

FINAL EXAMINATION

SET - 1

MODEL ANSWERS

TERM – DECEMBER 2023

PAPER – 20C

SYLLABUS 2022

ENTREPRENEURSHIP AND STARTUP

Time Allowed: 3 Hours

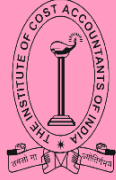
Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

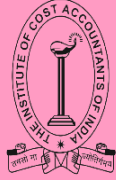
1. Choose the correct option: [15 x 2 = 30]

- (i) SAMRIDH scheme was launched on
- 1st January 2021
 - 25th August 2021
 - 15th August 2021
 - 25th December 2021
- (ii) Permanent working capital is alternatively known as –
- Rigid
 - Fixed
 - Regular
 - All of the above
- (iii) Characteristics of an entrepreneur:
- Assumes all the risk associated with a venture
 - Have the perseverance
 - Positive thinker
 - All of the above
- (iv) A good decision maker should not be -
- Objective and practical
 - Systematic and logical
 - Negative thinker
 - None of the above
- (v) Which one of the following is not Angel Investor in India?
- Angel Network
 - Mumbai Angels
 - Angel Kolkata
 - Hyderabad Angels
- (vi) _____ entails analyzing the relationship between dependent variables to determine how a change in one may affect the change in another.
- Regression analysis
 - Factor analysis
 - Time Series Analysis
 - Cohort Analysis



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- (vii) _____ takes a large data set and shrinking it to a smaller data set. The goal of this technique is to attempt to discover hidden trends that would otherwise have been more difficult to see.
- Regression analysis
 - Factor analysis
 - Time Series Analysis
 - Cohort Analysis
- (viii) A lean startup is a strategy used _____ on behalf of a present entrepreneur.
- to initiate a new company
 - to launch a new product
 - to initiate a new company or launch a new product
 - none of these
- (ix) _____ is the process of determining new products' position in the minds of consumers.
- Product Positioning
 - Targeting
 - Marketing Traction
 - Marketing innovation
- (x) Steps of Elevator Speech consists of
- Purpose of identifying
 - Explanation of what makes
 - Unique selling proposition of identification
 - All of the above
- (xi) Choose the one which is not a type of Risk Monitoring –
- Voluntary
 - Obligatory
 - Interest rate risk
 - Continual
- (xii) Enterprise risk management includes
- financial risks
 - strategic risks
 - operational risks
 - All of the above
- (xiii) Why is it important to have an environmental business objective?
- To address government targets
 - To reduce staff turnover
 - To keep customer base
 - To be competitive



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- (xiv) _____ views that moral or ethical systems, may vary from culture to culture, but no one system is better than other.
- Cross culture
 - Consumerism
 - Cultural relativism
 - Corporate culture
- (xv) In a family business _____ share are controlled by the members of family.
- 40%
 - 20%
 - More than 50%
 - 30%

Answer:

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
b	d	d	c	c	a	b	a	a	d	c	d	a	c	c

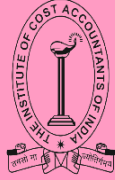
SECTION-B

(Answer any 5 questions out of 7 questions given. Each question carries 14 marks.)

2. (a) “To give direction to the vision formulated by the entrepreneur, business planning process is very important.’ Recommend the steps involved in it. [7]
- (b) “Marketers are skilled at stimulating demand for their products, but that’s a limited view of what they do. They also seek to influence the level, timing, and composition of demand to meet the organization’s objectives.” – discuss the eight demand states involved. [7]

Answer:

- (a) To give direction to the vision formulated by the entrepreneur, business planning process is very important. Following are the steps involved in it:
- Step 1 : Generate an idea :** Solve a problem for people or create a product or services that fills a need.
- Step 2 : Do some market research :** Make a study to look into what others are already doing in this field. Figure out if demand is strong or not.
- Step 3 : Make a plan :** Design your product or service. Outline the steps it will take to build your business and your brand.
- Step 4 : Arrange your finances :** Does your business need cash to get started? If so, consider your assets, loans, crowdfunding, and other potential sources.
- Step 5 : Do the legal formalities :** Select the name of your firm, create a website, and file for any licenses. Choose your business structure, whether a sole proprietorship, Partnership, LLP, One Person Company, Private Limited or Public Limited Company.
- Step 6 : Marketing of products or services :** Start promoting your business online and in social media. Consider creating an advertising budget so you can increase your reach as your business grows.

