indian handicrafts	All India Artisans and Craft Workers Welfare Association (AIACA)

Know your progress 8.2

Match the following:

2x4=8

1. Handloom Mark		
2. India Handloom Brand		
3. Silk Mark		
4. Craft Mark		
your score is /8		



Portfolio Activity 8.2

Visit one of your nearest handloom stores and find out which brands the store is selling. Write down their names. Find out if any government certified brands are available in the store.

8.4 Packaging, its levels and importance**Packaging**

Packaging is designing container to hold the product in bottles, plastic bags, wrappers, paper cartons and boxes etc.

Levels of packaging:

Primary Packaging: Immediate container which facilitates using, consuming and storing. Eg. Saari folded with paper inside and transparent poly pack outside.



Secondary Packaging: Outer cover after primary pack, keeps product safe and contains detailed information. Eg. Saaris are kept in a card board box.



Tertiary packaging: Required for transportation, stores many products. Retailer uses a poly, paper or cloth bag for packing 2-3 sarees after sale.

**Importance of Packaging:**

- Protects product from breakage, heat, water, pressure etc.
- Increases shelf life.
- Carries product information.
- Makes product look attractive.
- Helps to maintain quality of the product .
- Makes easy to carry product
- Helps in bundling products together.



8.5 Labelling and its importance

- Labelling is part of packaging and is pasted on package.
- It provides product information such as ingredients, quantity, features, usage instructions, contact details etc. to the customer.

Types of Labels:

- Brand Label:** has brand name and logo. Eg. Handloom manufacturers or retailers can put IHB label.
- Grade Label:** used for grouping products on some common characteristics. Eg. Quality Grades can be as A, B, C, D.
- Descriptive label:** contains product features, usage instructions etc.
- Informative label:** specifies product details to maximum extent.

Importance of Labeling:

- Helps to identify product.
- Facilitates sales.
- Promotes features of product.
- Helps to compare different products.
- Protects customers from malpractices.

Know your progress 8.3

Fill in the blanks with suitable answer:

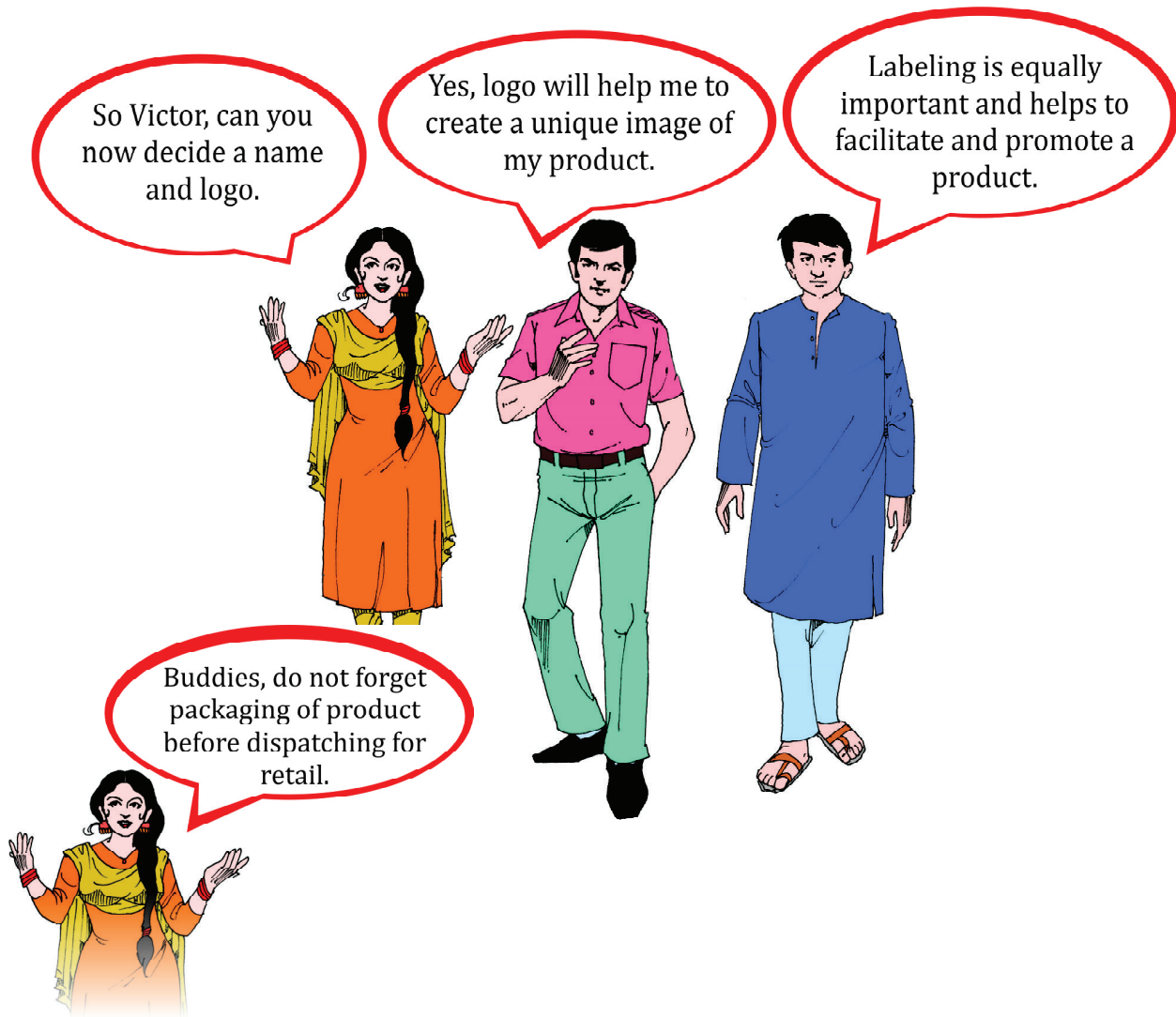
1x4=4

- is designing container to hold the product in bottles.
- is immediate container which facilitates using, consuming and storing.
-provides product information such as ingredients, quantity etc.
-contains product features, usage instructions etc.

your score is.../4



8.6 This is What You Have Learnt:



8.7 Let Us Practice

- Q.1 List five products that are covered under India Handloom Brand.
- Q.2 Name any three brand elements with example.
- Q.3 Enumerate the importance of labelling.
- Q.4 Describe three levels of packaging.

