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ENTREPRENEURSHIP DEVELOPMENT

Question 4:

How does entrepreneurship result in increasing the spectrum and scope of economic activities?

ANSWER:

Entrepreneurship largely promotes the economic development of a country. Entrepreneurship helps in the diversification of economic activities. This diversification is felt across geographical, sectoral and technological scope. They break the vicious circles (of low level) on the demand side and the supply side. For instance, if the demand on the domestic front is low, production and employment remains low, which further results in low income and thereby, low demand. Entrepreneurs can break this cycle by directing production towards exports. Similarly, if the supply is constrained by, say, absence of resources, the entrepreneurs can increase the production capacity and if required import the required resources and raw materials or technology.

In addition, entrepreneurs can also bring about positive sectoral changes in the economy. Entrepreneurs diversify their activities from the stagnant sectors to the new and upcoming sectors. This diversification of activities brings about a transformation in the economy and move it towards the path of development.

Question 5:

Describe briefly the role of achievement motivation in entrepreneurship.

ANSWER:

It was traditionally said that an entrepreneur is born but, in reality, an entrepreneur is not just born but is aspired to become one. Men and women who carry a sense of self-efficacy, are the ones who are capable of being a potential source of entrepreneurship. Herein, achievement motivation plays an important role in aspiring them to become an entrepreneur. What drives an individual towards entrepreneurship is the inclination towards achieving something different. Achievement and excelling over competitive situations proves as a motivating factor to take up entrepreneurship. Moreover, the desire is to accomplish difficult and different situations as independently as possible. The

platform to fulfil these desires is provided by entrepreneurship. Entrepreneurship drives an individual to excel one's self and overcome the obstacles through successful exercise of talent. That is, entrepreneurship creates a platform for exercising creativity and self development. Hence, achievement motivation plays an important role in entrepreneurship.