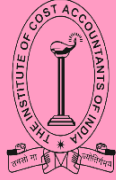


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- (b) Marketers are skilled at stimulating demand for their products, but that's a limited view of what they do. They also seek to influence the level, timing, and composition of demand to meet the organization's objectives. Eight demand states are possible:
1. **Negative demand:** Consumers dislike the product and may even pay to avoid it.
 2. **Non-existent demand:** Consumers may be unaware of or uninterested in the product.
 3. **Latent demand:** Consumers may share a strong need that cannot be satisfied by an existing product.
 4. **Declining demand:** Consumers begin to buy the product less frequently or not at all.
 5. **Irregular demand:** Consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.
 6. **Full demand:** Consumers are adequately buying all products put into the marketplace.
 7. **Overfull demand:** More consumers would like to buy the product than can be satisfied.
 8. **Unwholesome demand:** Consumers may be attracted to products that have undesirable social consequences.
3. (a) **Discuss how Entrepreneurship is influenced by Macroeconomic conditions?** [7]
- (b) **Demonstrate the factors determining the cash needs of an industry.** [7]

Answer:

- (a) There is a close and continuous interaction between the business and its environment. This interaction helps in strengthening the business firm and using its resources more effectively. Proper understanding of various aspects of business environment such as social, political, legal and economic helps an entrepreneur in the following ways:
- (i) **First Mover Advantage:** Early identification of opportunities helps an entrepreneur or an enterprise to be the first to exploit them instead of losing them to competitors. For example, Maruti Udyog became the leader in the small car market because it was the first to recognize the need of small cars in India.
 - (ii) **Identification of Threats:** Identification of possible threats helps in taking corrective and improving measures to survive the competition. For instance; if an Indian firm finds that a foreign multinational is entering the Indian market, it can meet the threat by adopting measures like, by improving the quality of the product, reducing cost of the production, engaging in aggressive advertising, and so on.
 - (iii) **Coping with Rapid Changes:** All types of enterprises are facing increasingly dynamic environment. In order to effectively cope with these significant changes, firms must understand and examine the environment and develop suitable course of action.
 - (iv) **Improving Performance:** The enterprises that continuously monitor their environment and adopt suitable business practices are the ones which not only improve their present performance but also continue to succeed in the market for a longer period.
 - (v) **Giving Direction for Growth:** The interaction with the environment leads to opening up new frontiers of growth for the business firms. It enables the business to identify the areas for growth and expansion of their activities.

