

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)

Course: Entrepreneurship (8503)
Level: MBA (2½ Years / 3½ Years)

Semester: Spring, 2014

CHECKLIST

This packet comprises the following material:

- 1) Text book
- 2) Assignment No. 1 & 2
- 3) Course outlines
- 4) Assignment forms (2 sets)
- 5) Schedule for submitting the assignments

In this packet, if you find anything missing out of the above-mentioned material, please contact at the address given below: -

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ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)

WARNING

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT/S WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENT/S BORROWED OR STOLEN FROM OTHER/S AS ONE'S OWN, WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

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GUIDELINES FOR ASSIGNMENT No. 1:

You should look upon the assignments as a test of knowledge, management skills, and communication skills. When you write an assignment answer, you are indicating your knowledge to the teacher:

- Your level of understanding of the subject;
- How clearly you think?
- How well you can reflect on your knowledge & experience?
- How well you can use your knowledge in solving problems, explaining situations, and describing organizations and management?
- How professional you are, and how much care and attention you give to what you do?

To answer a question effectively, address the question directly, bring important related issues into the discussion, refer to sources, and indicate how principles from the course materials apply. You should also be able to identify important problems and implications arising from the answer.

For citing references, writing bibliographies, and formatting the assignment, APA format should be followed.

ASSIGNMENT No. 1

(Units: 1–5)

Total Marks: 100

Pass Marks: 50

Note: Attempt all questions.

- Q. 1 Discuss entrepreneurship in a global perspective highlighting the factors that help in starting new business ventures. (20)

- Q. 2 Explain the team selection and management concerns for an entrepreneur, with examples. (20)

- Q. 3 Success of a new ventures depends on formulating a winning strategy, analyze. (20)
- Q. 4 What are different types of a business plan? Explain various steps involved while formulating a business plan. (20)
- Q. 5 How are integrated financial statements built? Financial statements are necessary for successful management of organizations, discuss. (20)

ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 50

This assignment is a research-oriented activity. You are required to submit a term paper and present the same in the classroom prior to the final examination. Presentation component is compulsory for all students. You will have to participate in the activity fully and prepare a paper of about 15 to 20 pages on the topic allotted to you. The students are required to prepare two copies of Assignment No. 2. Submit one copy to your teacher for evaluation and the second copy for presentation in the classrooms in the presence of your resource persons and classmates, which will be held at the end of the semester prior to final examination.

Include the following main headings in your report:-

- a) Introduction to the topic
- b) Important sub-topics
- c) Practical aspects with respect to the topic
- d) Review of theoretical and practical situations
- e) Merits, demerits, deficiencies or strengths of the organization with respect to your topic
- e) Conclusions and recommendations
- f) Annex, if any

You must use transparencies, charts or any other material for effective presentation. You are also required to select one of the following topics according to the last digit of your roll number. For example, if your roll number is D-3427185 then you will select topic No.5 (the last digit):

List of Topics

0. Venture Capital
1. Microfinance
2. Equity financing
3. Debt Financing
4. Growth Strategy
5. Exit strategy
6. Business Plan
7. People Centric Strategy
8. Entry Strategy

9. Business Model

ENTREPRENEURSHIP

Course Outlines (8503)

COURSE DESCRIPTION:

The role of entrepreneurship in an economy is well documented and is of interest to businesspeople, politicians, university professors, and students. Many individuals desire to start and grow new ventures, but few are able to successfully accomplish these tasks. This course is based on an understanding of all the functional areas of business and applies the tools and techniques of these areas to the process of new venture creation. The course explores the following aspects:

- the meaning of entrepreneurship, from an historical and research perspective
- the process of creating and evaluating opportunities for new ventures
- writing and presenting a business plan for such opportunities
- acquiring resources, both human and financial, required for the venture
- sales and marketing for the new venture
- legal issues relating to new ventures and intellectual property protection
- identifying challenges in new ventures, and identifying how to overcome them, and
- managing the growing venture

LEARNING OBJECTIVES:

This course aims to develop students' entrepreneurial skills and qualities. By the end of the course, students should be able to:

- understand the process of starting and growing a new venture
- assess the strengths and weaknesses of a new venture opportunity
- write and present an effective and professional business plan
- integrate functional area material as it applies to new venture creation
- develop an understanding of the entrepreneurial process
- learn what role they should take in the entrepreneurial process

BRIEF COURSE OUTLINE:

