



SYLLABUS

Class – B.Com. (Hons.) II Sem.

Subject – Development of Entrepreneurship

UNIT – I	Entrepreneurship – Meaning, Concept, Characteristics of entrepreneur.
UNIT – II	Types of Entrepreneurship, importance and views of various thinkers (Scholars). <ul style="list-style-type: none">- Formation of goals, How to achieve goals.- Problems in achieving targets and solution.- Self motivation, elements of self motivation and development- Views of scholars, evaluation, solutions. Leadership Capacity: Its development and results.
UNIT – III	Projects – various organization (Govt., Non-Govt.), Govt. Projects, Non-Govt. Projects. Co-operative Banks, their limitations, scope.
UNIT – IV	Functions, qualities, management of a good entrepreneur. Qualities of the entrepreneur (Modern and Traditional). Management skills of the entrepreneur. Motive factors of the entrepreneur.
UNIT – V	Problems and Scope of the Entrepreneurship: <ul style="list-style-type: none">- Problem of Capital- Problem of Power- Problem of Restriction- Administrative problems- Problem of Ownership



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CLASS NOTES

SUBJECT : ENTREPRENEURSHIP

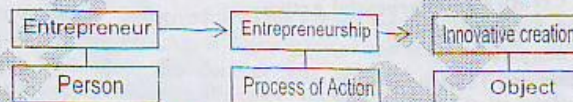
CHAPTER - I ENTREPRENEURSHIP

The concept of Entrepreneurship has assumed prime importance for accelerating economic growth both in developed and developing countries. It is a basis of free enterprise. It promotes capital formation and creates wealth in the country. It is the hope and dream of millions of individuals around the world. It has the thrill of risk, change, challenge and growth. It builds wealth. It is a pathway to prosper. It reduces unemployment and poverty.

MEANING OF ENTREPRENEURSHIP

Entrepreneurship is the process of identifying opportunities in the market place, arranging resources required to exploit the opportunities for long term gains. It is creating wealth by bringing together resources in new ways to start and operate an enterprise. It is the process of planning, organising, operating and assuming the risk of a business venture. It is the ability to take risk independently to make more earnings in the market oriented economy.

It refers to a process of action an entrepreneurship undertakes to establish an enterprise. It is a creative and innovative skill and adapting response to environment. This concept can be seen in



DEFINITIONS OF ENTREPRENEURSHIP

After looking at various definitions of entrepreneurship, we can conclude the entrepreneurship.

- (1) **Classical View :** This view is expressed by classical economists like Cantillon, Frank Knight, Adam Smith, J.B. Say, J.S. Mill, David Ricardo etc. It involves:
 - a) ability to bear the risks and uncertainties of business.
 - b) ability to organize and co-ordinate productive resources.
 - c) Ability to convert productive resources into a productive entity through superintendence and control.
- (2) **Neo-Classical View:** This view is expressed by economists like Walters, Alfred Marshall and Joseph Schumpeter, According to this view, entrepreneurship is :
 - a) the ability to direction and control.
 - b) the ability to bring new changes.This view applies to new developing economics.
- (3) **Modern View:** The new view of entrepreneurship is innovative. It is the ability:
 - a) to create changes to exploit them.
 - b) to explore and to maximise opportunities to obtain results.
 - c) to innovate new things and to create unique or at least distinct in a meaningful area.
 - d) to earn economic results only by leadership, not by mere competence.
 - e) to allocate resources to opportunities rather than problems.
 - f) to create effectiveness rather than efficiency.
 - g) to redirect resources from areas to low or diminishing returns to areas of high or increasing results and to optimize the yield from these resource.
 - h) to create tomorrow.

