

**Department of Electrical Engineering**  
**Final – Assignment Spring 2020**  
**Date: 24/06/2020**

**Course Details**

Course Title: Entrepreneurship  
 Instructor: Dr. Shahid Latif

Module: \_\_\_\_\_  
 Total Marks: 50

**Student Details**

Name: shehriyar khan

Student ID: 13738

Note: Attempt all of the following questions.

Q1.		Business Plan is heart of any new project and without a detailed plan, no business can be successful. Describe in detail how Business Plan is written, highlighting contents of its different components with giving example for each section?	Marks 10
			CLO 2
Q2.	(a)	Consider yourself an "Entrepreneurship" and you want to start a new business. Prepare a "Business Plan" for your new venture detailing and describing all the steps required to start this business. (Business Plan for any Product or Service).	Marks 10
			CLO 2
Q3.	(a)	What are the three main forms of business organization, and what factors should a company's owners consider when selecting a business form?	Marks 5
			CLO 2
Q4.	(b)	What are advantages and disadvantages of a business venture when operated as a partnership?	Marks 5
			CLO 2
Q5.	(a)	Growth Strategies are based upon Knowledge of Product or Market, discuss in your words? Describe four growth strategies with giving example of each strategy.	Marks 10
			CLO 2
Q5.	(a)	Draw a block diagram showing the Marketing System for a new business by highlighting external and internal environmental factors.	Marks 10
			CLO 2

Name Shehriyar Khan

ID 13738

Question # 01

Business Plan :- A business plan is a written documents that describes in detail how a business usually a new one is going to achieve its goal. A business plan layout a written plan from a marketing, financial and operational viewpoint.

Business plans are important to allow a company to layout its goals and attract investment.

There are three section of business plan outline.

Section one : The business.

Section two : financial data.

Section three : supporting documents.

Section one: The business:-

A) Description of business:- Part A provide an overview of key information

which is developed in greater detail in the following pages. Aim of clarity and simplicity in this part.

Basic questions :-

- i) What general type of business is this?
- ii) What is the status of business?
- iii) What are your products?
- iv) Who are (will be) your customers,

B) Products / Services :

In this section describe your product offering you must also describe the products benefits and why customers will want to buy.

The product services are not totally unique if yours are, take ~~and~~ advantages of while you can and plan for the competitive battles that will come.

Basic questions -

- i) What product/services are you selling?
- ii) What position do you have in the market?
- iii) Why do customers buy from you?

### C) Market analysis :-

Market analysis is important as the basis for the marketing plan and to help justify the sales forecast. Existing business will ~~relay~~ rely heavily on past performance as an indicator of the future.

### D) Competition :-

Who is your competition? is one of the first questions of a banker ~~error~~ investor will ask.

Business by nature is competitive, and few businesses are completely new. If there are no competitors, be careful there may be no market for your product.

In your competition includes movies theaters, malls, bowling alleys etc.

### Section 2 : Financial data :-

#### A) Financial Statement :-

- Establish the profit potential of business, given reasonable assumptions.
- Determine how much capital the Company

the company ~~me~~ needs and how it will be used.

- Demonstrate the business can generate the cash to operate and repay loans.

## B) Break Even analysis:-

Break Even (B/E) analysis is a simple, but very effective financial feasibility test. B/E is used to find the amount of sales necessary to pay all fixed cost. (and have zero income)

In your business plan it represents a minimum acceptable performance.

Example:-

unit sales price = \$10      Monthly Fixed expenses

Rent      2000

less cost of Goods sold      utilities      1000

Material and labor      3      Salar      3000

less other variables Exp      others      4000

---

Total Fixed Exp \$ 10,000  
= \$6

unit contribution

CM % (\$6 ÷ \$10)

60% ⇒ B/E = Fixed ÷ CM%

$$B/E = \$101000 \div 6$$

$$\text{Monthly B/E Sales} = \$16,666.6$$

○

Question # 3(a)

Answer: Three main forms of business organization.

- i) Sole proprietor
- ii) Partnership
- iii) Corporation.

Chose a form of organization by evaluating:

- owner's liability for firm's debts.
- The ease and cost of forming the business.
- The ability to raise fund.
- The taxes
- The degree of operating control the operator can retain.
- The ability to attract employees.

