Chapter – I
Introduction

1.1 Background of the Study:

Education is the core base of Application, Action and Activities. It helps not only to develop the fundamentals of knowledge but also is viewed as an art (Application of knowledge).

The Era of Human Development justifies the importance of education. Education not only develops the interpersonal skills but also helps to create an overall personality. Education helps to understand things properly, to learn from it and apply right action.

In any country Human Resources are vital from the point of view of economic development. In the modern world, all the planners believe that the building of a strong nation depends upon development of the people and the organization of human activity. Development of people means human capital formation. There are a number of ways by which human capital can be formed, of which the foremost factor is education. Proper utility of manpower depends on the system of education, training and industrial experience of the people. Proper education and training increase the productivity of human beings which is critical for the economic development.

In ancient India, when students (Shishyas) were living in the hermitages (Ashrams) with their teachers (Gurus), they were required to perform all kinds of manual work for daily living as well as continue with their learning. Education was related to life and there was no isolation between the world of life and world of work. It was indeed education of life, for life and through life.

When the British rulers introduced formal education, its objective was to prepare students for white collared jobs. Consequently, education became mostly theoretical and bookish. In 1854, the Woods Despatch¹ pointed out this defect and advocated the introduction of pre-vocational education at secondary stage.

In ‘Action plan for Employment Generation’ on the Republic Day, the President of India has urged upon the nation², ‘Besides other things to ensure entrepreneurship with adequate vocational education as a part of sustainable employment generation strategy to accommodate 540 million youths for Nation Development. The ongoing uncertainties before youths, after completion of their education, are a matter of serious concern.’

Democracy demands that education should be useful rather than ornamental. It should prepare the public for vocation and help them to earn a livelihood. Graduation stage is the terminal stage in the life of majority of Students.
Every attempt should be made to give a vocational bias to graduation education as also to increase the emphasis on vocational education. The inclusion of vocational subjects under the canopy of education is the gift of modern times.

Education is an investment which brings sources of livelihood back to investor. Therefore, the need for harnessing manpower to productivity can not be overlooked and hence, place a great emphasis on vocationalizing the scope and range of education.

Vocationalization and modernization of entrepreneurial education are closely related and one cannot be accomplished without the other. During the Pre-Independence period, no progress was made in the field of vocationalization of education. Even after independence, inspite of various efforts, vocationalization of education has not been satisfactory. The National policy on Education (1986) has, therefore very rightly observed, ‘The introduction of systematic well planned, rigorously implemented programme of vocational education is crucial in the proposed educational reorganization. These elements are meant to enhance individual employability, to reduce the mismatch between the demand and supply of skilled manpower, to provide an alternative for those pursuing higher education without particular interest or purpose. Evidently there is a great need of making education vocationalized in order to minimize the quantum of unemployability’.

Vocationalization of education is often expressed by the phrase, ‘To fit for useful employment or self-employment’, which is the need of present day, is somehow based upon vocational and entrepreneurial education. We can say that an economic future for the individual that will be better than what he might have achieved without, Vocationalization of education and entrepreneurial education means learning of skills or even related skills by studying applied science and practical activities.

The U.N.E.S.C.O (1974) (United Nations Educational, Scientific & Cultural Organization) has defined vocational and entrepreneurial education as a ‘comprehensive term embracing those aspects of educational process involving, in addition to general education, the study of technologies and related science and the acquisition of practical skill, attitude, understanding and knowledge relevant to occupations in various sectors of economic and social life.’

Education would be an integral part of general learning and a means of preparing for an occupational field as well as an aspect of continuing education. Entrepreneurial education aims at increasing the employment potential of the people through education for self employment in industry and related occupations. It helps an individual to be more productive through preparation for specific competencies in different vocations.
Such education prepares the individual in understanding the social needs and conditions and to realize his own potentiality, so that both can be correlated for improving upon the economic development of the country in particular and creating an atmosphere of self realization of individuals and prosperity of the nation in general.

The Sergeant Report (1944) tried to find out the ways and means of solving unemployment problems through diversified courses by introducing two streams - academic and technical. The Education Commission (1964-66) suggested that at the higher secondary level, there is a need to have two different streams, one is preparing the students for advanced education in colleges and the other is preparing for a variety of occupations immediately after completion of vocational studies, which will fit them into their vocations. But now-a-days, education has again become academic and book-oriented because of higher importance to graduation and post graduation. This has become a complete mismatch with what we want to be and what are we doing. No doubt, getting a degree through education is important but if it is correlated with on job educational pattern then only higher education provides fruitful benefits to the youths and resolve the problem of unemployment.