8.8 Answer to Know your Progress

- | | | | | |
|-----|--------------|----------------------|----------|----------------------|
| 8.1 | 1. False | 2. True | 3. False | 4. True |
| 8.2 | 1. -d, | 2-c, | 3-a, | 4-b |
| 8.3 | 1. Packaging | 2. Primary Packaging | 3. Label | 4. Descriptive label |

your total score is.../12



PRACTICAL WORK

Practical 8.1

Objective: Creation of Brand elements for a self help group.

Steps :

- i. Assume that you own a self help group which sells handloom 'sarees'.
- ii. Think of a suitable brand name for self help group.
- iii. Design a logo for self help group.

Practical 8.2

Objective: Identifying brand elements (as given in section 8.2) of 'India Handloom Brand'.

Note down brand elements of 'India Handloom Brand' in your portfolio.



9. Government Schemes and Financial Institutions for Handloom Weavers



KEYWORDS

Mill Gate Prices

Weavers Service Centres

Yarn

Clusters

Help groups

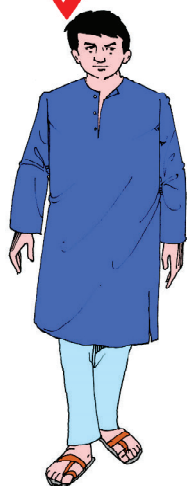
Jacquard

Dobby

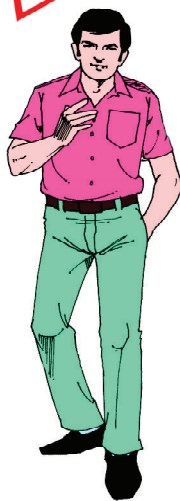
OBJECTIVES

- * Enumerate various government schemes available for weavers
- * List the role of Office of Development Commissioner (Handloom)
- * List the role of Weavers Service Centres
- * List the role of institutes for skill development

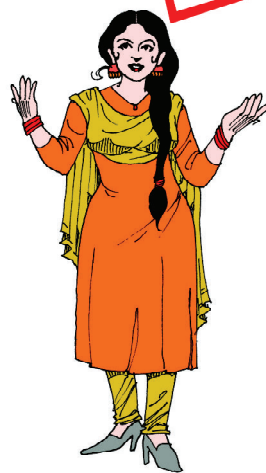
Now, we have understood all about handloom and textiles. But the problem is we are not confident of our selves.



Yes Vijay, you are right, we have ideas, but we are lacking skills and guidance from experts.



Oh!!
That's a very small problem. Now that you are clear on what to do, you will be glad to know that government has various schemes to finance projects. You can also enhance your skills at various Weavers Service Centres and can join institutes like NIFT, etc. to learn new skills. Let us, know more.