Question # 03 (b)

Advantages of partnership:-

- Ease of formation
- Availability of capital
- Diversity of managerial expertise.
- Flexibility to respond to change business condition.
- Relative freedom from government control.

Disadvantages of Partnership:-

- unlimited liability for general partners.
- Potential for conflict b/w partners.
- limited life.
- Sharing of profit.
- Difficulty in leaving a partnership.

Question # 04 (a)

Answer:-

Market	Existing	Penetration strategies	Product development strategies
	New	Market developed strategies	Diversification strategies.
		Existing	New

Growth Strategy:

→ Penetration Strategy :-

Product

A strategy to grow by encouraging existing customers to buy more of the firm's current products.

→ Market can be effective in encouraging frequent repeat purchase.

→ Does not involve anything new for the firm.

→ Relies on taking market share from competitors the size of the existing market.



## 2) Market development strategies: page # 08

- New geographical market - selling in a new location.
- Strategy to grow by selling the firm's existing product to new groups of customers.
- New demographic market - selling to a different demographic group.

## 3) Product development strategies:-

- A strategy to grow by developing and selling new products to people who are already purchasing firm's existing products.
- Providing opportunities to capitalize on existing distribution system and on the corporate reputation the firm has with these customers.

## 4) Diversification strategies:-

- A strategy to grow by selling a new product to a new market.
- Backward integration. - A step back (up)

Page # 09

in the value ~~ended~~ added chain towards the raw materials.

→ Forward integration:- A step forward (down) in the value-added chain toward the customers.

Examples of Growth Strategies:-

- Case:- Early days of the Head Ski company; only produced and sold high-tech skis in the ~~the~~ U.S. Market.

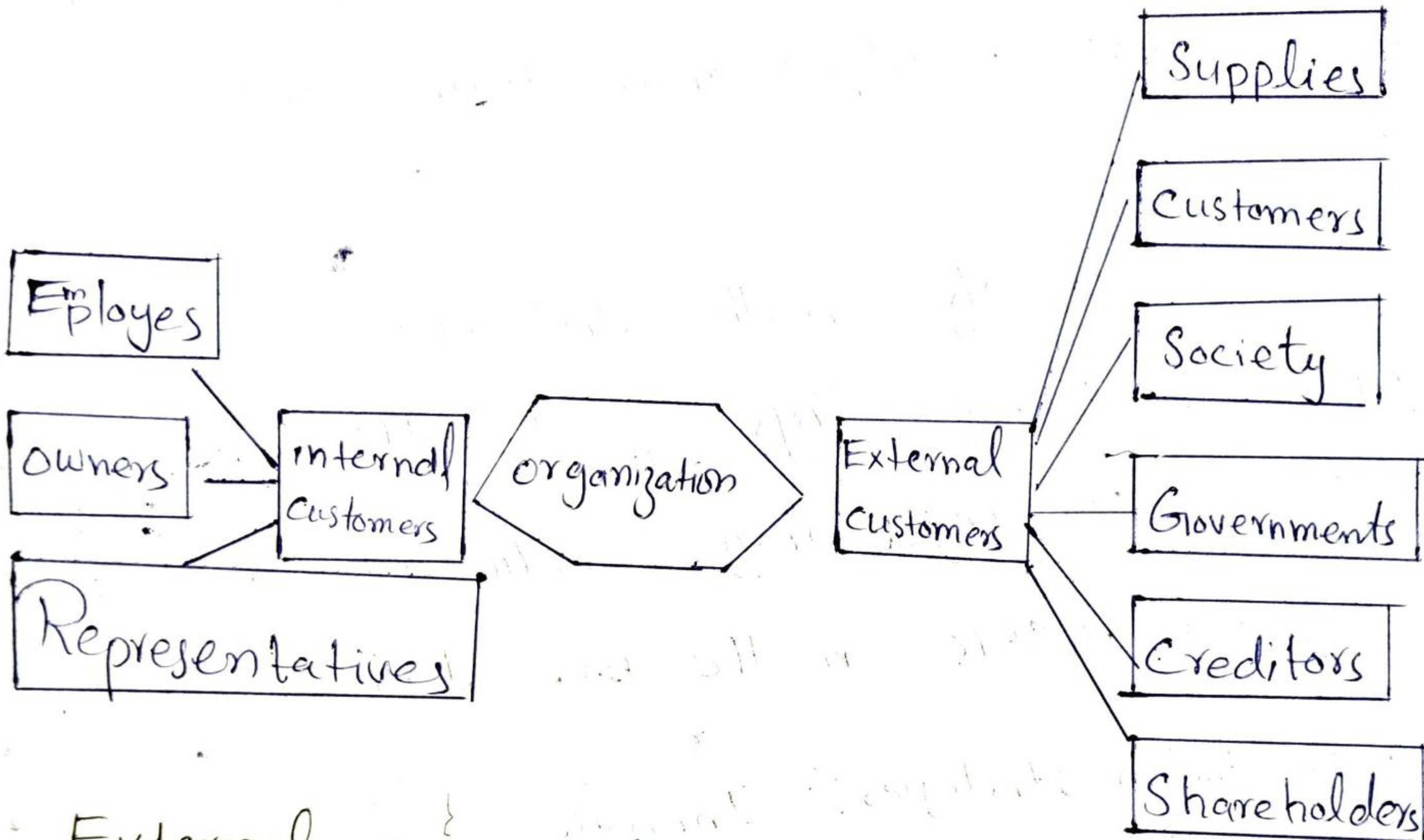
- penetration strategies:- Increase in marketing budget focused on encouraging existing customers to "upgrade" their skills more often.