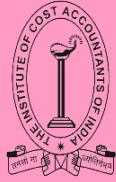


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- (vi) **Meeting Competition:** It helps the firms to analyse the competitors' strategies and formulate their own strategies accordingly in order to cope with the rapidly increasing competition.
- (vii) **Image Building:** Environmental understanding helps the business organisations in improving their image by showing their sensitivity to the environment within which they are working. For example, in view of the shortage of power, many companies have set up Captive Power Plants (CPP) in their factories to meet their own requirement of power and saving to loss of energy in transmission.
- (viii) **Continuous Learning:** Environmental analysis makes the task of managers easier in dealing with business challenges. The managers are motivated to continuously update their knowledge, understanding and skills to meet the predicted changes in realm of business.
- (b) Maintenance of optimum level of cash is the main problem of cash management. The level of cash holding differs from industry to industry, organisation to organisation. The factors determining the cash needs of the industry is explained as follows:
- (i) **Matching of cash flows:** The first and very important factor determining the level of cash requirement is matching cash inflows with cash outflows. If the receipts and payments are perfectly coincided or balance each other, there would be no need for cash balances. The need for cash management therefore, due to the non-synchronisation of cash receipts and disbursements.
- (ii) **Short costs:** Short costs are defined as the expenses incurred as a result of shortfall of cash. The short costs include, transaction costs associated with raising cash to overcome the shortage, borrowing costs associated with borrowing to cover the shortage i.e., interest on loan, loss of trade-discount, penalty rates by banks to meet a shortfall in cash balances and costs associated with deterioration of the firm's credit rating etc. which is reflected in higher bank charges on loans, decline in sales and profits.
- (iii) **Cost of excess cash balances:** One of the important factors determining the cash needs is the cost of maintaining cash balances i.e., excess or idle cash balances. The cost of maintaining excess cash balance is called excess cash balance cost.
- (iv) **Uncertainty in business:** The first requirement of cash management is a precautionary cushion to cope with irregularities in cash flows, unexpected delays in collections and disbursements and defaults. The uncertainty can be overcome through accurate forecasting of tax payments, dividends, capital expenditure etc. and ability of the firm to borrow funds through overdraft facility.
- (v) **Cost of procurement and management of cash:** The costs associated with establishing and operating cash management staff and activities determining the cash needs of a business firm. These costs are generally fixed and are accounted for by salary, storage and handling of securities etc. The above factors are considered to determine the cash needs of a business firm.

4. (a) Suggest the Advantages of Crowdfunding. [7]

(b) Recommend the features and the benefits of a business plan. [7]



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Answer:

- (a) **Advantages of Crowdfunding:** Crowdfunding is a great alternative way to fund a venture, and it can be done without giving up equity or accumulating debt. However, here are some advantages that Crowdfunding offers an entrepreneur. These are –
- (i) **Marketing Technique:** In spite of being an investment tool, Crowdfunding also works as a marketing tool. As mass people are involved in Crowdfunding, you can reach them with your startup's whereabouts. Raising of funds and reaching the probable customers as well as advertisement both are possible in case Crowdfunding.
 - (ii) **Indication of proof of business concept:** Showing investors and convincing yourself that your venture has received sufficient market validation at an early stage is hard. However, Crowdfunding makes this possible. A successful Crowdfunding campaign maybe the indication of proof of business concept. This shows trust and integrity towards a venture and will allow verification throughout the journey that one is on the right track.
 - (iii) **Less Risky:** In addition to finding enough funding, there will always be unpredictable fees, market validation challenges, and others looking to get your business off the ground. Launching a Crowdfunding campaign prevents these risks. Crowdfunding today enables entrepreneurs to gain market acceptance and avoid giving up equity before committing to bringing a product concept to market.
 - (iv) **Brainstorming:** One of the biggest challenges for small businesses and entrepreneurs is to collect feedback about business's performance at an early stage. Through crowdfunding campaigns, entrepreneurs have the opportunity to interact with the crowd and get comments, feedback, and ideas.
 - (v) **Information about prospective loyal customers:** Crowdfunding campaigns not only allow entrepreneurs to showcase their companies and products, but also give them the opportunity to share the information and purpose behind them. People who see an entrepreneur's campaign and decide to contribute believe in the long-term success of the company. Essentially, these people are early adopters. Early adopters are very important to any business because they help spread the word in the first place without asking for anything in return. These people care about the company's brand and message and are likely to be loyal customers throughout its lifespan.
 - (vi) **Easier than traditional applications:** Applying for a loan or pursuing other capital investments are two of the most painful processes that every entrepreneur has to go through, especially during the early stages of the startup. But the application process for Crowdfunding is more-easier compared to these traditional methods.
 - (vii) **Opportunity of pre-selling:** Launching a Crowdfunding campaign gives an entrepreneur the ability to pre-sell a product or concept that they haven't yet taken to market. This is a good way to gauge user reaction and analyze the market in order to decide whether to pursue or pivot on a given concept.
 - (viii) **No Penalty:** On all or nothing Crowdfunding platforms (meaning that you only get the funds raised if you reach 100% or more of your funding goal) there are so many benefits, and no fee to participate. If an entrepreneur sets a goal and doesn't reach it, there is no penalty. In essence, Crowdfunding is an excellent way for entrepreneurs to receive the financing and exposure they need in order to verify, execute, and help their ventures grow.