9.1 WELFARE SCHEMES BY THE GOVERNMENT FOR HANDLOOM WEAVERS

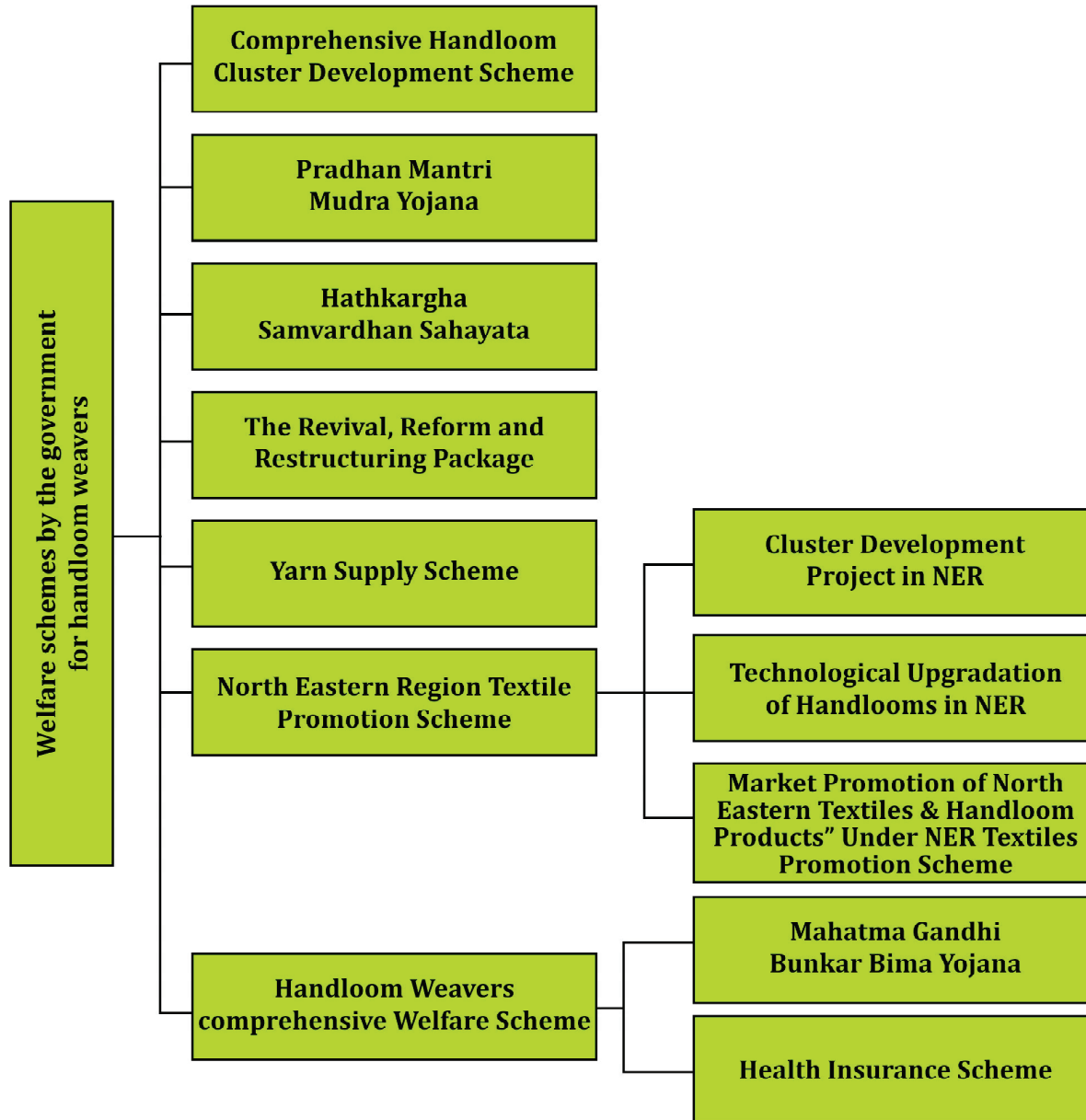


Figure 9.1: Welfare Schemes by the government

Comprehensive Handloom Cluster Development Scheme (CHCDS)

- The handloom weavers, face problems like lack of education, in-adequate working capital, low level of technology, and poor infrastructure facilities due to which they are not able to meet the market needs.
- To overcome these problems this scheme is implemented by the Government of India for the development of mega handloom clusters.
- Each mega handloom cluster will cover more than 15,000 handlooms.



Pradhan Mantri Mudra Yojana

- The Textile Ministry has associated with public sector banks (United Bank, UCO Bank, Canara Bank, Bank of India and PNB) to provide loans up to 5 lakh to handloom weavers in all states. Weavers can withdraw the money given as loan from ATMs also.
- The purpose of this scheme is to provide finance to small handloom weavers so that they are able to increase their productivity and gain independence from master weavers.
- Under this scheme, loans are available at 3 percent subsidy to handloom weavers for three years.
- The weavers can contact any of the public banks mentioned above and ask for Mudra Form and fill it. If the weaver has a current account in the bank it will help to get the loan in less time.
- If you need any equipment for your business, please carry bill for the same.

Note: After submitting the application, remember to take the acknowledgment slip with you.

Do you Know

Weavers like, Dasrathi Patra, Surendra Mati and Bata Patra at Manibandha in Cuttack availed a loan of 50,000 each under the Mudra scheme and successfully got themselves relieved from the master weaver, as they had enough capital to buy raw materials on their own. It was seen that the income of these weavers went up from 60 percent to 200 percent

(Source: www.handlooms.nic.in)

Hathkargha Samvardhan Sahayata (HSS)

This scheme provide financial assistance for improvement in technology.

This will help weavers to improve quality of the fabric and productivity.

Under HSS, government bears 90% of the costs of technological up-gradation of items, while the remaining 10% would be paid by the weaver.

Please see below the list of items against which loan shall be given:

Table 9.1: Indicative List of Items that can receive grant under HSS

a.	Pneumatic jacquard system for a set of 4 handlooms
b.	Motorized jacquard on the existing handloom
c.	Take-up & let off motions on the existing handloom (including fitting charges)
d.	Multiple box motion
e.	Multiple buti weaving sley



f.	Twin cloth weaving mechanism (including fitting charges)
g.	Jacquard with complete set including installation
h.	Dobby
l.	Healds reeds, bobbins, shuttles etc. (set)
j.	Frame loom a) up to 60" b) above 60"
k.	Construction work shed
l.	Asu Machine (Manual), Asu Machine (Motorized)
m.	Warp beam & fabric beam
n.	Normal warping machine
o.	Motorized warping machine
p.	Motorized Pirn Winding machine, Motorized Pirn- cum bobbin/ dubba Winding machine
q.	Street Sizing Kit (brush, sticks, spray gun etc.)

Note: In case, cost of any item comes out to be more than the prescribed cost in the guidelines of scheme, balance shall be paid by the weaver.

The Revival, Reform and Restructuring (RRR) Package

- This scheme provides loan facility to individual handloom weavers, master weavers, Self Help Groups and Joint Liability Groups.
- National Bank for Agriculture and Rural Development (NABARD) is the selected agency to implement this scheme.
- Under the scheme, the government has decided to waive – off loans that are overdue for payment (100% of principal and 25% of interest).
- New capital and term loans shall be given at a subsidised rate of 6% to handloom sector for a period of 3 years.
- Credit guarantee for 3 years shall be given by Credit Guarantee Trust fund for Micro and Small Enterprises (CGTMSE) for which the required guarantee fee and annual service fee will be paid by the Government

Yarn Supply Scheme

- The problem faced by many weavers across country was that the yarn trade is controlled by the traders and most of the handloom weavers were dependent on the traders for their yarn requirement. This had resulted in unchecked increase in yarn prices and shortage in its availability.



- To overcome this problem, Government has set up the National Handloom Development Corporation (NHDC) Ltd.
- The main objective of NHDC is to make good quality yarn available to weavers at Mill gate price.
- The Mill Gate Price means the price at which the yarn is procured from the registered licence holders of :
 - a. Silk Exchange in case of silk yarn,
 - b. Dye houses in the case of dyed yarn and
 - c. Reputed spinning mills in the case of cotton and other types of yarn.
- Under the scheme the transportation expenses involved in supply of yarn are repaid by the Government
- The individual weavers are required to pay through cheque/ demand draft/ cash to NHDC for getting the yarn supply.