The concept of entrepreneurship is depicted in



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Relationship between Entrepreneur and Entrepreneurship

Entrepreneur	Entrepreneurship
Person	Process
Organiser	Organisation
Innovator	Innovation
Risk-bearer	Risk-bearing
Motivator	Motivation
Creator	Creation
Visualiser	Vision
Leader	Leadership
Imitator	Imitation

NATURE AND CHARACTERISTICS OF ENTREPRENEURSHIP

The main features of entrepreneurship are described below:

1. Economic, Creative and Purposeful Activity
2. Risk bearing Capacity
3. Ability to Innovate
4. Business Oriented Tendency
5. Organising Function
6. Managerial and Leadership Function
7. Knowledge based Practice
8. Not a Personality Trait, but Behaviour
9. Based on Principles, not on Intuition
10. Essential in Every Activity
11. Management is the Vehicle of Entrepreneurship
12. Low Risk
13. It is not a Natural but an 'Achieved' Work

IMPORTANCE AND BENEFITS OF ENTREPRENEURSHIP

The importance of entrepreneurship can be discussed in two ways:

A. Importance to the Entrepreneurs and the Common Man

1. Provides Independence
2. Means to Earn a Good Living
3. Realising One's Full Potential
4. Opportunity to Reap High Profits
5. Enjoys Social Status
6. Work as Fun
7. Hero Status
8. Self-Reliant and Self-Sustaining Lifestyle
9. Contributes to Women Liberty
10. Offers Part-Time Job Opportunities
11. Family Support
12. Realising Dreams

B. Importance to the National Economy and Society

Entrepreneurship is basic source of productive economic energy. It fasters economic growth; it increases productivity; it creates new technologies, products, and services; and it changes and rejuvenates market competition. The significance of entrepreneurship to the national economy and society are:

1. Dealing with Uncertainty
2. Innovation
3. Job Creation



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4. Managing resources
5. Capital Formation
6. Economic Growth
7. Technological Advancements
8. Marketplace Change
9. Contribution to Large Businesses
10. Provides International Opportunities
11. Social and Ethical Awakening

Chapter - II Entrepreneur

The spirit of enterprise makes man an entrepreneur. An entrepreneur is a person who sets up business of an enterprise. He is one who has the capability of risk-bearing, initiative and skill for innovation. He looks for high achievements. He is a creative thinker, an individual who combines in himself the role of innovator is creative thinker, individual who combines in himself the role of innovator and risk-bearer.

The word "entrepreneur" is derived from the French word entrepreneur. It means "to undertake". In the early 16th century, the Frenchman who organised and led military expeditions were referred to as 'entrepreneurs'. Till 1800, this concept was used by French economists for adventurers, government contractors, architects, cultivators, trader—those who bought labour and material at uncertain prices and sold the resultant product at contracted prices, and those who risked capital in manufacturing. Later on, entrepreneur was considered as a coordinator who combined all means of production functions, and techniques. Schumpeter emphasised innovative aspect more than managerial aspect. To McClelland (1961) entrepreneur is one who likes to take reasonable risk, and who has high degree of need for achievement motivation.

TYPES OF ENTREPRENEUR

Entrepreneurs are found in every system and in every form of economic activity. They are found amongst artisans, traders, importers, engineers, exporters, bankers, industrialists, farmers, forest workers, tribals, professionals and so on. They are also found among politicians, theologians, bureaucrats etc. The nature of entrepreneurs differs according to their functions.

The various types of entrepreneurs are classified on certain bases. Some important classifications are discussed below:

I. On the Basis of Stages of Economic Development

Clarence Danah of classifies entrepreneur into four types:

1. **Innovative:** An Innovative entrepreneur is one who introduces new products, new methods of production and new technology.
2. **Imitative or Adoptive:** Imitative entrepreneur is characterised by readiness to adopt successful innovation initiated by innovating entrepreneurs.
3. **Fabian:** Fabian entrepreneurs are lazy and shy. They lack the will to adopt new methods of production.
4. **Drone:** Drone entrepreneur is one who follows the traditional methods of production.

II. On the Basis of Attitude and Knowledge

Author H. Cole classified entrepreneurs as:

1. **Empirical:** He hardly introduces anything revolutionary.
2. **Rational:** He introduces changes which look more revolutionary.
3. **Cognitive:** He draws upon the advice and services of experts. He introduces changes that reflect complete break from the present situations.