**ENTREPRENEURSHIP AND STARTUP****(b) Features of a Business Plan**

Following are the features of a business plan:

- (i) Written document
- (ii) Explain the vision of the venture
- (iii) All aspects of the business are covered
- (iv) Road map for the business

Benefits of Developing a Business Plan

The important benefits of business plan are mentioned below:

- (i) Enhances business growth
- (ii) Gives clarity to the stakeholders
- (iii) Helps in hiring the right people
- (iv) Helps in the valuation of the business
- (v) Helps in getting funds
- (vi) Helps to develop business partnerships

5. (a) **Demonstrate the five stages of a successful innovation.** [7]
- (b) **Recommend the benefits of Product Positioning.** [7]

Answer:

(a) Stages of Successful Innovation

Defining an innovation process increases companies' future value.

Stage 1 : Idea Generation and Mobilization

The generation stage is the starting line for new ideas. Successful idea generation should be fuelled both by the pressure to compete and by the freedom to explore. IDEO, the product development and branding company based in Palo Alto, California, is a good example of an organization that encourages successful idea generation by finding a balance between playfulness and need.

Once a new idea is generated, it passes on to the mobilization stage, wherein the idea travels to a different physical or logical location. Since most inventors aren't also marketers, a new idea often needs someone other than its originator to move it along. This stage is vitally important to the progression of a new idea and skipping it can delay or even sabotage the innovation process.

Step 2 : Advocacy and Screening

Advocacy and screening help to evaluate the feasibility of a business idea with its potential problems and benefits.

Hence, a decision can be made about an idea's future. Companies looking to develop a culture can establish a few best practices.

For instance, employees should have plenty of avenues to receive advocacy and feedback. Also, organizations must understand the difficulties involved in evaluating truly innovative ideas. Also, organizations need to build transparent evaluation and screening protocols.

**ENTREPRENEURSHIP AND STARTUP****Step 3 : Experimentation**

The experimentation stage tests the sustainability of ideas for an organization at a specific time. Experimentation generates new ideas with the information that is gathered on the results and feasibility of the original idea. For instance, when Amazon tested its grocery delivery service in certain Seattle suburbs. After this, Amazon Fresh expanded to Los Angeles, San Diego, and New York City.

Step 4 : Commercialization

Commercialization develops market value for an idea by focusing on its impact. An important part is establishing the specifications of any given idea. Commercialization is the stage that involves the change of focus developments to persuasion. After the idea is clarified and a business plan is developed, it will be ready for diffusion and implementation.

Step 5 : Diffusion and Implementation

Diffusion is the company-wide acceptance of an innovative idea, and implementation sets up everything needed to develop the innovation. Diffusion and implementation allow the organization to determine the next set of needs for customers. Receiving feedback, indicators for success metrics, and other benchmarks enable the organization to stimulate the innovation process.

(b) Benefits of Product Positioning

The benefits of product positioning are:

- (i) Identifying key benefits of a product and matching them with customers' needs.
- (ii) Finding a competitive advantage even when the market changes.
- (iii) Meeting customers' expectations.
- (iv) Reinforcing brand's name and its products.
- (v) Winning customer loyalty.
- (vi) Creating an effective promotional strategy.
- (vii) Attracting different customers.
- (viii) Improving competitive strength.
- (ix) Launching new products.
- (x) Presenting new features of existing products.