North Eastern Region Textile Promotion Scheme (NERTPS)

- The primary aim of NER Textile Promotion Scheme is to develop and modernize the handloom sector in North East states by providing better productivity, increase in employment and more value of handloom products.
- This scheme focuses on improving efficiency and quality of products.
- This scheme would raise the standard of living of the weavers and will contribute in the development of handlooms of NER.
- A need is felt to up-grade the existing handlooms and also, to commercialize these handlooms to produce newly developed products and see these product outside NER but also abroad.

Cluster Development Project in NER

- The main objective of the scheme is to develop handloom sector in North Eastern Region by developing clusters that would lead to increased employment, quality of handloom, etc.
- A handloom cluster may be defined as a place where there is a large concentration of handlooms, producing handloom fabrics that would be made according to demand in the market. These handlooms could be located near two neighbouring villages.
- Government provides finance per cluster as follows:

Cluster having 51-200 handlooms	Up to Rs. 20-50 lakh per cluster
Cluster having 201-500 handlooms	Up to Rs. 50 to 80 lakh per cluster
Cluster having above 501-2000 handlooms	Up to Rs.80 to 150 lakh per cluster



Technological Upgradation of Handlooms in NER

- Under this proposed scheme for NER, funding to upgrade the current technology is provided by the government
- The government pays 90% of the cost of the handloom and the remaining 10% is paid by the weaver.
- The funding for the following items would be as follows:
 - a. Up to Rs. 20,000/- for Handloom
 - b. Up to Rs. 8,000 per jacquard
 - c. Up to Rs. 5,000 per doobby
 - d. Other accessories @ up to Rs. 4,000/- per loom.

Money can be availed for the following items:

- Providing pneumatic jacquard system and motorized jacquard on the existing handloom,
- Providing take-up & let off motions on the existing handloom,
- Using multiple box motion for continuous weaving of two different kinds of weft,
- Using multiple buti weaving sley for weaving butis,
- Twin cloth weaving mechanism for weaving mats, stoles etc. of narrow width having clear selvages on both sides,
- Providing jacquard on the existing handloom,
- Providing doobby on the existing handloom,
- Providing healds, reeds, bobbins, shuttles, harness etc. to improve efficiency and the quality of the products.
- Providing warp beam and fabric beam on the existing handloom,
- Purchase of new handloom,
- Purchase of normal/motorized warping machine,
- Any other technological up-gradation, which reduces labour of the handloom

Market Promotion of North Eastern Textiles & Handloom Products” Under NER Textiles Promotion Scheme

- The objectives of NERTPS are:
 1. To increase the handloom fabric production by establishing market links.
 2. To encourage innovation in designs and techniques.
 3. To expand the variety of products produced.
 4. To get better access to domestic and export markets so that weavers are able to get continuous employment and improve their standards of living.



- Under NERTPS, Market promotion of North – Eastern Textiles and handloom products is done in the following ways:
 1. National level handloom expo within and outside NER
 2. Participation in international fairs/exhibitions
 3. Organisation of fashion shows, quiz shows etc.
 4. Engagement of brand ambassador for promotion of handloom products of NER
 5. Development of online portal
 6. Information, Education and Communication activities like printing of brochures, production of films, documentaries & telefilm, organisation of seminars and workshops, road shows, live demonstrations, etc.

9.2 HANDLOOM WEAVERS COMPREHENSIVE WELFARE SCHEME

Mahatma Gandhi Bunkar Bima Yojana (MGBBY)

- The Government of India has introduced the 'Bunkar Bima Yojana' in collaboration with the Life Insurance Corporation of India [LIC]. The registered weavers get the following benefits:

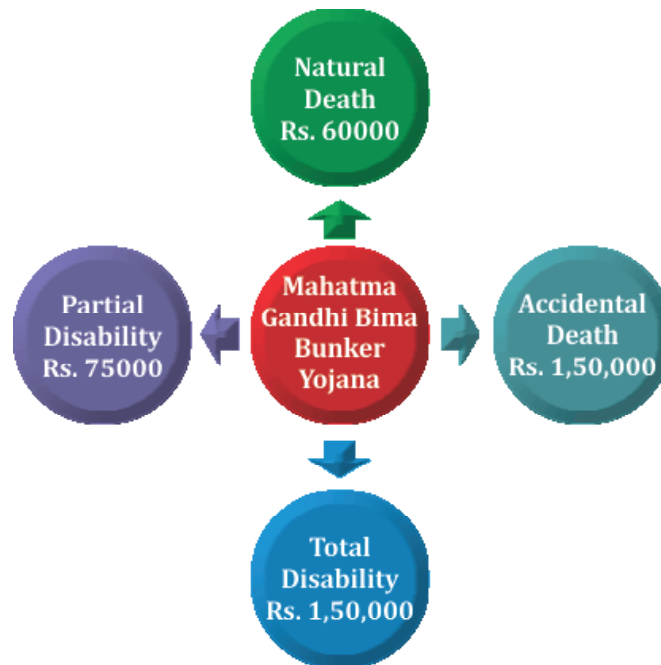


Figure 9.2: Insurance Cover under Mahatma Gandhi Bunkar Bima Yojana

- In addition to the above, under the MGBBY, a scholarship of Rs.300/- per quarter per child is paid for children studying in standard IX to XII for a maximum period of four years or till they complete XII standard, whichever is earlier. The benefit is restricted to two children of the member covered.
- To avail this scheme, the weaver should fulfil the following conditions:-



Entrepreneurship for Handloom Weavers

1. The weaver should be earning at least 50% of his income from handloom weaving.
2. All weavers, whether male or female, between the age group of 18 and 59 years are eligible to be covered under the scheme, including minorities, women weavers and weavers belonging to NER.
3. The weavers belonging to the State Handloom Development Corporations/Apex/ Primary Handloom Weavers' Cooperative Societies will be covered under the Scheme. Weavers outside co-operative can also be covered under the scheme on a certificate from the State Directorate of Handlooms that they are fulfilling the eligibility conditions.

