

VPM's  
DR VN BRIMS, Thane  
Programme: MMS (2013-15)  
Fourth Semester Examination April 2015

Subject	ENTREPRENEURSHIP MANAGEMENT		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	3	Date	10. 4. 2015

**Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.**

**Q1) 20 Marks (Compulsory)**

Turbo-Safe Elevators Private Limited was a company setup by four entrepreneurs, who left a leading elevator organisation to achieve their goals.

In an industry like elevators, customer-service is of prime importance. High rise building occupants suffer if the maintenance and service of elevators are not proper. At the same time, technicians, service mechanics have a safety dimension. They get affected due to risky nature of job. Many a times, the operation of the elevator is not proper because the service mechanic fears the safety and does not reach out unsafely located parts of the elevator.

Contract labour exploitation and sub-standard material are the business practices committed by unscrupulous service and maintenance agencies. However, Turbo-Safe Elevators Private Limited decided that they would build their organization on proper ethics and morals to keep the established practices away.

A service which could turn fatal for passengers as well as technicians had to be provided on a solid moral ground and ethics. Hence, the group set about the 4-way test, that of truth, justice, friendliness and helpfulness to others. Within a short span, name of Turbo-Safe was across suburbs and interiors because of the practices.

Now, the group is doing a turnover of Rs. 30.00 crores and the funded equity of the promoters stands at Rs. 5.00 crores. Very recently, it has been approached by a German elevator manufacturer, who has offered to buy the equity of promoters and requested the promoters to run the company as before.

Salary, perquisites and incentives are much more than the Entrepreneurial benefits, so far. However, the philosophy of Turbo-Safe would have to change. The 4-way test would soon be replaced by competitive and contemporary philosophy of opportunism. Nevertheless, the promoters can make merry with Rs. 1.25 crores each simply by compromising their own philosophy, allowing exploitation of labour, letting off staff and substituting the same with contract labour. All that would need is accepting change.

**You are now being approached to advise them on following:**

(a) Can they give up the ethics and morals, responsible for business growth, for personal benefit?

(b) In today's context, where competition, outsourcing and profiteering are prevalent, are the practices of promoters the right practices? In case, the company continues to remain with promoters, what change should the promoters pursue?

(c) If the promoters accept the offer from the German manufacturer, what would be their