**Assignment**

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**Program: BBA Assignment (spring-2020)**

**Dated: 13th April, 2020 Time allowed: 06 Days**

**Course Title: Entrepreneurship Instructor: Shoala Rasheed Khan**

**Note: Attempt All Questions Total Marks: 30**

**Note: This assignment should be attempted by hand written and then make a “word file or PDF file” by taking an image of these documents or attempt directly in a word file and upload through SIC portal in an assignment section. You have a limited time of 06 days which will be automatically closed after the completion of timeline. No file will be accepted after the given time line.**

Q1. a. Write about a short history of small Business?

b. What are the different definitions of SME’s according to US, France and UK? Generally, how many employees can occupy Small and Medium Business?

Q2. a. Write all the important characteristics of Small and Medium Enterprise?

b. Write three major differences between large and small Business?

Q3. Write the detail story of SME development in Pakistan?

Q1. (a). Write about a short history of small Business?

**Ans: History of small business:**

About 4000year ago small business was discovered, the Babylonians king, HAMMURABI discovered the first 300 business laws, which are known as Code of HAMMURABI.

In all Ancients cultures small business flourished.

I-e the Egyptians, Arabs, Babylonians, Jews, Greeks and Romans.

Q1 (b). What are the different definitions of SME’s according to US, France and UK? Generally, how many employees can occupy Small and Medium Business?

Ans**: Definitions of SMEs**:

1. According to U.S: a business qualifies a small if does not dominates its industry and less than 100 employees.
2. According to UK: entites having less than 200 employees.it should be run by its owner and should have a relatively small share of its market.
3. According to France: A company with less than 10 employees, representing over 90 percent of all business and employing one sixth of the total work force.

**Generally** in small business number of employees ranges from 10 to 35 and productive assets ranging 2 to 20 million. While medium business employees ranging from 36 to 99 and productive assets range from 20 to 40 million.

Q2. (a). Write all the important characteristics of Small and Medium Enterprise?

**Ans:** Important characteristics of small and medium Enterprise**:**

* SMEs is again subdivided into two categories i-e. Very small and large business where the proprietor mainly directs the work of employees.
* No or few management layers.
* Limited resources.
* Owner has ultimate authority and effective control.
* Low in capital and high in labour.
* Specialized skill for certain specific clients,
* Small business does well on isolated, overlooked and imperfect market.

Q2 (b). Write three major differences between large and small Business?

**Ans: T**hree major differences between large and small business;

* Small business faster changes through a cycle of birth and death whereas the large business cycle changes through expansion and contraction.
* Small business often focus on a niche market while large to offer more products and services to a verity of consumers.
* Small business use secondary resources while large business use most of the primary resources.

Q3. Write the detail story of SME development in Pakistan?

Ans: Development of SME in Pakistan:

In Pakistan various government e.g, state bank of Pakistan, Federal bureau of statistics, provincial labour depts., etc. use its own definition.

Pakistan government has adopted multi pronged approaches at the regional, sub regional and national level which includes efforts to strengthen economic integration. The government taking a number of measures for private sector development including liberalization of economy, investment promotion export facilitation, financial sector reforms, capital market reforms and creation of a conductive business environment.

* In the recent past small & medium enterprises development authority (SMDEA) stands out as a significant step towards GOP commitment to SME development.
* SMEDA work under the federal ministry of and production and it was established in October 1998 to take on the challenge of developing small & medium enterprises (SMEs) in Pakistan.

SME definition defined by SMEDA:

Micro:

* Less than 10 people employed
* Productive assets limits of 2 million rupees.

Small:

* Between 10-35 people employed.
* Productive assets limit of 20

Medium:

* Between 36-99 people employed
* Productive assets limits of 40 million.