The following points bring forth the importance of entrepreneurial and vocational education:

1) It prepares an individual for life and for better economic prospects
2) It is needed to make education more practical and effective.
3) It is essential for economic growth of a country.
4) It is helpful for the best and fullest utilization of human and natural resources of the country.
5) It is needed to enhance the competency or efficiency of an individual in a particular vocation.
6) It is needed to secure sharing of the benefits of economic development and social justice.
7) It will surely improve the general educational attainments of the students. It is also helpful in earning a decent livelihood. It is physiologically sound because it is based on the principle of diversification of human energy and talent.
8) This type of educational structure opens more avenues or channels for self employment.
The importance of entrepreneurial education arises because of increasing unemployment and underemployment in developing countries. Especially in India every year, thousands of graduates pass out from various institutions of our country but unfortunately remain as literate unemployed because of lacking the required skill as per the industry standards and ultimately become a burden for the society instead of economically contributing to the society and nation. Hence, it is felt that there is an urgent need of skill-based education system and development of awareness about entrepreneurship to create a conducive environment which will help students to start their own venture and to develop economy. It is thus, very essential to make an efficient education system, which will create entrepreneurial attitude among the unemployed literate youths and enable them to meet the industry demands which will help in developing the economy. Further, it is recommended that emphasis on practical application has to be given rather than on theoretical appreciation.

Educational framework for inculcating the entrepreneurial spirits seems far from being satisfactory (Dutta 2012). The contextual differences between developed and developing economies that necessitate the advance of indigenous standards for appropriate entrepreneurial education with relevant knowledge on related socio-political governance, infrastructure, sensitivity to local culture adds to the concern (Bhardwaj and Sushil 2012).

In the present scenario, the challenge is to outgrow the prevalent myopic treatment of entrepreneurial education and categorically shift the focus from its short term objectives to long term objectives. The key is to develop entrepreneurship as a foundation course in regular graduation, especially one that covers the managerial aspects of new ventures as well as corporate entrepreneurship or intrapreneurship, given the obstacles of teaching or developing entrepreneurship in the stream of commerce education. The need for an effective entrepreneurial ecosystem seems to be the only solution for the problems like poverty, unemployment etc. The present education at graduation level in India just concentrates on courses which are book oriented and syllabus fenced. There is a demand for education programmes specifically designed to expand students knowledge and experience in entrepreneurship.

A survey done by the Entrepreneurship Development Institute of India (EDII) in (2003) shows that young people are afraid to start their own business because they are not confident, incapable and lack knowledge in starting a business. Many people have the opportunity to change jobs or become entrepreneurs if they are properly trained. The students in India are not confident with the traditional education what they receive in the university.
The entrepreneurship education in the higher education system should satisfy the need for entrepreneurship by selecting, motivating, training and supporting a budding entrepreneur. It is widely recognized that higher education promotes social and economic development by enhancing human and technical capabilities of society. Higher education plays an important role in facilitating these changes by incorporating all of the various demographics of the population. Higher education has been found to be significantly related to the human development index and greater for the disadvantaged groups. The greater the level of entrepreneurial education in a society, whether in stock or flow forms, the greater the human development can be, through its influence on human development index. 

\textit{(Tilak 1994)}

Education becomes a critical factor in preparing and empowering the entrepreneur with the qualities required of him but unfortunately, the role of education in forming young people to become change agents seems to have been ignored.

A regrettable consequence of the immediate foregoing is the absence of adequate training for students, which will enable them to meet the challenges of the future as leaders of business and change agents. When educational curriculum focuses more on the theoretical aspects without a corresponding practical approach, then the students are compelled to retrain again which is not fruitful one in any economy.

The major components of today’s economy are business units. All successful business units are backed by successful entrepreneurs. The success of an entrepreneur depends upon how he understands the business and how he applies himself. The application of any individual some how depend upon educational background too. It is the present need that education supports business and contributes for the development of the economy.

Entrepreneur plays an important role in the development of economy. There are many practical studies completed to measure the development of entrepreneur but hardly few studies follow the educational pattern required for the development of entrepreneur.