- Market development Strategy:- Selling skis in Europe, Argentina, and New Zealand.

Question # 05

Answer :-

internal vs External customers



External Environment factor:

External element are affecting factors outside and under no control of company.

Consider the outside environment allows businessman to take suitable adjustment to their marketing plan to make it more adaptable to the external environment.

Types :- Micro factors

- i) Customers
- ii) Input or suppliers
- iii) Competitors
- iv) Public
- v) ~~Government~~ Market and Media
- vi) Talent

Macro factors :

- i) Economic
- ii) Political / legal
- iii) Technological
- iv) Social and
- v) Natural.

Internal Environment factor,

The internal environment refers to any thing with in company and under the control of company no matter whether they are tangible or intangible.

Types:-

- i) Plans & policies.
- ii) Value proposition.
- iii) Human Resource
- iv) Financial and Marketing Resource.
- v) Corporate image and brand equity.
- vi) Labour management.

## Question # 02(a)

## Entrepreneurship:-

The activity of setting up business, taking on ~~financial~~ financial risk in the hope of

Profit is called Entrepreneurship.

and A person who set up a business taking on financial Risk in the hope of profit is Entrepreneur.

Business planning Purpose :-

Business plans are developed for both internal and external purposes. Internally Entrepreneur develop business plans to help put the pieces of their business together. The most common purpose for a business plan is to raise capital.

Business Planning principles :-

- Expectation :- Translation of your vision of the venture and how it will perform into a format compatible with the expectations of the readers.

- Milestones :- Your major plan objectives are in the form of financial targets.
- you understand the importance of quantitative values.

## Business Model :-

Brief and clear statement of how and idea actually becomes a business that creates values.

## Communicate :-

Who pays, how much and how often?

Team :- Without the right team, nothing else matters.

## Business Plan format :-

### Introduction :-

- Describe the business concept.
- Indicates the purpose of the plan.
- Appeals to targeted readers.

Vision :- Should inspire all the members of organization.

- help stakeholders aspires to achieves greater things through the venture because of the general direction provided through the vision statement.

Mission :- Should be very brief - a few sentences or a short paragraph.

- Indicates what your organization does and why it exist.

Values :- Indicates the important values that will guide everything the business will do.

- Define how people behave and interact with each other.



Major goals:- Ensure each goal is .

- Specific, Measurable, Action, oriented, Realistic and timely [Smart].
- Perfect aligns with everything in plan.

Business Structure:-

- Sole proprietorship .
- Partnership .
- limited partnership
- Corporation
- cooperative .

Competition:-

fully describe the nature of your competitors .