6. (a) Discuss the tools for scaling up. [7]

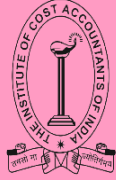
(b) Suggest the requirements for audit of a startup. [7]

Answer:

(a) Tools for Scaling up

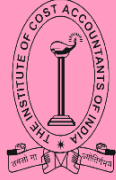
Tools for scaling up of any organisation may be summarized in the following manner:

1. **Set Realistic Goals:** Any department of any company has certain goals, but the goals will make the scale efficiently. By setting certain goals for each team and department in the company, the entrepreneur should prepare growth possible. However, it is important that these goals actually prepare the company for answering demands as well. So, it is important that the goals are realistic to get everyone working towards a steady and easy to handle growth.



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2. **Adopt Strategies and Technologies:** Without a solid sales or marketing strategy, growth is a mere dream.
However, it is important to adopt the right strategies as well.
To scale efficiently, the decided strategies must be fitting to the size and the industry of the business. This is also true for the technologies that can use to optimize workflow.
 3. **Monitor Growth:** All businesses monitor growth but monitoring it in terms of scalability is the goal here.
By evaluating the data, analyze whether the business is scalable, which is the most important factor for the company to decide the next step.
 4. **Defined Work for Everyone:** Ambiguous titles and job definitions make everything harder on the part of the employee and the employer likewise. What every company needs to do, is to define specialized jobs. So, it is important that companies have “specialists” for the necessary posts. It is better to pay the employees slightly more than to have all the money flow into the expenses of ineffective scaling.
 5. **Get Digital wherever one can:** Technology is the lifeblood of scalability. Thus, it is important not only to get certain tech into the company but also to use it wherever you can. But the “get digital” strategy is not just about business tools. It means that you actually do turn physical things into digital. What you need to do is create a mental picture of things that cost you the most money and find solutions to turn them into less costly things, keeping in mind to “get digital”.
 6. **Focus on Strengths and Weaknesses:** It is important that a business shows effort to better its core strengths, however, turning a blind eye on the weaknesses is one big misstep. The best thing to do here is to focus on the strengths and the weaknesses of the company likewise.
 7. **Choose the Path:** At this very first base, one must choose wisely, and decide your strategies accordingly because one may end up growing too much all of a sudden and this means efficient scaling is harder. Instead, what you need to do is lay a foundation that will steadily lead the company to grow while also making sure scaling is possible.
- (b) **Requirement of Audit for Startups:** Every business does not necessarily require an Audit. There are some parameters which necessitate a financial audit for an organization, which are different depending on the nature of the business and type of company. For a Startup, an Audit may be required in several situations, some of which are listed below:
- (i) **Lenders/Investors:** In respect to Lenders and Investors, there can be two main circumstances when a financial audit may be required, which are explained as follows:
 - (ii) **For Existing Lenders and Investors:** A financial audit provides a comprehensive view of company’s business and current state of affairs. Entities investing in a business may call for its Audit to receive an overview of company’s financial records. An audit provides additional assurance to management’s assertions regarding the financial situation of the business.
 - (iii) **For interested Lenders and Investors:** When an organization is properly audited, Lenders and Investors who are interested in investing in the business get an overview. Additionally, they may call for an Audit to know the company’s pre-revenue circumstances and to accumulate possibilities of Gains and Losses.
 - (iv) **Pre IPO (Initial Public Offering):** When an organization desires to list its small business as a public company to sell company’s shares to the public in general, in such situation an Audit may be required. As before public offering it is important to list company’s financial state with verified records.



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- (v) **Selling-off:** There may be circumstances in which an organization may want to sell of their business. In such situation, having properly audited records will help the buyers in analysing the risk factors, is any, in acquiring the business.
- (vi) **Compulsory Audit:** In case of a Limited liability Partnership, if the turnover exceeds ₹40,00,000/- or the contribution exceeds ₹25,00,000/- in any year, an Audit is compulsory. While on the other hand, for a Private Company, the accounts have to be compulsorily audited every financial year.
- A Private Limited Company has to appoint an Auditor within 30 days of its incorporation. The shareholders need to be informed if an Auditor is not appointed within 30 days of its incorporation. They require to appoint an Auditor within 90 days of its incorporation.

