



INDIAN MARITIME UNIVERSITY

SCHOOL OF MARITIME MANAGEMENT

**June 2013 Examinations
SECOND SEMESTER**

BUSINESS PROMOTION & ENTREPRENEURSHIP

Subject Code: T 1206

Date: 17.06.2013

Time: 3 Hrs

QP Code: T0811206/ T0821206

Max. Marks: 75

PART - A

Note: Answer all the questions

(10 x 1= 10)

1. Entrepreneur means
 - a. A Manager who introduces new products, services in his organization.
 - b. An independent business innovator.
 - c. The CEO of a company.
 - d. None of the above

2. The organisation culture that allows executives to operate like entrepreneurs are called _____

3. Projects concerned with Industrial development, Power generation etc are
 - (a) Quantifiable
 - (b) Non Quantifiable
 - (c) Non Feasible
 - (d) Non measurable

4. PERT stands for
 - (a) Program estimate review technique
 - (b) Program evaluation review technique
 - (c) Project evaluation review technique
 - (d) Project estimate revaluation time

5. Breakeven point and Ratios are tools used in
 - (a) Project design
 - (b) Financial analysis
 - (c) Cost Benefit analysis
 - (d) Project appraisal

6. Which of the following is generally not funded by IFCI?
 - (a) New Industrial projects
 - (b) Expansion of existing Units
 - (c) Working capital requirements
 - (d) Capital cost of manufacturing units
7. Selection of channel members is a strategic decision affecting distribution of goods and services provided – True / False
8. In India business etiquette has been majorly influenced by
 - a) US culture
 - b) UK culture
 - c) Asian culture
 - d) None of the above
9. A single lump sum granted by government to an industry considered essential in the national interest is called
 - a) Incentive
 - b) Subsidy
 - c) Concession
 - d) None of the above
10. LERMS stands for
 - a) Lowest exchange rate management system
 - b) Liberalised exchange rate management system
 - c) Lowest exchange rate management service
 - d) None of the above

PART - B

Note: ANSWER ANY FIVE

(5 x 5 = 25)

11. Define Entrepreneurship. Briefly explain any 5 traits of a true entrepreneur.
12. Bring out the role of Industrial fairs in business promotion.
13. Explain the criteria to be considered in selection of suitable project.
14. Discuss the salient features of CPM in network analysis
15. Identify the challenges faced by an entrepreneur to carry out an effective financial analysis.
16. Bring out the significance of Business Etiquette and social grace in business promotion.
17. Write a short note on incentives given for exports.

PART- C

Note:- (Q no 18 is compulsory; answer 3 out of remaining 5)

(4 x 10 = 40)

18. CASE STUDY

Introduction

On August 20, 2003 Sanjiv Gupta, President and CEO of Coca-Cola India, sat in his office contemplating the events of the last two weeks and debating his next move. Sales had dropped by 30-40% in only two weeks on the heels of a 75% five-year growth trajectory and 25-30% year-to-date growth. Many leading clubs, retailers, restaurants, and college campuses across the country had stopped selling Coca-Cola and only six weeks into his new role as CEO, Gupta was embroiled in a crisis that threatened the momentum gained from a highly successful two-year marketing campaign that had given Coca-Cola market leadership over Pepsi.

On August 5, 2003, The Center for Science and Environment (CSE), an NGO in India, attacked the safety of Coca-Cola India's products in a press release titled "Twelve Major Drink Brands sold in and around Delhi Contain a Deadly Cocktail of Pesticide Residues." Though Coke was well within the Indian government's legal limits for pesticide residue in beverages, the country's standards were weak and full of loopholes, making them meaningless. Coke India CEO Sanjiv Gupta had to decide on the most effective communication strategy to restore public trust and had to weigh a larger policy decision at the same time: Should Coke take on a leadership role and help create higher standards for food and beverage safety?

The Initial Response

The day after the CSE's announcement, Coke and Pepsi came together in a rare show of solidarity at a joint press conference. The companies attacked the credibility of the CSE and their lab results, citing regular testing at independent laboratories proving the safety of their products. They promised to provide this data to the public, threatened legal action against the CSE while seeking a gag order, and contacted the United States Embassy in India for assistance. Coca-Cola India's CEO Sanjiv Gupta published the following statement for the Indian public:

"You may have seen recently in the media some allegations about the quality standards of our products in India. We take these allegations extremely seriously. I want to reassure you that our products in India are safe and are tested regularly to ensure that they meet the same rigorous standards we maintain across the world. Maintaining quality standards is the most important element of our business and we cannot stand by while misleading and unaccredited data is used to discredit trusted and world-class brands. Recent allegations have caused unnecessary panic among consumers in India and, if unchecked, would impair our business in India and impact the livelihoods of our thousands of employees across the country. This site is about the truth behind the headlines. It provides some context and facts on these issues and we hope it helps you understand exactly why you can trust our beverage brands and continue to enjoy them as millions of Indians do each day."

Sanjiv Gupta,
Division President, Coca-Cola India

In the following days, the Delhi High Court asked the government to convene an expert committee to test and report on the safety of soft drinks within three weeks and to revise existing standards to include pesticide norms. Coca-Cola and Pepsi launched independent campaigns to reassure the public, taking out full-page newspaper advertisements and directing consumers to their corporate Web sites to review test results and safety protocol in greater detail. In spite of these actions, the public seemed to believe the CSE's claims and the crisis was far from over for the beverage giants. With sales continuing to experience a precipitous drop, one Delhi medical student's sentiments appeared to be widespread: "For a person drinking at least one bottle a day, the report came as a rude shock. I haven't picked up a bottle today and most definitely will not consume soft drinks in the future. The reports of pesticides and other pollutants have made soft drinks a strict no-no and we will now stick to juices and plain drinking water".

Gupta's Dilemma

As he contemplated the crisis at hand, Sanjiv Gupta questioned what action if any was necessary. Coke India was well within the country's legal guidelines and the crisis had not been widely reported outside of India. Gupta knew that the Indian public had a short attention span and had reason to think that it wouldn't be long before the CSE's report faded, just as the Kinley water issue had earlier this year. On the other hand, he wondered if the situation might offer the company an opportunity to display higher standards of social responsibility at a time when it needed to differentiate itself from the competition. Multinationals had slipped in numerous situations of late and were blamed for not adhering to the same standards in developing countries as in industrialized nations. The additive effect of this negative press meant that the potential damage to Coke's reputation was even greater. Finally, an ineffective resolution would be a devastating blow to the momentum Coke had gained after three long years of work on the marketing front.

Questions

1. What should Sanjeev Gupta do as an immediate measure to counter falling sales?
 2. Analyse the situation and identify the real cause behind the crisis
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19. Discuss the motivational forces that cause entrepreneurial growth in a developing nation. Substantiate with illustration.
 20. Define Project appraisal. Explain any 3 methods of Project appraisal.
 21. Write an essay on types of credit facilities available to Indian entrepreneur touching upon how the projects are evaluated by financial institutions.
 22. Bring out the significance of Entrepreneurship development programs.
 23. Outline the steps to start a small industry.