In Maharashtra state, budding students have a scope in entrepreneurship because of availability of resources including human resource. If the resources are properly applied, then only we can observe a sound economic development. It is widely accepted that proper utilization of resources can be best known through education.
Education of commerce helps one to understand not only the type of business but also the rules and regulations, applicable to start and run the business. Commerce stream helps to know the available financial options to start the venture, different managerial skills required to run the business but presently it is more theoretical one and lacks the practical approach.

The present study focuses on practical education that can be added in the curriculum so as to develop the competencies amongst the undergraduate students and make them competent to become an entrepreneur in future.

1.2 Entrepreneur and Entrepreneurship:

The word ‘Entrepreneur’ is derived from the French word ‘Entreprendre’ meaning ‘to undertake’. The functions of most of the people who participate in the process of producing goods and services are fairly self-evident. In 16th century, the Frenchmen who undertook military expeditions were referred to as an entrepreneur. Later the word ‘entrepreneur’ got associated with person who starts his own enterprise. Thus, entrepreneur is viewed as an initiator of action, stimulator of social, economic change and a harnesser of resources and factors of production to create wealth. The term ‘entrepreneur’ in the modern sense came into use in the late 18th century with the advent of the Industrial Revolution in England. It was during this period that people demonstrated an Innovative spirit. They developed inventions and made an appreciable amount of discoveries in a variety of productive occupations. Their Innovative behavior engaged them in doing new and useful things or old things in an improved way. These innovators came to be known as ‘Entrepreneur’. Later on, the word ‘entrepreneur’ got associated with persons who starts their own business units which come into existence and can be called enterprises.

Entrepreneur is a person who conceives the idea or who discovers the opportunity in the environment, arranges all the resources such as man power, material and capital required to give shape to an idea or to grab the opportunity.

Every Individual has knowledge, skill, idea, competence or ability. The one who uses this to make the best use of available resources becomes an entrepreneur.

The entrepreneur brings in overall change through innovation for the maximum social good. Human values remain at top priority and inspires him to serve society. He has firm belief in social betterment and he carries out his responsibility with conviction. In the process, he accelerates personal, economic as well as human development. The entrepreneur is a visionary and an Integrated man with outstanding leadership qualities. As an entrepreneur, one is not only employed but creates employment for others.
Entrepreneur is one of the most important inputs in the economic development of a country or of regions within the country. Entrepreneurial talents and competence make all the difference in the rate of economic growth.

In India because of the mixed economy pattern of society, both state and private enterprises co-exist. The small scale sectors and business are left completely to private entrepreneurs. It is therefore important to identify and promote entrepreneurs. The need for broad based entrepreneurial class in India arises both in the government and private sector since there is a direct need to speed up the process of activating the factors of production, leading to a higher rate of economic growth and dispersal of economic activity. So as to ensure balanced regional development, creation of employment opportunities and improving existing standard of living.

A true entrepreneur, besides possessing functional qualities must also possess personal qualities which help him in developing initiative and drive to accomplish great task and face challenges squarely. The functional qualities can be built up in the entrepreneur by giving proper academic and training. The qualities like visualization, planning, systematic work and hard work etc. can be sharpen through proper training and development.

An urge to exercise power over things and objects persists among all human beings. The urge may vary in degree from person to person. This urge is an intrinsic quality of an entrepreneur. Sociologists consider him as a sensitive energizer in the modernization of societies. The Psychologists look upon him as an ‘entrepreneurial man’ his motivations and aspirations are conductive to development, Political Scientists regard him as a leader of the system. To economists, he is the harbinger of economic growth. He combines entrepreneurial drive with leadership and innovativeness.

The entrepreneur is a critical factor in the socio-economic change, who envisages new opportunities, new techniques, new lines of productions, new products and co-ordinates all others activities.

Understanding of the word of ‘Entrepreneur’ depends upon the analytical study of various definitions.

**Definitions :**

**Quesnay**\(^1\) : “A rich farmer is an entrepreneur who manages and makes his business profitable by his intelligence and wealth”.

**Adam Smith**\(^2\) : “Entrepreneur is a person who provides capital without taking active part in the leading role in an enterprise”.

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\(^1\) Quesnay is a French economist.
\(^2\) Adam Smith is a Scottish economist.
**Richard Cantillon**\(^{13}\) : “All persons engaged in economic activity are entrepreneurs”.

**J. B. Say**\(^{14}\) : “Entrepreneur is a person endowed with the qualities of judgement, perseverance and knowledge of the world as well as of the business”.

**J. A. Schumpeter**\(^{15}\) : “A person who introduces innovative changes is an entrepreneur and he is an integral part of economic growth”.