III. On the Basis of type of Business Occupations

We may broadly classify them as follows:

1. **Business Entrepreneur:** They conceive an idea for a new product or services and then create a business to materialize their idea into reality. They exploit new business opportunity. They set up and promote business units.



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2. **Trading Entrepreneurs:** They undertake buying and selling activities. They are not concerned with the manufacturing work.

3. **Industrial Entrepreneur:** He is product-oriented man. He makes long-run plans in terms of new products, tomorrow's markets and future growth. He converts resources into economic utilities and values.

4. **Corporate Entrepreneur:** Such an entrepreneur has vision and imaginative skill to organise and manage a corporate undertaking. He plans, develops and creates a corporate legal entity.

5. **Agricultural Entrepreneur:** Such entrepreneurs undertake agricultural activities. They raise and market crops, fertilisers and other inputs of agriculture.

IV. On the Basis of Use of Technology

1. **Technical:** Such entrepreneur possesses technical expertise and know-how.

2. **Non-Technical:** He simply deals with developing alternative marketing and distribution strategies to promote his business.

3. **Professional:** Such entrepreneur is interested in establishing a business. He takes no interest in managing or operating it once it is established.

V. On the Basis of Ownership

1. **Private:** Private entrepreneur is motivated by profit. He never enters those sectors of economy in which prospects of earning profit are discouraging.

2. **Public:** In the underdeveloped countries the government acts as entrepreneur and undertakes economic activities with the object of public welfare and prosperity. The government runs the enterprises to promote development of the country.

3. **Joint:** Joint enterprises is a partnership is an association of persons who have voluntarily joined together to achieve common economic ends. Its main object is rendering services to its members. Members make equitable contributions to the capital required.

4. **Co-operative:** Co-operative entrepreneurship is an association of persons who have voluntarily joined together to achieve common economic ends. Its main object is rendering services to its members. Members make equitable contribution to the capital required.

VI. On the Basis of the Scale of Entrepreneurs

1. **Small Scale Resources:** this entrepreneur is found in the underdeveloped countries. He does not possess the necessary abilities and resources to initiate large scale production. He is not able to introduce revolutionary technological changes.

2. **Large Scale :** Large scale enterprises are established in the developed countries. Big entrepreneurs possess huge capital resources, necessary technical and skill to introduce new production changes.

VII. Other Types of Entrepreneurs

1. **Pure Entrepreneur :** He is motivated by psychological and economic rewards. He starts activities for his personal satisfaction is work, ego or status.

2. **Induced Entrepreneur :** Such entrepreneur is induced to take up an entrepreneurial task due to the policy measures of the government.

3. **Motivated Entrepreneur :** Such an entrepreneur is motivated by the desire for self-fulfilment. He is also motivated by the desire for innovations and profit.

4. **Growth Entrepreneur :** These entrepreneurs choose an industry which has high growth prospects.

5. **Super-Growth Entrepreneur :** He is an individual who has shown enormous growth performance in his venture.

6. **First-Growth Entrepreneur :** He is one who starts an industrial unit by means of an innovative skill.

7. **Modern Entrepreneur :** He is one who undertakes those ventures which go well along with the changing demand in the market. He cares for the current marketing needs.

8. **Intrapreneurs :** It is the practice of beginning and developing new business ventures within the structure of an existing organisation. Intrapreneurs found their management not receptive to new ideas. Hence they left their parent organisation and started ventures of their own.



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9. **Copreneurs** : It is related to the married couples working together in a business. When a married couple shares ownership, commitment and responsibility for a business, they are called 'copreneurs'.

10. **Young Entrepreneurs** : Today young people are choosing entrepreneurship as their primary career path. They are setting the pace in starting businesses.

11. **Part-Time Entrepreneurs** : Starting a part-time business is a popular gateway to entrepreneurship. Part-time entrepreneurs can easily enter into business without sacrificing their service benefits. They have lower risk in case the venture flops. Many part-timers can test their "entrepreneurial skill" to see whether their business ideas will work or not.

