

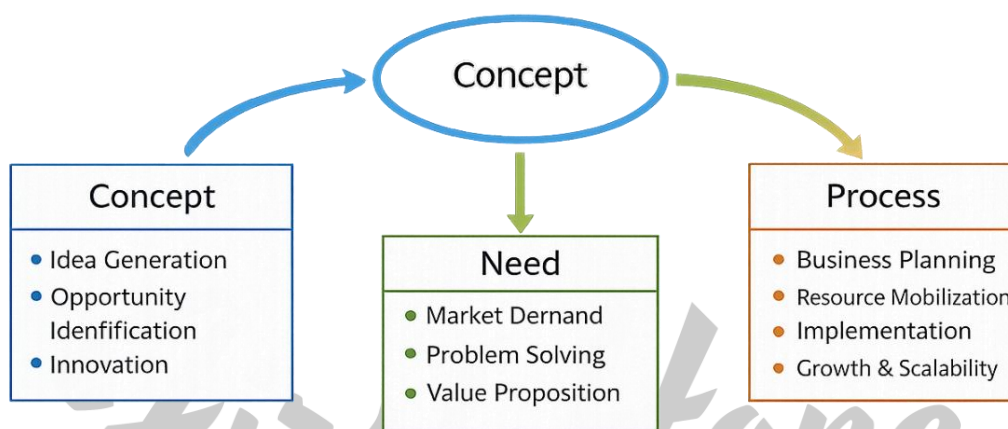
Conceptual Framework

Conceptual Framework: Concept, Need and Process in Entrepreneurship Development

Basic Idea

- Entrepreneurship development is a planned and organized process of identifying, nurturing, and promoting individuals who can start and manage businesses successfully.

Conceptual Framework:
Concept, Need and Process in Entrepreneurship Development



- It focuses on building skills, knowledge, and attitudes required to run an enterprise.

Concept of Entrepreneurship Development

- It is the process of enhancing entrepreneurial abilities among individuals.
- **It includes:**
 - Identifying potential entrepreneurs
 - Training and motivating them
 - Providing necessary resources and support
- It aims to convert ideas into successful business ventures

Need for Entrepreneurship Development

Entrepreneurship development is important for several reasons:

1. Economic Growth

- New businesses increase production and income
- Leads to higher GDP and national development

2. Employment Generation

- Entrepreneurs create jobs for themselves and others
- Reduces unemployment and underemployment

3. Innovation and Creativity

- Encourages new ideas, products, and services
- Helps in technological advancement

4. Balanced Regional Development

- Promotes industrial growth in rural and backward areas
- Reduces regional inequalities

5. Utilization of Resources

- Ensures proper use of natural, human, and financial resources

Process of Entrepreneurship Development

The development of entrepreneurship follows a systematic process:

Process of Entrepreneurship Development



1. Identification of Opportunities

- Recognizing business ideas based on market needs
- Example: Identifying demand for eco-friendly products

2. Feasibility Analysis

- Checking whether the idea is practical and profitable
- Includes technical, financial, and market analysis

3. Business Planning

- Preparing a business plan (objectives, strategies, budget)

- Helps in attracting investors and guiding operations

4. Resource Mobilization

- Arranging finance, manpower, technology, and materials

5. Enterprise Launch

- Starting the business operations

6. Management and Growth

- Managing daily activities
- Expanding and improving business over time

7. Monitoring and Growth

- Evaluating performance
- Expanding and improving the business

Role of Enterprise in National and Global Economy

- An enterprise plays a vital role in shaping both the national and global economy by contributing to production, employment, innovation, and trade.

Role in National Economy

1. Employment Creation

- Enterprises generate jobs across sectors
- Helps reduce poverty and improve living standards

2. Industrial Development

- Promotes growth of industries like manufacturing, services, etc.
- Leads to modernization of the economy

3. Contribution to GDP

- Enterprises produce goods and services
- Increase national income

4. Regional Development

- Establish industries in rural and underdeveloped areas
- Reduces economic imbalance

5. Revenue Generation

- Pay taxes to government
- Supports public welfare programs

Role in Global Economy

A. International Trade

- Enterprises export and import goods/services
- Earn foreign exchange

B. Global Competition

- Improves quality and efficiency due to competition
- Encourages innovation

C. Technology Transfer

- Adoption of advanced technologies from other countries
- Improves productivity

D. Foreign Investment

- Attracts foreign direct investment (FDI)
- Boosts economic growth

E. Global Branding

- Promotes national identity through global companies
- Example: Indian IT companies

Types of Enterprise – Merits and Demerits



1. Sole Proprietorship

Meaning:

- Owned and managed by a single individual

Merits

- Easy to start and close
- Full control over decisions

- Direct profit benefit
- Simple legal formalities

Demerits

- Unlimited liability (personal assets at risk)
- Limited capital
- Limited growth potential
- Depends on one person

2. Partnership

Meaning:

- Business owned by two or more persons

Merits

- More capital than sole proprietorship
- Shared responsibility
- Better decision-making (combined skills)

Demerits

- Conflicts among partners
- Unlimited liability (in most cases)
- Profit sharing reduces individual income

3. Company (Private/Public Limited)

Meaning:

- Separate legal entity owned by shareholders

Merits

- Limited liability
- Large capital availability
- Perpetual existence
- Better credibility

Demerits

- Complex legal procedures
- High formation cost
- Less personal control

4. Cooperative Enterprise

Meaning:



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