**Frank Young**\(^{16}\) : “Entrepreneur is a change agent.”

**Peter Drucker**\(^{17}\) : “Entrepreneur is one who always searches for change, responds to it and exploits as an opportunity. Innovation is a specific tool of entrepreneurs, the means by which they exploit change as an opportunity for different business or service”

**Dewing**\(^{18}\) : “The function of entrepreneur is one that promotes ideas into business”.

It is clear from the above definitions that entrepreneur is viewed as an initiator of action, stimulator of social economic change and a harnesser of resources and factor of production to create wealth.

To conclude, an entrepreneur is the one who can dream, desire, change and succeed, inspite of adversities for establishment of his venture.

Both the terms ‘Entrepreneur’ and ‘Entrepreneurship’ are often used interchangeably, but conceptually they are different. Entrepreneurship refers to a process of action an entrepreneur undertakes to establish his/her enterprise.

It is a creative and innovative response to the environment. It is a cycle of actions to further the interest of the entrepreneur. Entrepreneurship is the composite skill, the resultant mix of many qualities and traits. It involves taking of risk, making the necessary investment and the ability to put other factors of production into productive use through scientific and technological methods for creating wealth for an individual and economy. Entrepreneurship, perhaps lies more in the ability to maximize resources.

The concept of entrepreneurship is a complex phenomenon. Broadly, it relates to the entrepreneur, his vision and implementation of vision.

Entrepreneurship is the propensity of mind to take calculated risks with confidence to achieve a predetermined business or Industrial objective. In Substance, it is the risk taking ability of the Individual, broadly coupled with correct decision making.
Entrepreneurship is neither a science nor an art, It is a practice. It has knowledge base. It is nothing but creation of a private economic organizations for the purpose of gain or growth under conditions of risk and uncertainty. It is nothing but flow of actions related to decision making, Risk-taking, innovation, Accepting challenges, Organization, skillful management, for getting the target.

**Fig. 1.1 : Process of Entrepreneurship**

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<thead>
<tr>
<th>Entrepreneur</th>
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<td>A visualizer</td>
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<td>A creator</td>
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<td>An organizer</td>
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<td>An innovator</td>
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<td>A planner</td>
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<td>A risk taker</td>
<td>Risk taking</td>
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<td>A communicator</td>
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<td>A leader</td>
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**Fig. 1.2 : Entrepreneurial Action (Entrepreneurship)**

The following table exhibits the difference between entrepreneur and entrepreneurship :-

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Actually entrepreneurship is a process necessary to create economical wealth but through entrepreneur only. The success of entrepreneurship as a process somehow depends upon the qualities of an entrepreneur, which can be sharpened through proper training along with designed curriculum.

Thus, Entrepreneurship process generate utility. Like all other theories, The understanding of the theory of entrepreneurship depends upon a set of definitions which provide a base for analytical study. Nevertheless, definitions of entrepreneurship as of many other concepts do not lead itself to uniformity.

Many historians economists, sociologists psychologists and behavioural scientists have made attempts to define, This concept in their respective fields. However, to understand distinctively one must comprehend entrepreneur as an Individual and entrepreneurship as a function.

**Entrepreneurship - Definitions :**

**H. N. Pathak**\(^\text{19}\) :

“Entrepreneurship involves (i) perception of an opportunity, (ii) organizing an Industrial unit, and (iii) running the industrial unit as a profitable, going and growing concern.”

**Muscleman and Jackson**\(^\text{20}\) :

“Entrepreneurship is the investing and risking of time, money and efforts to start a business and make it successful”

**V. R. Gaikwad**\(^\text{21}\) :

“Entrepreneurship can notes innovativeness, an urge to take risk in face of uncertainties and intuition.”

**Isrel Kizner**\(^\text{22}\) :

“Entrepreneurship means alertness towards profit opportunities”.

**Richard Cantillon**\(^\text{23}\) :

“Entrepreneurship is a matter of foresight and willingness to assume risks, which is not necessarily connected with the employment of labour is some productive process”.

**Leon Walrus**\(^\text{24}\) :

“Entrepreneurship is not itself a factor of production, but rather a function that can be carried on by an agent.”
So it can be concluded that, entrepreneurship is nothing but a process of gathering the resources like land, labour, capital and entrepreneur for generating a valuable output which satisfy human wants.