FUNCTIONS OF AN ENTREPRENEUR

An entrepreneur performs all the necessary functions which are essential from the point of view of operation and expansion of the enterprise. The main functions of entrepreneur are as follows :

1. Planning
2. Risk and Uncertainty Bearing
3. Organisation Building
4. Managing
5. Decision-Making
6. Innovation
7. Leading
8. Managing Growth

CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURS

Considerable research has been dedicated to the task of identifying the traits and characteristics of the typical entrepreneur. According to John Hornaday the characteristics of successful entrepreneurs are as follows:

- Self-confidence
- Energy, diligence
- Ability to take calculated risk
- Creativity
- Flexibility
- Positive Response to Challenges
- Dynamism, Leadership
- Ability to get along with people
- Responsiveness to suggestions
- Responsiveness to criticism
- Knowledge of market
- Perseverance, determination
- Resourcefulness
- Need to achieve
- Initiative
- Independence
- Foresight
- Profit orientation
- Perceptiveness
- Optimism
- Versatility
- Knowledge of product and technology



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SUBJECT- ENTREPRENEURSHIP

UNIT- II
TYPES OF ENTREPRENEURSHIP

Social and economic circumstances and conditions of various countries are different. Levels of their development too are different and views towards entrepreneur too are different hence forms/ patterns or types of entrepreneurship too are different on various basis or types of entrepreneurship are as follows:

1. On the Basis of Size

Sizes of all industries and trade are different.

- a. **Big Entrepreneurship** – Tata, Birla, Ambani, Dalmia, Singhania etc. are the entrepreneurs of this Class.
- b. **Small Entrepreneurship** – When less capital is invested in industry and trades, less machines are used, number of labour and employees is less, production and marketing process are very simple production and marketing of products is done in very less quantity. Small entrepreneurship is helpful in providing employments to more persons, making balanced industrial development, and making maximum use of local resources.

2. On the Basis of Sector

On the basis of sector, entrepreneurship has been divided into following types:

- a. **Urban Entrepreneurship** – When any industry and trade is established and operated in urban, areas then such entrepreneurship is called urban entrepreneurship
- b. **Rural Entrepreneurship** – When any Industry or trade is established and operated in rural areas then such entrepreneurship is called rural entrepreneurship

3. On the Basis of capital Ownership

On the basis of ownership of capital investors in industries and trades entrepreneurship has been divided into following types:

- a. **Private Entrepreneurship** – When any entrepreneur established and operates any enterprise in private ownership.
- b. **Public Entrepreneurship** – When central government of any nation or government of any province establishes and operate any industry or trade keeping in view the interest of people bears the risks and earns the profit, then such entrepreneurship is called public entrepreneurship
In communist countries, e.g., Soviet Russia, Yugoslavia, China etc., public entrepreneurship was predominant till 1985.
- c. **Co-operative Entrepreneurship** – When many persons together established any industry or trade in co-operative form, bear all the risk of business and earn gain then such entrepreneurship is known as co-operative entrepreneurship.
- d. **Joint Entrepreneurship** – When any industry or trade is established and operated in joint ownership of central government or Provincial government and any industrialist/trader, then such an entrepreneurship is called joint entrepreneurship.

4. On the basis of Localization

On the basis of localization the types of entrepreneurship are as follows

- a. **Centralized Entrepreneurship** – When there is sufficient availability of suitable infrastructure, raw material and industrial environment at any one place or region, and then many industries are established at that place or region. Such entrepreneurship is called centralized entrepreneurship.
- b. **Decentralized Entrepreneurship** – When entrepreneurs of our country establish their industry and trades in different parts and regions of the country then such entrepreneurship is called decentralized entrepreneurship.

