

Register No.: Name.:

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

FOURTH SEMESTER MBA DEGREE EXAMINATION (R), MAY 2023

(2021 Scheme)

Course Code : 21MBA234

Course Name: Business Planning for Small and Medium Enterprises

Max. Marks : 60

Duration: 3 Hours

PART A

(Answer all questions. Each question carries 2 marks)

1. List any four importance of SMEs in the Indian Economy.
2. What are the main objectives for preparing a business plan for SMEs?
3. List any four pricing strategy.
4. Compare HRM and HRD.
5. Explain PMRY.

PART B

(Answer any 3 questions. Each question carries 10 marks)

6. How do SMEs contribute to the economic growth of India?
7. Develop a business plan for a greeting card sole proprietorship.
8. List out the factors affecting the working capital requirement of SMEs.
9. Ultra Limited sells goods at a profit margin of 25 %, counting depreciation as part of the cost of manufacture. Its annual figures are as follows:
 - Sales (Two months credit is given) Rs. 240 million
 - Material cost (Suppliers give 3 months credit) Rs. 75 million
 - Wages (Wages are paid one month in arrears) Rs. 48 million
 - Manufacturing expenses outstanding at the end of the year (Cash expenses are paid one month in arrears) Rs. 4 million

- Administrative and sales expenses Rs. 30 million

Ultra Limited keeps two months' stock of raw materials and one month's stock of finished goods. It wants to maintain a cash balance of Rs. 5 million. Estimate the requirement of working capital on cash cost basis, assuming a 10% safety margin.

10. Explain the formalities for registering the small business unit and under what circumstances does a small business unit become de-registered?

PART C

(Compulsory question, the question carries 20 marks)

Mr. Amit Sharma recently retired from the Central government services. A physical fitness enthusiast and lover of nature and the environment, Mr. Sharma has been leading an active life, regularly going to the gymnasium every morning. His wife, Meena, regularly practices yoga in the house. She has been trained by a popular yoga guru when she was much younger. The Sharma's two sons are very well educated. They are married and staying abroad. Their third son is doing his final year in B.Com. in the local college.

Mr. Sharma has been planning to start a business of his own from the retirement benefits he has received from the Central government. He feels his third son may help him in the business after his graduation.

Mr. Sharma had always felt concerned about the low standard of physical fitness of an average Indian. During his early morning walks, Mr. Sharma would discuss with the people and found that starting a health club would offer a good business opportunity, besides fulfilling an important need of the community. He has visited many health clubs not only in India but also abroad and has a fair idea about the business.

Mr. Sharma with the help of his wife is planning to establish a gymnasium and a yoga centre in the health club to be located at Kolhapur, Maharashtra. He would initially cater to the needs of company executives and businessmen. He would later extend the scope of this venture to include housewives and

11. working women too. He is optimistic that with the hectic lifestyle of the present-day business personals and the growing consciousness about good health, he would be able to attract a good number of customers. He is, however, aware of the financial investment required for the project and would like to be careful before taking any long-term decision in this regard. He would like to estimate the possible demand for this type of service and an indication of the financial returns that he can expect.

a) Examine a step-by-step procedure to estimate the market demand for this type of activity and also people's attitudes towards the idea. Marks (10)

b) Identify common marketing problems faced by SMEs. Marks (10)