The success achieved recently by a number of countries in developing and stimulating local entrepreneur demolishes the contention that entrepreneur is rare animal and an exclusive character. Now it is an accepted fact that entrepreneurship is not the exclusive property of those who are gifted with certain qualities by birth, it can be acquired and developed through proper education and training.
1.3 Entrepreneurship Development:

Entrepreneurship in a broader sense, can be described as a creative and innovative response to the environment. Entrepreneur is an innovator who introduces something new into the economy, a new method of production not yet tested by the experience in the branch of manufacture concerned, a product with which the consumers are not familiar or of new market or enterprise hitherto unexplored and other similar innovations.

(B. S. Rathod, J. S. Saini and B. R. Gujar 2002)

Entrepreneurship Development is rapidly acquiring significant attention in the decade and that is counted as the only solution for all our national hurdles in Industrial development, regional imbalance & employment generation which naturally going to depend upon supply of entrepreneur and creation of enterprises.

India is facing serious problem of unemployment and slow economic growth rate. In view of potential contribution of small enterprises, India needs to provide self employment, entrepreneurship education and training to the youth. Winds of LPG (Liberalization, Privatisation and Globalization) are sweeping across the country, Structural adjustments are taking place in almost all states. Recruitment in most of the Government and semi-Government organizations has come to almost at zero level. Over all work culture is lacking. Over staffing is noticed in many of the offices and departments and government has become more cost conscious.

In the light of these problems and advancements made due to the use of automation and Computerization the government has now started thinking in terms of adopting alternative approaches to get the work done. Use of casual workers and contracting services has started. Job role being redefined and many organizations including those who are under direct control of government have started recruiting manpower on contract Basis. Although, these trends are disturbing but there is no escape from the facts. In this ongoing process the role of self employment and entrepreneurial persons assumes great significance.

Entrepreneurial talent exists in every where and also in all sections of the society. In underdeveloped countries, a favorable socio-economic development helps in exploiting latent entrepreneurial talent. However in less developed and developing countries, an unfavorable socio-economic environment hinders the emergence of entrepreneurial talent. In India, it is believed that tremendous latent entrepreneurial talent exists, which if properly harnessed, can help to accelerate the pace of socio-economic development, balance regional growth, explore locally available resources and create employment and self-employment.
Personality traits of an individual would not be a sufficient condition for him/her for becoming an entrepreneur. Other social, cultural and economic factors as well as support system also influence to a considerable extent, promotion and development of entrepreneurship. However, it has been found that the entrepreneurial attributes of an individual can be improved to a certain extent through stimulation and training. The entrepreneurial potential of an individual thus developed can lead to the promotion of an enterprise.

Proper academic and training pattern helps to develop entrepreneur and this is justified by the fact that during the period of April 1970 to March 1980, 376 EDP’s had been conducted in Gujarat and effectiveness of these EDPs was reported to be about 63%.(Quoted by Neeta Baporikar in Entrepreneurship development and project management pp 53.)

In India, many EDPs (Entrepreneurship Development Programmes) are sponsored by the state level financial institution to train and guide the new buds who wants to start their own venture. No doubt such institution helps to grow the talent and develop entrepreneurship qualities but the candidate needs to spend additional time for these programmes. Also such programmes are time bound of 15 days or 1 month duration so it carries the limitation of time too. To resolve all these problems, if EDP is added in the regular curriculum, then students get sufficient time to learn and understand it, able to select a particular business of their choice by knowing all pro’s and con’s which results in better development of entrepreneurs.
1.4 Entrepreneur and Economic Development:

The position of the entrepreneur in modern production is like that of the director of a play. The entrepreneur always takes risk. In Hawtrey’s view, ‘Risk taking is the most important function of an entrepreneur and the quantum of profit he receives is directly proportionate to the risks he takes’. Risks are generally based on the anticipation of demand. This function of an entrepreneur has assumed great importance with the increasing complexities of modern production.

Modern economic development is closely linked with production and modern production is highly complex. The entrepreneur directs production and he must do whatever is necessary for its success.

The entrepreneur co-ordinates the other factors of production. This involves not only assembling the factors, but also to see that the best combination of factors is made available for production process. Co-ordination involves selection of the right type of factors. Employment of each factor in the right quantity, use of the best technical devices, division of labour, reduction of waste etc.

The entrepreneur must be innovative. Innovation is different from invention. Innovation implies the commercial application of an invention. As an innovator, the entrepreneur assumes the role of a pioneer and an Industrial leader. Joseph Schumpeter and his followers believed that, ‘The entrepreneur is the one who innovates and innovation makes the entrepreneurs the hero in the drama of economic development’.