5. On the basis of Attitude towards Innovations

On the basis of attitude towards innovations and research as entrepreneurship can be divided into following divisions:

- a. **Evolutionary Entrepreneurship** – When entrepreneurs show hesitation to implement new innovations and inventions in their industries and trade and adopt traditional techniques,



traditional production methods and traditional marketing then such entrepreneurship is called evolutionary entrepreneurship.

- b. **Revolutionary Entrepreneurship** – When entrepreneurs implement innovations, advanced technology, modern production methods in their industries and trades then such entrepreneurship is called revolutionary entrepreneurship.

6. On the Basis of Types of Leadership

On the basis of types of leadership, entrepreneurship is of following types:

- a. **Group Entrepreneurship** – When scale of production is large, then many complexities increase in the industries. Leadership and operation of entrepreneurship is done by technical, economic and marketing, group of specialists. Such entrepreneurship is called group entrepreneurship
- b. **Individualistic Entrepreneurship** – When the scale of production is very small then establishment and operation of enterprises is very simple. In such enterprises management and operation is done by one person only.

7. On the Basis of Motivational Factors

The types of entrepreneurship on the basis of motivational factors are as follows:

- a. **Spontaneous Entrepreneurship** – When any entrepreneur adopts entrepreneurship due to internal motivation in place of external motivation then such entrepreneurship is called spontaneous entrepreneurship
- b. **Motivated Entrepreneurship** – The entrepreneurs who have firm belief on their ability, courage and hard work they are motivated by the desire of utilizing their commercial ability, technical and managerial skill and adopt entrepreneurship.
- c. **Induced Entrepreneurship** – When Central government, State government or local governments encourage entrepreneur to establish industries.

Importance of Entrepreneurship

- | | |
|------------------------------------------|-----------------------------------------------------------|
| 1. Unification of Resources | 8. Proper Utilisation of capital |
| 2. Industrial Development | 9. Increase in Innovations |
| 3. Economic Development | 10. Increase in opportunities Employment |
| 4. Development of National Self-reliance | 11. Increase in Per capital Income |
| 5. Fulfillment of Needs of consumers | 12. Co-ordination with National and International Changes |
| 6. Balanced Regional Development | |
| 7. Community Development | |

Theories of entrepreneurship

Theories of entrepreneurship belongs to various schools of thought

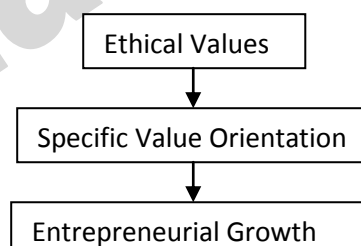
Different theories of, entrepreneurship are based on different approaches to functions and behavioural patterns of the entrepreneur.

- 1. **Risk Bearing Theory of knight** – A key element of entrepreneurship is risk-taking. Prof. Knight and John Stuart Mill saw risk-bearing as the distinguished function of entrepreneurs. Some important features are.
 - a. Risk creates Profit
 - b. More Risk More gain
 - c. Profit as Reward and Cost
 - d. Entrepreneur's Income is Uncertain
 - e. Profit is a reward for uncertainty Bearing
- 2. **Innovation Theory of Schumpeter** – Joseph Schumpeter has stressed "innovation" as being the key factor in entrepreneurship. He says that the ' entrepreneur is the central figure in the development process of a country. He regards innovation as a tool of entrepreneur. The entrepreneur is viewed as the 'engine of growth'.
 - a. Linchpin of Economy – His task is "creative destruction" of capital. He takes, capital from less productive sectors of the economy and invest it in new, growing, more profitable industries.
 - b. Innovating Giant – Schumpeter writes that the entrepreneur in an advanced economy is an individual who introduces something 'new' in the economy.
 - c. Leadership Rather than Ownership