Health Insurance Scheme (HIS)

- Under this scheme, health insurance cover would be provided to both Above Poverty Line (APL) and Below Poverty Line (BPL) handloom weavers and their families [up to a unit of five].
- A family is considered to consist of the Household Head, spouse, and up to three dependents. The dependents would include children and/or parents of the head of the family as are listed as part of the family in the data base. If the parents are listed as a separate family in the data base, they shall be eligible for a separate card.
- The following are the features of the health insurance plan:
 - (a) Total sum insured of Rs.30, 000 for both APL and BPL weavers family per annum on a family floater basis for cancer patients looking forward for chemotherapy.
 - (b) Admission to hospital and services of surgical nature that does not require an overnight stay at the hospital shall be free of cost.
 - (c) All the health services mentioned in the insured package will also be free of cost. Refund of bills will not be considered under the scheme.
 - (d) There is a provision for a smart-card based system for identification and verification of handloom weavers
 - (e) Pre and post-hospitalization expenses for 1 day before and 5 days after hospitalization can be availed at reasonable expense, but to a limited extent as mentioned in the health package.
 - (f) There is a provision for transport allowance (Rs.100 per visit) and maximum limit to Rs. 1000 in a year.
- These health services can be availed at both public and private health providers that are licensed by Insurance Regulatory and Development Authority (IRDA).
- To register for this scheme the weaver needs to pay Rs. 30 to the insurance company [ICICI LOMBARD] as the registration fee. The premium for this insurance is paid by the state and central government.



Portfolio Activity 9.1

Identify a handloom cluster near to your house. List down the number of handloom weaver associated with the cluster and the major activities undertaken by them.

Know Your Progress 9.1

Q1. Write down the full forms of the following abbreviations:

- a. CHCDS 1x7=7
- b. HSS
- c. RRR
- d. NABARD
- e. NHDC
- f. NERTPS
- g. IRDA

Q2. Name the two schemes for handloom weaver's comprehensive welfare. $\frac{1}{2} \times \frac{1}{2} = 1$

Q3. List down all the schemes proposed by the government for the development of North East handloom weavers. 1x3=3

your score is..../11

9.3 ROLE OF VARIOUS GOVERNMENT BODIES IN HANDLOOM AND TEXTILES

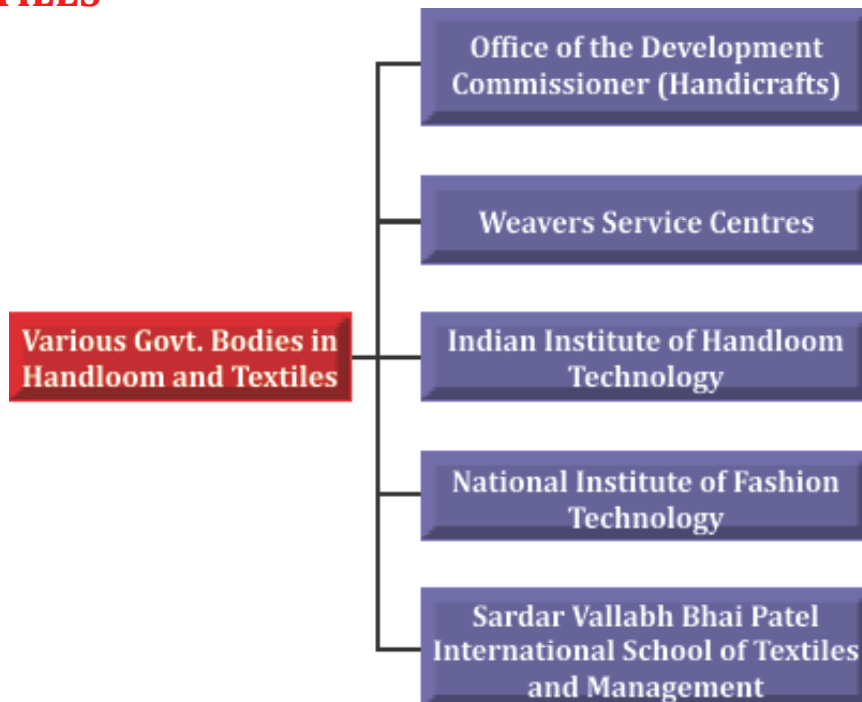


Figure 9.3: Various Govt. Bodies in Handloom and Textiles



Office of the Development Commissioner (Handloom)

- Development Commissioner for handlooms was set up in 1975 under the Ministry of Commerce. At present it is functioning under the Ministry of Textiles.
- The Office of the Development Commissioner for Handlooms is headed by an officer of Joint Secretary Level having its headquarters at Udyog Bhawan, New Delhi.
- It is assisted by 28 Weaver Service Centres.

Role of office of Development Commissioner (Handloom)

- To ensure overall development of the Handloom, including welfare of handloom weavers.
- To provide new upgraded looms and accessories to handloom weavers.
- To provide yarn at subsidized rate in the clusters areas.
- To get the weavers associated with entrepreneurs, designers, and professionals for marketing, designing and managing the production.
- To help weavers get financial assistance from banks.

Weavers Service Centres (WSC)

- Weavers Service Centre, are developed for product development, design development and market development for Promotion of Handloom weavers in India and Abroad.
- Training programmes and workshops are conducted to create awareness among the handloom weavers. Weavers are sponsored to attend different exhibitions.