The crucial factor in economic acceleration for any country is entrepreneur. The skills and competencies of an entrepreneur i.e. entrepreneurial talents make all the difference in the rate of economic growth. In our country resources are utilized by both private sector as well as public sector. Major contribution to our gross domestic product is from private sector. Thus, to accelerate the growth of economy it is essential to identify and promote entrepreneurs. To minimize the grievance of the problems like employment opportunities, poverty, poor standard of living etc. Constant rise in self-employment is essential because entrepreneurs can harnessed the available resources and minimize the above problems. Hence, economic and balanced development of any country is some how depends upon the growth in the enterprises and new generation entrepreneurs.

As discussed earlier, proper curriculum and training imparted during completion of graduation helps to motivate individuals to start new enterprise. Channelisation of enterprises is essential particularly for a developing country like India where there is constant rise in population. If not channelised, then in the next phase of economy, India will face the chronic problem of unemployment.
1.5 Factors Influencing Entrepreneurship:

The factors influencing growth of entrepreneurship in India are,

- **Economic Factors:**
  
  The economic factors that affect the growth of entrepreneurship in developing countries are,
  
  - Non / less availability of capital
  - Great Risks
  - Non / less availability of skilled labour.

  In developing countries like India, the problem of availability of capital and labour is not so chronic but the country lacks in availability of skilled man power, which some how affects the growth of an enterprise.

- **Social Factors:**

  Social factors can go a long way in encouraging entrepreneurship. A society that is rational in decision making would be favourable to entrepreneurial growth. The resources available in any state are limited in supply, so it is very essential to used them properly by making rational decision based on empirical facts and critical scientific standard. Lack of proper education and practical exposure restrict the empirical and scientific approach results slow growth in Entrepreneurship.
• Cultural Factors:

Motives impel men to action. Entrepreneurial growth requires proper motives like profit making, acquisition of prestige and attainment of social status. Ambitious and talented men would take risks and innovate if these motives are strong. The strength of these motives depends upon the culture of the society. If the culture is economy oriented, entrepreneurship will be applauded and praised.

• Personality Factors:

According to Schumpeter\textsuperscript{28}, “The social atmosphere in advanced capitalist societies is becoming inimical to entrepreneurship”. In the less developed countries, an entrepreneur is looked upon with suspicion that he is a profit earner. The result is that the personality of the entrepreneur has got greatly affected. If the public views entrepreneur as a resource and employment provider then only growth in entrepreneurship can be expected.

• Psychological and Sociological Factors:

According to McClelland\textsuperscript{29}, “Need achievement” is a social motive to excel, that tends to characterize successful entrepreneurs especially when reinforced by cultural factors. He found that certain kind of people, especially those who become entrepreneurs, posses these characteristics. Moreover, some societies tend to produce a large percentage of entrepreneurs with high “need achievement” than other societies. Analyzing this phenomenon Paul Wilken\textsuperscript{30} said “Entrepreneurship becomes the link between need achievement and economic growth”. Stepanek\textsuperscript{31} points out particularly at Psychological factors that influence the entrepreneur and categories them as non monetary aspects such as independence, self-esteem / power and regard for the society.

• Proper Education and Training:

Entrepreneurship education is considered as one of the most influential forces that determine the health of nations economy.

Entrepreneurial spirit is innate, The credence on effective entrepreneurial education to foster the right entrepreneurial attitude with requisite training is gaining subtle ground (Drucker, 1985, Trivedi 2014)\textsuperscript{32}.

John Dearborn, President, Jumpstart Inc.\textsuperscript{33}

“While entrepreneurship classes are designed to give budding entrepreneurs the tools to turn a new idea into reality, their value may be even greater than that; I think it gives all students the ability to view their careers and opportunities in a different light. It is so important that the benefits of an entrepreneurial focused education are available to all students and not just those planning on entering the start up world.”

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Indeed, entrepreneurship education has truly earned a global status for the fact itself given that it is now pursued with equal passion even in the developing countries (Arthur 2012). Having established the idea of entrepreneurship as the basis for business education and its synergies with the core curricula, it becomes imperative to delve into the reality of how entrepreneurship is taught specifically in an emerging economy such as India.