7. (a) Enumerate the factors affecting Business Ethics. [7]

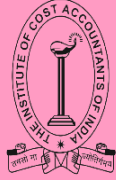
(b) Recommend the advantages of Family Run Businesses. [7]

Answer:

(a) **Factors affecting Business Ethics**

Many factors can significantly influence business ethics. Some of the factors are stated below:

- (i) **Personal Code of Ethics:** Defining your individual views and values is crucial to your personal ethical statement. Integrity, selflessness, honesty, loyalty, equality, justice, empathy, respect, and self-respect are a few codes of ethics examples. A code of ethics is a collection of values and guidelines that people and organisations use to guide their decision-making and to discern between right and wrong. They give a basic understanding of a company's or organizations' ethical standards. People can, however, also have their own unique set of moral principles. For a more complete description of a code of ethics and various code of ethics examples, continue reading. Several professions have a code of ethics that exists independent of any particular employment. For instance, a doctor or lawyer is always bound by the code of ethics for their profession, regardless of whether they work for a large organization or are in private practice. These codes constitute the basic expectations of these jobs and guide them when making decisions.
- (ii) **Rules and Regulation of the Government:** Insuring justice and order in society depends on the government's ethical and moral duty. Therefore, it is the responsibility of government officials to make sure that their deeds and activities support cultivating peace among the populace. Government officials, who hold elected or appointed positions as well as the procedures, conduct, and policies of governments are all subject to ethical standards. The purpose of government and its representatives is to advance the common good via moral understanding and moral behaviour. The government has a responsibility to create and enforce laws that forbid unethical business activities. Employers and workers are guided by the regulations to follow generally accepted ethical standards. The governments also keep an eye on groups to make sure they're not practicing unethical practices.
- (iii) **Ethical Code of the Organization:** Organizational ethics relates to how a company should act in the outside world. Organizational ethics refers to a variety of rules and concepts that determine how people should conduct themselves at work. It also refers to the behaviour expectations of those who work for a specific organisation. A type of applied or professional

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ethics known as organisational ethics examines the morals, values, and principles that emerge in the workplace. It is important to the behaviour of both management and employees and pertains to every facet of corporate conduct. The promotion of noneconomic social values is the responsibility of organisational ethics. The idea revolves around what is right or wrong in an organization's relationship with stakeholders and how services or goods affect customers. Organizational ethics is a philosophy of moral principles and the application of moral rules that govern how a business conducts itself.

- (iv) **Social Pressure:** The influence of external societal pressure on company ethics has grown significantly. In smaller areas, this is especially true for small companies. Social expectations need to be strongly taken into account by businesses when it comes to general community participation and environmental responsibility. The internet era has substantially contributed to the rising relevance of social pressure because when businesses disregard societal standards, word spreads swiftly. Three social factors, that is, cultural norms, the Internet, and relationships with friends and family can have an impact on moral conduct. In the corporate sector, different cultures have different conventions from place to place.

(b) Advantages of Family Run Businesses

Family businesses are still thriving in today's competitive economy. The following are some of the advantages of family run business:

1. Stability

Family businesses are ideal in nature as they are loyal to the principles of the founder and top leadership, which results in overall stability within the organization. Leaders usually stay in the position for many years, until a life event such as illness, retirement, or death results in change.

2. Commitment

There is a greater sense of commitment and accountability by all family members due to involvement of reputation stake of the entire family. This level of commitment is almost impossible in non-family businesses.

It is natural that all family members demonstrate and share a level of commitment to the firm since the core of any family business is a shared business vision and identity.

3. Leadership

In family run business, most of the time leadership is centred to the senior most people in the family. So, each family members show faith and loyalty in the top leadership.

4. Trust

Since all family members know each other and related by blood relations, there is feeling of trust in each other.

5. Flexibility

In family run business, all family members can take any role which the business needs. You won't hear, "Sorry, this is not my job" in a family business. They can take several different tasks outside of their formal role in order to ensure the success of the company.