Role of Weavers Service Centres

- To provide all possible technical assistance in terms of design input, technical advice in weaving/dyeing/printing etc. to weavers and all concerned to Handloom Sector.
- To technically support weavers and others on a continuous basis for continuous development of the Handloom sector.
- To visit the Handloom pockets for rendering technical assistance to weavers and others.
- To conduct Design Exhibition- cum- Dyeing Workshop with a view to create awareness and impart training in dyeing techniques and design development.
- To upgrade the skills of handloom weavers in the field of design development/weaving/dyeing.

Please visit http://www.designdiary.nic.in/wse_centre.asp to know about various locations of Weavers Service Centres across India.



Indian Institute of Handloom Technology (IIHT)

- Indian Institute of Handloom Technology is located in Salem, Tamil Nadu.
- The institute is offering the following courses:
 1. Diploma in Handloom and Textile Technology
 2. B.Tech (Handloom & Textile Technology)

National Institute of Fashion Technology (NIFT)

- National Institute of Fashion Technology was set up in 1986 under Ministry of Textiles, Government of India.
- This institute has 15 branches and provides skill development in the areas of Design, Management and Technology.
- This Institute awards degrees in undergraduate, post graduate and doctoral studies. They also have tie-ups with various international institutions.

Note: For admission to NIFT you may visit:
<http://www.nift.ac.in/admissionguidelines.html>

Sardar Vallabh Bhai Patel International School of Textiles and Management (SVBPISTM):

Sardar Vallabhbhai Patel International School of Textiles & Management was established in 2002, as an autonomous body set up under Ministry of Textiles, Govt. of India.

The institute offers following courses through national level entrance test:

1. B.Sc. (Textiles)
2. MBA – Textile Management, Apparel Management and Retail Management

Portfolio Activity 9.2

Visit the website of NIFT, IIHT and SVBPISTM. Look for the course in which you are interested and note down the eligibility criteria and admission process.

Know Your Progress 9.2

- Q1. Fill in the blanks with appropriate answers: 1x3=3
1. Office of DC (H) is headquartered at and has regional offices across India.
 2. WSC stands for
 3. Indian Institute of Handloom Technology is located at
- Q2. List down the educational institutes that offer skill development to handloom weavers. 1x3=3

your score is /6



9.4 This is What You Have Learnt



9.5 Let Us Practice

- Q1. Explain how the government works towards welfare of the handloom weavers under Comprehensive Handloom Cluster Development Scheme?
- Q2. Explain the methods that can be used to promote handloom products under North Eastern Region Textile Promotion Scheme.
- Q3. List the role of office of Development Commissioner (Handloom)?
- Q4. List down the duties of a Weaver Service Centre.

9.6 Answer to Know Your Progress

9.1

- Q1.
 - i. Comprehensive Handloom Cluster Development Scheme
 - ii. Hathkargha Samvardhan Sahayata
 - iii. The Revival, Reform and Restructuring Package
 - iv. National Bank for Agriculture and Rural Development
 - v. National Handloom Development Corporation



- vi. North Eastern Region Textile Promotion Scheme
- vii. Insurance Regulatory and Development Authority

Q2. MGBBY, HSS

Q3. Cluster development project in NER, Technological Upgradation of Handloom in NER, Market Promotion of North Eastern Textiles & Handloom Products Under NER Textiles Promotion Scheme

9.2

- Q1. i. New Delhi, Six
- ii. Weavers Service Centre
 - iii. Salem, Tamil Nadu

Q2. NIFT, IIHT, SVBPISTM

your total score is..../17



PRACTICAL WORK

Practical 9.1

Objective: Study the process of availing loan under Pradhan Mantri Mudra Yojana.

Steps:

- Visit any public sector bank in your area (PNB, UCO, United Bank, Canara Bank, or Bank of India).
- Collect Mudra Form from the bank and enquire about the mandatory documents required to apply for the loan.
- List these down and paste the form in your portfolio.

Practical 9.2

Objective: Identification of items for financial assistance

Steps:

- Refer table 9.1 of the chapter and identify items for which you can apply for financial assistance from government of India under the scheme of Hathkargha Samvardhan Sahayata for technological upgradation purpose.



10. Entrepreneurial Skills - Assessment & Idea Generation



KEYWORDS

Qualities
Skills
Resources
Business Ideas
Feasibility Study
Opportunity Assessment

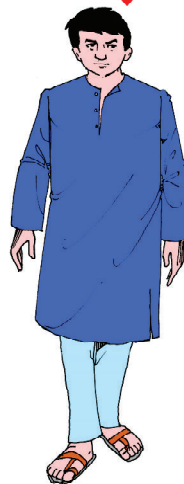
OBJECTIVES

- * Assess various qualities, skills and resources of entrepreneurs
- * Identify the ways of generating business ideas
- * Describe the concept of feasibility study
- * Explain the concept of opportunity assessment
- * Describe and apply the concept of business plan, its preparation and execution

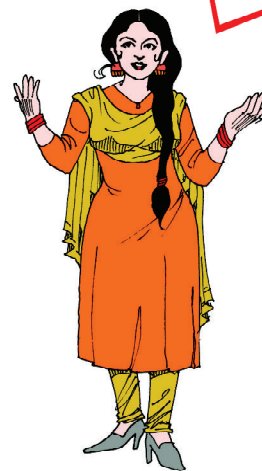
Now that I know so much about entrepreneurship and know how to go about starting a business, how would I know if I have those qualities or not?



Yeah. I was also thinking about the same. Is there any way to assess our personality for becoming an entrepreneur? How do I plan my business?



Yes friends. Let me tell you about self-assessment, how to generate business ideas and other related concepts.



10.1 SELF-ASSESSMENT OF QUALITIES, SKILLS AND RESOURCES

Every person has the potential to become a successful entrepreneur. You just need to identify your type of personality and determine the right opportunity.

Let us first know general qualities of an entrepreneur:



Figure 10.1: General Qualities of an Entrepreneur

It is important to note that entrepreneurs can also acquire above qualities and skills if they are willing and dedicated to learn them.