- d. Dynamic disequilibrium
 - e. Exploiting Opportunities
 - f. Minimization of Consumer Sovereignty
 - g. Gradual change
3. **Leibenstein's X-efficiency Theory** – Every firm has certain inputs which can be used by it with various degree of effectiveness. The more effectively they are used the greater the output. According to Leibenstein, "when an input is not used effectively the difference between the actual output and the maximum output attributable to that input is a measure of the degree of "X-efficiency"
4. **Trait Approach Theory of Entrepreneurship** – Psychologists have investigated the personality characteristics of entrepreneurs in an attempt to understand why some people become entrepreneurs and others don't this is known as the trait approach. David C. McClelland is most closely associated with the study of the 'achievement motive' -which can be used to explain entrepreneurial behaviour. "This is a psychological theory of entrepreneurship." Entrepreneurship is very closely related to achievement motive of a person
Three traits which investigators have shown to be entrepreneurial are:
- a. The need for achievement
 - b. The internal focus of control, and
 - c. A tolerance ambiguity
5. **Economic Theory of Entrepreneurship** – According to Papanek and Harris, who are the main advocates of this theory, economic incentives are the main drive for entrepreneurial activities. There are many economic factors which promote entrepreneurship in a country.
6. **Sociological Theory of Entrepreneurship** – Cochran pointed out that the entrepreneur represents society's model personality. Society's values also determine the attitudes and role expectations of people. In most countries, entrepreneurs have emerged from a particular socio-economic class. It can be noted that various communities and castes like samurai in Japan, family pattern in France, Yoruba in Nigeria, Kikuya in Kenya, Christians in Lebanon, Halai Memon industrialists in Pakistan, Parsees, Marwaris and Gujaratis in India have been the sources of entrepreneurship.
7. **Hagen's Theory of Entrepreneurship** – One important theory of entrepreneurial behaviour has been propounded by Hagen which is referred to as the withdrawal of Status Respect. According to Hagen (1962), the creativity of a disadvantaged minority group is the main source of entrepreneurship; he developed this thesis from the case of the samurai community of Japan.
8. **Albert Shapero's Theory of Entrepreneurship** – Albert Shapero has described the entrepreneurial event formation, process. This is the actual activity of starting an enterprise. Shapero says that the process begins with a life plan Change. He says that 'perceptions of 'desirability' must also be positive if the process is to continue. He further pointed out that 'perceptions of feasibility must also be present. Entrepreneurial activity must appear do-able.
9. **Max Weberian Model of Entrepreneurship** – Max Weber was first to argue that the entrepreneurial growth was dependent upon 'ethical value system' of the society concerned. Entrepreneurship developed rapidly in those societies where ethical values provided independent capacity of decision making.

Max Weber's theory is shown





10. **Exposure Theory of Entrepreneurship** – Tripathi has observed that "nor religion but exposure to new ideas and values was the common factor between Parsi and Hindu entrepreneurs" which led them to manufacturing.
11. **Political System Theory of Entrepreneurship** – Many scholars have consensus on the view that ethical -value system, disadvantaged minority group morale, need achievement motivation, and exposure to new ideas and opportunities cannot fully explain the growth of entrepreneurship unless the political. Structure' political policies and political system elements are taken into consideration. According to Hoselitz Japanese entrepreneurs could flourish because her political system was able to properly integrate the various sectors.
12. **'Regional Climate' Theory of Entrepreneurship** – This analysis revealed that Gujarat had favorable to business and industry; it also proved that event the Parsis showed high entrepreneurship because they belong to Gujarat. Thus, it can be concluded that the industrial climate may have a very significant impact on the response of entrepreneurs.

Conclusion – It can be said that entrepreneurship is the outcome of a complex and varying combinations of socio-economic, psychological and other factors. A realistic prospective should take them together.

Meaning of Goals

Objectives are the specific targets or standards against which actual performance can be measured. "It is a future target or end result that an organization wishes to achieve." Planning will be meaningless if objectives are not framed. Objectives serves as a guide to planning i.e., planning is directed towards meeting the specific objectives.

Levels of Goals

- a. **Strategic goals** – The formal goals framed by the top management which address the issue related to the organization as a whole are known as strategic goals.
- b. **Logical goals** – These are the goals of the specific departments and are usually set by the middle level managers. While strategic goals are generally in nature practical goals are more specific.
- c. **Operational goals** – These goals are set by lower level managers for the divisions or sub-units of each department. As tactical goals helps in the achievement of strategic goals. Operational goals help in the achievement of both strategic and tactical goals.