6. Decreased Cost

All family members contributing land, labour, capital and entrepreneurship means there will less cost of running and managing business. In hard times just like COVID-19, family members even can take a pay cut or work without any pay.



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8. The Government has planned the strategic disinvestment of State Road Transportation Corporation in a phased manner by allowing some private companies to ferry buses on marked routes. The outraged workers have called for a strike against the move. You are the head of the workers union of the transport corporation. In a meeting with State officials, they have informed you about the circumstances of inefficiency, corruption and deteriorating quality of service to commuters. You have also presented the worker's viewpoint and their complaints of low pay scale and non-payment of salaries from the past few months. A deadlock has occurred between the two parties where no-side is willing to lose. To break the deadlock, the officials offer you a bribe and other perks to comply with the decision of privatisation in a phased manner. State transport services are in a state of peril and there is a huge outcry among the common masses.
- a. Identify the moral dilemma faced.
- b. Analyse your role and duties, also suggest the course of action. [14]

Answer:

The given case highlights a common problem with state-run public services and the on-going privatization of public services.

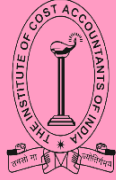
Facts of the case	Stakeholders involved	Ethical values
<input type="checkbox"/> Strike by workers against privatization move.	<input type="checkbox"/> Workers	<input type="checkbox"/> Leadership
<input type="checkbox"/> Structural problems in the state transport corporation.	<input type="checkbox"/> Transport department officials	<input type="checkbox"/> Courage
<input type="checkbox"/> Workers not getting a timely salary.	<input type="checkbox"/> Commuters or the general public	<input type="checkbox"/> Fortitude
<input type="checkbox"/> Commuters facing hardship a transport services in peril.	<input type="checkbox"/> Self (as head of worker union)	<input type="checkbox"/> Empathy
<input type="checkbox"/> Bribe offered to negotiate.	<input type="checkbox"/> Political leaders	<input type="checkbox"/> Efficiency
		<input type="checkbox"/> Spirit of service

The moral dilemma faced:

- Personal v/s professional ethics:** As an employee of the State transport corporation, one should adhere to the orders of superiors. On the other hand, as a leader of worker union, one should support the demands of fellow workers and even motivate them to continue the strike.
- Personal interest v/s Community interest:** One may accept the bribe for monetary and personal gains or show conviction towards the duty to uphold the rights of fellow workers.

Role and duties of the head of the worker union:

- Upholding the interest of workers:** As a leader of worker union, one must show courage and fortitude to fight for the rights of workers and negotiate with the transport officials. It is the opportune moment to put pressure on the management to address the grievances of the workers.
- Showing moral righteousness:** Deontological approach of Immanuel Kant suggests that it is immoral to take the bribe and one must adhere to his duty towards the interest of the fellow workers. The worker's faith and trust must not be broken for petty material gains.
- Showing administrative leadership:** One should be accommodative enough and should even make the workers realize the problems faced by commuters due to the strike. Hence, they must look for early resolution of the problem.



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The course of action:

- Negotiating with the transport officials:** Good governance can be ensured only by accommodative nature of negotiations without viewing it as a loss of personal prestige. All leaders should engage for a faster and meaningful resolution of the dispute.
- Ensuring peaceful and legitimate protest:** Everyone has a right to protest in a democracy. However, leaders must ensure that protests are done in a peaceful manner without any unethical means.
- Attitudinal change by moral suasion:** Workers should be persuaded to call off the strike so that public services can be restored at the earliest.

Long term measures:

- Welfare of workers:** The political leaders should empathize with the employees. All legitimate needs of the workers should be accepted like timely payment of wages, providing basic insurance facilities, etc.
- Resolving state budget constraints:** Arrangements must be made to augment the transport department budget through alternate means considering its importance for the general public.
- Regulation of services:** Privatization is needed to increase efficiency. However, privatisation of transport services, unless well regulated, can lead to unhappy outcomes such as a rise in accidents, and unruly driving and behaviour. Hence, if the sector is privatized, it must be duly regulated.