

**GM 13/eGM13
ENTREPRENEURIAL MANAGEMENT**

Time: Three Hours

Maximum Marks: 100

Note: The paper is divided into three sections. Section A, Section B, and Section C. There are seven questions in section A. Students are required to attempt four questions from Section A. Section B has five questions, out of which student has to attempt any 3. Section C is compulsory.

Section A (10 Marks each)

1. Discuss the factors responsible for emergence of Entrepreneurship. Explain
2. What are the different types of franchisee? Explain each of them. Also explain the advantages and disadvantages of franchising.
3. Write Short Notes on the followings:
 - a. Government Entrepreneurship
 - b. E-Entrepreneur
4. What do you understand by Corporate Entrepreneurship and Social Entrepreneurship? List out the essential qualifications to become a social entrepreneur.
5. Describe the followings
 - a. Human Resource Development
 - b. Total Quality Management (TQM)
6. Discuss proprietorship, partnership and company as forms of ownership of a business venture. Discuss the advantage and disadvantages of each.
7. What is venture capital? Explain the process of venture capital.

Section B (15 marks each)

6. Discuss the various types of entrepreneur, and also describe the roles of an entrepreneur. Explain in detail.

7. Write the followings: (2 X 7.5)
- a. Feasibility Analysis
 - b. Promotional Mix
8. What is a business plan? Why is a business plan important to the entrepreneur? Also explain why some business plan fails?
9. Describe the followings: (3 X 5)
- a. Production Planning and Control (PPC)
 - b. Segmentation-Targeting-Positioning (STP)
 - c. Customer Relationship Management (CRM)
10. What do you mean by project plan? How is the project plan prepared? Discuss the various stages in project formulation and appraisal?

Section C (15 Marks)

CASE STUDY

Royal Bank of Scotland

Royal Bank of Scotland (RBS) is one of the oldest banks in the UK. It was founded in 1727 in Edinburgh, by Royal Charter, as the Royal Bank and opened its first branch in Glasgow in 1783. It developed a network of banks across Scotland in the nineteenth century but it was not until 1874 that it opened its first branch office in London. From the 1920s it grew by acquisition, swallowing Drummonds, William Deacon's Bank, Glyn, Mills and Co., and Child & Co., then merging with Edinburgh based National Commercial Bank of Scotland, which itself comprised the National Bank of Scotland and Commercial Bank of Scotland. At this stage it dominated 40% of Scotland's Banking business.

In 1985 it merged with William & Glyn to give it a presence in England and ownership of the banker to the Queen, Coutts. This was the first glimpse of the bank's entrepreneurial flair. It also started by set up Direct Line (the direct car insurance company) which went on quickly to become one of the dominant forces in direct insurance. Realizing it was very dependent on the UK market, it acquired Citizens Financial Group of Rhode Island, a small savings bank in the USA. It also started to refocus on its core business of retail banking and started on a round of cost cutting. It realized that retail banking was becoming a commodity and, to compete on price, it had to achieve economies of scale that were just not available to it on a conventional banking model. Its answer in 1997 was to set up the UK's first on-line banking service. Not content with this it realized that other organizations were probably better at marketing banking services than the banks themselves and joined forces with a number of well-known brands such as Tesco, the supermarket, and Virgin One to offer on-line banking. RBS did the 'back-office' operations, all the time driving down costs because of economies of scale. However, it also

December 2013/GM13 Page 2 of 3

chose not to enter the high street price war being waged by its bigger rival. In 2000 RBS bought its far bigger rival, NatWest (which included Ulster Bank), in what is the biggest take-over in British banking history. Whereas RBS had just 650 branches, NatWest had 1650 and Ulster Bank a further 228 branches. As a result RBS underwent a large round of redundancies to further cut back its cost base - a realization of what the core strategy was for this part of the business.

Since 2000 the bank has been continuing its policy of organic growth and opportunistic but tactical acquisitions. It has grown the wholesale side of its banking operations - corporate lending, derivatives, foreign exchange and leasing. It is now the biggest banker in the UK in small business and corporate banking. Its US bank, Citizens, has also acquired the Mellon bank's regional retail franchise, Medford Bancorp and Commonwealth Bancorp, increasing its geographical coverage in New England and making it the twentieth largest US bank measured by deposits. It has also purchased SantanderDirekt, a Frankfurt based credit card company in what is thought to be its first steps into mainland Europe. More recently it purchased Churchill Insurance, a direct competitor to Direct Line, and now intends to merge it with Direct Line. It is also thought to be interested in taking over former Building Societies, in particular Abbey National, so as to give it more exposure to mortgage (house lending) business as well as a savings bank.

Today RBS is an international bank, employing some 112,000 people worldwide. In 2002 RBS made pre-tax profits of £4.7 billion - five years earlier they had been just £1 billion. Its entrepreneurial executive Chairman is Sir George Mathewson. He joined the bank after being head of the Scottish Development Agency and has been accused of running the bank like a venture capital company. His Chief Executive, Fred Goodwin, is one of the youngest among the FTSE 100 and also came from outside the company.

Case Questions:

- 13 (a) What are the main elements of the Royal Bank of Scotland's strategy?
- (b) Why have they used acquisition so much? Explain each acquisition and the reasons behind it.