1.6 Impact of Education on Entrepreneurship Development:

India is poised for a quantum jump in terms of its ranking amongst the developing countries with relation to the economic acceleration, steady but remarkable reduction in the poverty levels and a visible change in the overall quality of life towards better. We as a nation are great in numbers and various in culture. Therefore, no readymade solution or business module can really be thought of. In this light we are saddled with a huge young population trying to convert its ambition into a reality. What we have inherited is a system of education which essentially provides security and a reasonable earnings to the family. The system does not provide any mechanism to drive the potential of a young person to realize his own creation or innovation. It is in this light that the education has to be thoroughly reviewed. The degree awarded by the universities have lost the glitter. The emphasis is now on performance and delivery. So, it is essential now to have a proper policy regarding education for the next decade. It is essential for the state to create enough opportunities for the human resources and talent. Education is universally recognised as the most important component of human development.

The problem of poverty and sustainable economic development can be resolved through well installed educational system which inculcate requisite skills and qualities and increases not only the employability talent but also the energy of self-employment too.

It is here that the spirit of entrepreneurship would play a vital role. It is needed to stimulate the passion for research and development and also a methodology to make the entire process profitable. The syllabi therefore would be required to be given a total shift from routine job performance to a deep spirit of enquiry. This deep spirit of enquiry is the nucleus of the concept of entrepreneurship.

In India, there is a definite need for a frame work to provide a right kind of instruction and education.

The presence of abundant resources and favourable government policies can not directly boost economic development. In fact, plans for economic development would bear little fruits unless entrepreneurship development is regarded as a deliberate process of making people aware of entrepreneurship as a career at an early stage. It is the entrepreneurial spirit of people, which transforms the economy of a region.
Education is an important factor in determining the entrepreneurial orientation in individuals. Education may be in the form of informal or formal. The informal form of learning stresses the importance of early role models and reinforcement patterns on the acquisition and maintenance of entrepreneurial behaviour. Role models could be parents in case of family owned business or peer groups that provide socialization training in entrepreneurship. Formal education also needs to be positively correlated with entrepreneurship.

Entrepreneurship education needs to gain firm ground to change the face of the economy. It is only under such a scenario that we would witness a longer queue of job providers than job seekers. During liberalization era which started in India in 1991, India exerted greater efforts to promote and nurture entrepreneurship amongst young generations.

A nation is said to be built on its educational institutions. Education has the responsibility to equip the youth with real knowledge and skills by which they will be able to build up their character, attitudes and vision of the future. The focus of education should not only be on preparing students for employment, but more important, towards developing employability skills.

There is a great deal of impact of education on entrepreneurial development. Success of any enterprise depends upon entrepreneurs skills, application of knowledge, innovation and risktaking ability. All these are considered as traits required to become a successful entrepreneur. Such traits are very well developed through proper education and systematic training pattern along with regular education.
1.7 Role of Commerce Education in Entrepreneurial Development:

In the context of India, at the one side, employment opportunities in public sector and in large scale Industries are shrinking whereas on the other side, vast opportunities are arising in medium and small scale industries. India at present has approximately 488.46 lakhs medium and small scale Industries which contributes to about 42.38% of exports and 37.33% of total Industrial production. These units employ approximately 1,114.29 lakhs. (MSME Annual Report 2014 - 2015)

Therefore, it is evident from the above facts that self employment and entrepreneurship are of the great significance in Indian economy.

The need for entrepreneurship arises from the functions which an entrepreneur performs in relation to the process of economic development. Entrepreneur contributes for the growth of GDP (Gross Domestic Product), capital formation and employment generation besides creating business opportunities for others and bringing improvement in quality of life of community.

After the acceptance of liberalization, privatisation and globalization, the world has become a global village. In this globalized scenario there are numerous opportunities in entrepreneurship but to have real benefits from this modern era only technical knowledge is not sufficient along with there is a need of commercial knowledge too.

To start and run any commercial activity knowledge of the following commercial aspects is essential for the budding entrepreneurs.
## Knowledge of Commercial Aspects Required to become Entrepreneur

### Business
1) Business Types
2) Identification of business opportunities
3) Exploring business opportunities
4) Making business profitable

### Legal
1) knowledge of different rules and regulation applicable to business
2) Legal dispute redressal mechanism
3) International law
4) Procedure of compliance of legal formalities

### Information Technology
1) Adoption of technology
2) knowledge of change of technology
3) E-commerce
4) E-payment

### Marketing and Personnel Management
1) Different ways of marketing
2) Marketing policy framework
3) Implementation of marketing policy
4) Indentification man power required
5) Procedures of selecting man power
6) Way of motivating man power
7) Analysis of human resources

### Finance
1) Possible sources of finance
2) Comparision between different sources
3) Documentation required
4) Exploring the best source

### Accounting & Taxation
1) Best way of Accounting business activity
2) Preparation of financial estimates
3) Finding out commercial results
4) Procedure of tax compliance

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**Fig. 1.4 Knowledge of Commercial Aspects**
Commerce education has a strength to inculcate knowledge of these commercial aspects in the graduation students to make them self-employed and next generation entrepreneur.