UNIT 1 POWER OF ENTREPRENEURSHIP

UNIT 2 INITIAL STEPS TO SET-UP ENTREPRENEURIAL PROJECT

UNIT 3 UNDERSTANDING BUSINESS MODEL AND DEVELOPING YOUR STRATEGY

UNIT 4 BUSINESS PLANNING PROCESS

UNIT 5 BUILDING PRO-FORMA FINANCIAL STATEMENT

UNIT 6 FINANCIAL ENTREPRENEURIAL VENTURES WORLDWIDE

UNIT 7 DEBT AND OTHER FORMS OF FINANCING

UNIT 8 LEGAL AND TAX ISSUES

UNIT 9 ENTREPRENEURIAL GROWTH

ENTREPRENEURSHIP

Course Code (8503)

Unit–1 Entrepreneurial Process

- 1.1. Entrepreneurship in Global Perspective
- 1.2. Factors for Starting a New Enterprises
 - 1.2.1 Personal Attributes
 - 1.2.2 Environmental Factors
 - 1.2.3 Other Sociological Factors
- 1.3. Evaluating Opportunities for New Businesses
- 1.4. Ingredients of a Successful Business

Unit–2 Initial Steps to Set-Up an Entrepreneurial Project

- I** Opportunity Recognition, Shaping and Reshaping
 - 2.1. From Glimmer to Action: How Do I Come Up With a Good Idea
 - 2.1.1. Finding Passion
 - 2.1.2. Idea Multiplication
 - 2.2. Ideas and Opportunities
- II.** Selection of the Founding Team
 - 2.3. Bootstrapping: Building Team Based on Stage-of-Venture Life
 - 2.4. External Team Members
 - 2.5. Keeping the Team Together
 - 2.10.1. Burnout
 - 2.10.2. Family Pressure
 - 2.10.3. Interpersonal Conflict

Unit–3 Understanding the Business Model and Developing Strategy

- 3.1. Business Model
 - 3.1.1. Revenue Model
 - 3.1.2. Cost Model
- 3.2. First Mover Myth
- 3.3. Formulating a Winning Strategy
 - 3.3.1. People Centric Strategy
 - 3.3.2. Entry Strategy
 - 3.3.3. Growth Strategy
- 3.4. Marketing and Entrepreneurship
- 3.5. Marketing Strategies for Entrepreneurs
- 3.6. Marketing Skills for Managing Growth

Unit–4 Business Planning Process

- 4.1. Planning Process
- 4.2. Story Model
- 4.3. Business Plan
- 4.4. Types of Business Plans and its Components

Unit–5 Building Pro-Forma Financial Statement

- 5.1. Overview of Financial Statements
- 5.2. Building Pro-Forma Financial Statement
- 5.3. Expected Revenue and Expenditure
 - 5.4.1. Revenue Projections
 - 5.4.2. Cost of Goods Sold
 - 5.4.3. Operating Expenses
 - 5.4.4. Preliminary Income Statement
- 5.4. Building Integrated Financial Statements
 - 5.6.1. Income Statement
 - 5.6.2. Balance Sheet
 - 5.6.3. Cash Flow Statement

Unit–6 Financial Entrepreneurial Ventures Worldwide

- 6.1 Microfinance and Entrepreneurship
- 6.2 Entrepreneurs and Informal Investors
- 6.3 Venture Capital
- 6.4 Factor Effecting Availability of Financing
- 6.5 Bootstrapping New Ventures Valuation
- 6.6 Financing New Venture
 - 6.6.1 Informal Investors
 - 6.6.2 Business Angels
 - 6.6.3 Venture Capitalists
- 6.7 Harvesting Investment
 - 6.7.1 Initial Public Offering
 - 6.7.2 Selling the Company
 - 6.7.3 A Strategic Acquisition

Unit–7 Equity and Debt Financing

- 7.1. Equity Financing
 - 7.1.1. Common Stock
 - 7.1.2. Deferred Stock
- 7.2. Debt Financing
 - 7.2.1. Bonds
 - 7.2.2. Debentures

Unit–8 Legal and Tax Issues

- 8.1. Choosing a Name of Entrepreneurial Venture
- 8.2. Legal and Tax Issues in Hiring Employees
- 8.3. Insurance
- 8.4. Raising Money and Legal Issues

Unit-9 Entrepreneurial Growth

- 9.1 Making Transition from Startup to Growth
 - 9.1.1 Driving Forces of Growth
 - 9.1.2 Growth Process
- 9.2 Exit Strategy

Recommended Books:

Bygrave D. W., & Zacharakis A. (2010). *Entrepreneurship* (2 nd ed.). U.S.A.: John Wiley & Sons

Hisrich D. R., Peters P. M., & Shepherd A. D. (2009). *Entrepreneurship* (8th ed.). Illinois, U.S.A.: McGraw-Hill/Irwin

Kuratko F. D., & Hodgetts M. R. (2008). *Entrepreneurship: Theory, Process, and Practice* (8th ed.). Ohio, U.S.A.: South-Western Pub.

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