Entrepreneur needs various resources to run enterprise. Entrepreneurial Resources means both tangible and intangible assets that are assembled by an entrepreneur to run business. Resources which may be required at the time of building or promoting a business include –



Table 10.1

Tangible Assets (Assets which have physical existence)	Intangible Assets (Assets which can be felt but cannot be seen)
Cash Credit Building Machinery Investments	Knowledge about handloom, weaving, textiles etc. Goodwill of business Information Logo and trademark (means a symbol, word or design which is legally adopted in business to identify its products)

Portfolio Activity 10.1

Identify which qualities, skills and resources you possess to become a successful entrepreneur as per figure 10.1.

10.2 GENERATION OF IDEAS

One of the most important steps in entrepreneurial process is generating and evaluating business ideas. Various ways to generate ideas are discussed below:

Market Research

The method of gathering information about the existing products and services in the market comes under market research.

Problem Analysis

The consumers are presented with list of problems and are asked to initiate a discussion over it which leads to the generation of new product idea.

Group Discussions

A group of individuals sit together and generate business ideas.

Scanning the environment

Environment has a large amount of information which may be in news magazines, journals, government publications, consumer reports, publications in trade, commercials etc.





Figure 10.2: Ways to generate business ideas

Know Your Progress 10.1

Fill in the blanks with appropriate word (s):

1x=4

1. Entrepreneurial Resources means both _____ and _____.
2. _____ and _____ are two methods of generating business ideas.
3. The method of gathering information about the existing products and services in the market comes under _____.
4. Entrepreneurs may collect large amount of environmental information from _____ and _____.

your score is.../4

10.3 FEASIBILITY STUDY

A feasibility study can be defined as an analysis of how successfully a particular project can be completed. Feasibility study takes into the account the factors that affect an enterprise such as economic, technological and legal factors.

The feasibility study of a project helps the entrepreneur in identifying the business-related problems, solutions and logistics. It acts as a foundation for the development of their business plan and marketing strategies in order to convince an investor or bank to invest in his/her business.



Types of Feasibility Study

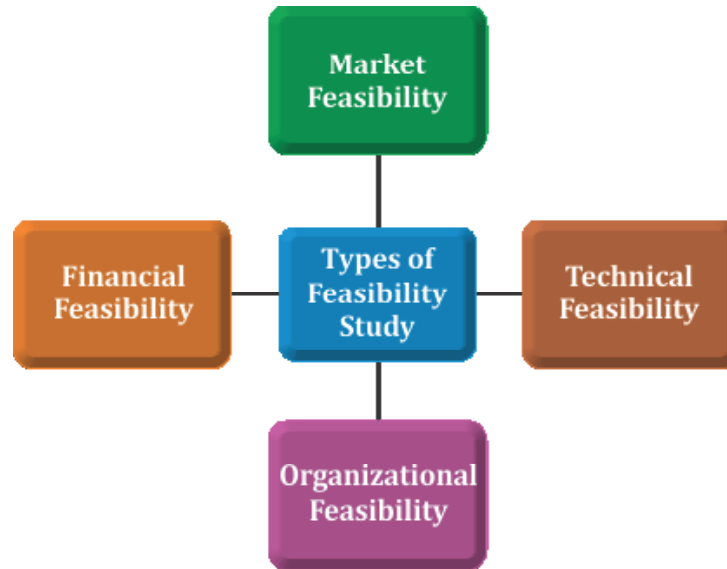


Figure 10.3: Types of Feasibility Study

Market Feasibility: studies industry, present market, and competition in market, sales projections, prospective buyers and anticipated future market potential.

Technical Feasibility: looks into technology, materials, labour and transportation needed to deliver a product or service.

Financial Feasibility: takes care of amount of funding needed to start the business, its source, returns on investment etc.

Organizational Feasibility: relates to corporate and legal structure of the organization like information about the founders of the business, their professional background, skills they possess to keep the operational etc.

Characteristics and Components of a Good Feasibility Study:

- **Introduction:** name and purpose of the business.
- **Business Description:** information about the nature of the business and details about products and services to be offered.
- **Analysis of Market:** information about the current and potential demand of the products and services.
- **Management & Personnel/ Requirements:** knowledge of skills of the team for launching the proposed business.
- **Technology:** tells about kind of technology required for the proposed business including raw materials, facilities, and inventory and production control.
- **Critical Risk Factors:** identification of associated risks and problems of the business.



- **Financial Predictions:** information about the total estimated cost of the project and projected cash flow with profitability. It includes balance sheet, cash flow statement, break even analysis, income statement and requirement of the capital.
- **Conclusion:** It is the conclusion of the business plan.

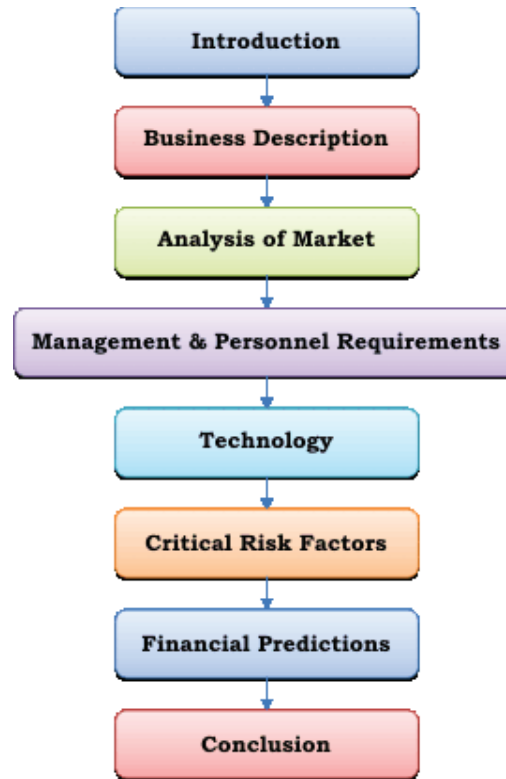


Figure 10.4: Components of a feasibility study

10.4 OPPORTUNITY ASSESSMENT

It is a detailed review of business opportunity available. During this stage, an entrepreneur reviews the prospective plans for successful launch of the business. It includes information regarding:



Figure 10.5: Factors to be considered for Opportunity Assessment

For example, before launching any new product in the market, an entrepreneur may question himself,

“Can I launch this product in the market in economically successful ways?”