Characteristics of Goals

- | | |
|----------------------------|---------------|
| 1. Challenging | 5. Supportive |
| 2. Attainable | 6. Hierarchy |
| 3. Specific and Measurable | 7. Priority |
| 4. Time-Limited | |

Benefits of Goals

1. Setting challenging and innovative goals increase the employees to work harder.
2. Objectives' provide a basis for all the managerial functions (planning, organizing, directing, staffing and controlling)
3. Policies, Programmes, procedures etc. too are directed towards the achievement of organizational goals.
4. Goals provided standard of performance and are, therefore very closely associated with the controlling function
5. Goals facilitate rational and scientific behaviour to be observed by organizational members.
6. Attainment of goals at any level enhances the employee's satisfaction and morale and subsequently increases their motivation to work for the accomplishment of other goals at the higher levels.



7. Goals help in providing direction to the organizational activities.

Problems of Goals Setting

1. Increased Risk
2. Increased Stress
3. Decreased Motivation or Self Confidence
4. Encouragement to Unfair Practices.

Ways of overcoming problems

1. The risk of non-achievement of goals can be reduced by setting the rational and scientific goals which are fairly capable of being achieved.
2. The increased level of risk can be reduced by reducing the standard of goals or appointing extra staff to help in the attainment of organizational goals
3. The non-achievement of goals should be followed by frequent feedback and participation of superiors and subordinates to analyses the reason for failure to achieve the objectives.
4. Non-achievement of goals should not be followed by punitive actions.

SELF-MOTIVATION

When any entrepreneur established and operates any enterprise being motivated with internal motivation then he has very emotional affinity towards, the enterprise, because of emotional affinity for getting success in enterprise. He can go upto any limit for obtaining success in enterprise. The entrepreneur motivated with self motivation implements new techniques and innovations in his enterprise so that production of articles according to the demands and requirements of modern times may take place and consumers may get full satisfaction. They have not to depend on the mercy of others making their enterprises advanced.

ELEMENTS OF SELF-MOTIVATION AND DEVELOPMENT

- | | |
|------------------------------------|--------------------------|
| 1. Firm Will Power | 6. Dedication |
| 2. Self-confidence | 7. Enthusiasm |
| 3. Initiation | 8. Continuous Evaluation |
| 4. Positive Thinking | 9. Self inspection |
| 5. Tendency of continuous Learning | |

LEADERSHIP CAPACITY

Leader capacity is very essential in a successful entrepreneur. Leadership capacity of an entrepreneur increases due to presence of leadership quality in entrepreneur. According to Schumpeter, an entrepreneur is a leader of business world. He provides leadership to industries and trades and provides a new direction also to our country.

Meaning of Leadership

In ordinary sense leadership means that Particular quality of a person, by which he guides other persons and employees working under him and motivate them to follow him. In short, "Leadership is that capacity by which a leader gets done all the desired works by a group of followers without any pressure and with willingness."

Nature of Leadership

- | | |
|--------------------------|---------------------------------|
| 1. Presence of Followers | 2. General Objectives and goals |
|--------------------------|---------------------------------|



3. Unity of Mutual Interests
4. Working Relationship
5. Dynamic Process

6. Ideal Conduct
7. Personal Quality

DEVELOPMENT OF LEADERSHIP CAPACITY

1. Development of skill of Influencing Others
2. Increase in communication Skill
3. Development of Ideal character
4. Development of Learning Attitude
5. Development of Habit of Continuous Hardworking
6. Development of Habit of Systematic working
7. Development of Habit of Time Punctuality
8. Development of Democratic Attitude
9. Development of Feeling of Mutual Belief
10. Development of Politeness
11. Development of Coordination Capacity
12. Development of Daring Attitude
13. Development of Optimistic Attitude
14. Development of Alertness Attitude