“What kind of market is available for my product?”

“What kind of other similar products are available in the market?”

“How my product will be different from them?”

“What will be the special feature of my product?”

“Who are the consumers of my product?”

“Who are my competitors?”

“Which business model will help in generating sufficient revenue compared to cost?”

Portfolio Activity 10.2

Handloom weaving is a traditional art of India and is very famous among the masses. Assume that you have to start a business in this sector. Choose a product of your choice and prepare a feasibility study report on it.

Know Your Progress 10.2

Match the following:

1x4=4

- | | |
|-------------------------------|--|
| 1. Market Feasibility | a. Projection of funding needed in business |
| 2. Technical Feasibility | b. Details about industry and market |
| 3. Financial Feasibility | c. Details about corporate and legal structure |
| 4. Organizational Feasibility | d. Details about technology needed |

your score is /4

10.5 Preparation of Business Plan

A Business Plan is a blue print about how a business will be done. In other words, how resources will be organized, goals will be achieved and progress will be measured.

Business plan:

- Gives a complete picture of the business.
- Helps in measuring the progress of the venture at successive stages.
- Serves as a working manual to directing and organizing the activities of the venture.
- Serves as a communication tool to investors, lenders, suppliers, banks etc.
- Guides the entrepreneur in increasing the factors of production.



Major Elements of a Business Plan

All business plans are not same; each type of business plan is slightly different from the others. The size of plan will vary from one unit to another; for example, business plan of a handloom unit will be different from business plan of a auto spare part manufacturing unit .

A good business plan should cover the following information:

BUSINESS PLAN	Organization Plan
<u>Introduction</u>	
Name and address of Business	Ownership- Sole proprietorship/ Partnership/ Joint Stock Company
_____	_____
Name and address of the entrepreneur	Introduction of Partners/Members
_____	_____
Business's stakeholders	Identification of administrative staff and management tea
_____	_____
Customers' characteristics	
_____	<u>Plan of production</u>
<u>Details about Business</u>	Manufacturing process in detail
Details of Products and/or Services to be offered _____	_____
Scale of Business _____	Information about types of machinery
Requirement of technology and management personnel	_____
_____	Details about raw materials to be used

	Required physical infrastructure

	Other requirements like power, water etc.

Figure 10.6 (a) : Format of a Business Plan



<u>Plan of marketing (4 P's of marketing)</u>	<u>Miscellaneous</u>
Products/Services to be offered _____	Contingency plan _____
Pricing _____	Report of market research _____
Place of distribution _____	Contract with vendors and financial institutions _____
Promotional strategies _____	Risk involved _____
<u>Financial Plan</u>	
Sources of funds _____	
Requirement of fixed capital _____	
Requirement of working capital _____	

Figure 10.6 (b) : Format of a Business Plan

10.6 EXECUTION OF A BUSINESS PLAN

Entrepreneurs spend countless hours in drafting and redrafting detailed business plans for their venture. But many a times it is seen that they fail to deliver on their promises. The question arises, 'Why they fail?'

Entrepreneurs fail because either they are not able to follow or changed the prepared business plan as per the need of the business environment

Portfolio Activity 10.3

Shivani is a village girl. The art of handloom weaving is very famous in her village. She is very creative and always enjoys doing new things. She has identified the potential of handloom weaving in her village and decided to start up a handloom textile industry. She visited the Development Commissioner of Ministry of Textiles. He explained the process and asked her to prepare a business plan for the proposed business. Prepare a business plan for her keeping in mind all the major components.

Know Your Progress 10.3

Fill in the blanks with suitable words:

1x3=3

1. A business plan is a _____ about how a business will organize its resources to meet its goals and the way it will measure progress of step-by-step actions in a business.
2. Business plan serves as a _____ for the investors, suppliers and banks.
3. _____ gives the complete picture of the business.

your score is.../3

10.7 This is What You Have Learnt



10.8 Let us Practice

- Q1. Describe the concept of 'feasibility study'. List the various type of feasibility study.
- Q2. What are the different ways of generating business ideas?
- Q3. What are the major elements of a business plan?
- Q4. Explain the concept of opportunity assessment



10.9 Answers to Know Your Progress

10.1

1. Tangible, Intangible
2. Market Research and Group discussion
3. Market research
4. Journals and magazines

10.2

1-b, 2-d, 3-a, 4-c

10.3

1. blue print
2. communication
3. business plan

your total score is/11



PRACTICAL WORK

Practical 10.1

Objectives: Analysis of strengths and weaknesses of a business venture.

Steps:

1. Select a successful entrepreneur in an industry preferably handloom industry.
2. Identify the strengths and weaknesses of the entrepreneur and enlist them in the your portfolio.

Practical 10.2

Objectives: Generation of business ideas

Steps:

1. Form a group of 4-5 people.
2. Start a discussion in the group for generating various business ideas pertaining to handloom industry.
3. Select any 3-5 ideas which you find most interesting and worth implementing.
4. Write them down in your portfolio.

Practical 10.3

Objectives: Preparation of a model business plan of an idea selected in practical 2.

Steps:

1. Prepare a model business plan for one idea (selected above) according to the format given in the chapter 10 (Section 10.5).
2. Paste it in your portfolio.