Commerce education is the back bone of the business and serial development of the nation, it covers wide areas of business and economy. It can play pivotal role in equipping next generation entrepreneurs.

At present India is in a juncture of evolution involving social, cultural and economic changes etc. on one hand, the number of employment opportunities is declining, where as on the other hand industry does not find commerce graduates up to the mark in terms of skills and knowledge. Thus, commerce education need to be holistic, targeted and customized with aim to remove the gap that exist between industry requirements and present curriculum.

1.8 Need for the Study:

A nation is built on its educational institutions. Education has the responsibility to equip the youth with real knowledge and skills by which they will be able to build up their character, attitude and vision of the future. The focus of education should not only be on preparing students for employment but more importantly towards developing employability skills. It must widen horizons of thoughts and perceptions and determine new areas of developing empowerment and creativity.

The importance of entrepreneurship education arises because of increasing unemployment and under employment in developing countries especially in India. Every year thousands of graduates are passing out from various institutions of our country but unfortunately they remain as literate unemployed because they lack the required skill as per the industry standards and ultimately become a burden for the society instead of economically contributing to the society and nation. Hence, it is felt that there is an urgent need of skillbased education system and development of awareness about entrepreneurship. To create an entrepreneurial environment which will help fresh pass out students to start their own venture and to develop the economy. Developing countries like India need an efficient education system which will create entrepreneurship attitude among the unemployed literate youths and to meet the Industry demands which will help in developing the economy.

Maharashtra alone with a total population of 112 million is one of the populated state in India. Majority of the people resides in rural areas. A substantial number of the rural people of maharashtra are living below poverty line and they have high level of unemployment (Unemployment rate - Rural 7.15%, urban 6.65% as per Maharashtra Human Development Report 2012)

The problem of unemployment can be countered only through self employment which later on provides employment to others. In order to Increase the ratio of self employment, maharashtra need a qualitative development in human capital formation.
Table No. 01 reveals that -

1. During a decade (2001 - 2011) population of Maharashtra Increased by 15.99%, compare to that literacy ratio Increased by 6% only.

2. No Doubt, there was a reduction in poverty by 2% due to Increase in self employment by 2%.

3. The rate of unemployment also decline by 1.65% as literacy rate was increased.

4. The growth rate of self employment was less as compared to growth in population.

Thus, growth in literacy rate is essential to enhance the employability skills and to make people employed or self employed.

In maharashtra still the formation of human capital is not to the expected level of industry and economy resulted in unemployment amongst graduate students. Our current education provides theoretical knowledge but lacking in providing required practical knowledge. So the degrees hold by the students have lost the glitter. Thus it is essential to study the elements that increase the gap between education and entrepreneurship development.
The following points cited the importance of the study -

1. Academics with proper training programme prepares an individual for life, for better economic and civic amenities.

2. It is needed to make education practical and useful.

3. It is helpful for the best and fullest utilization of human and natural resources of a country.

4. It is needed to enhance the competency or efficiency of an individual in a particular business.

5. This type of educational structure opens more avenues or channel for self employment.

1.9 Objectives of The Study:

1. To study Entrepreneurship Development in the state of Maharashtra with special reference to Marathwada region

2. To determine the factors of commerce education which will influence the effectiveness of Entrepreneurship Development

3. To find out Influence of commerce education on selecting a business option

4. To find out Effective Pattern of Education preferred by Entrepreneur

5. To identify the current weaknesses in Education system related to Entrepreneurship Development

6. To find out possible interactive module for educating students to develop themselves as new generation Entrepreneur
1.10 The Problem Statement:

The researcher is interested in determining the impact of commerce education on Entrepreneurship Development. The researcher feels that in Maharashtra State, new buds have huge scope in Entrepreneurship because of abundant availability of resources including human resources. If these resources are properly utilized, then economic and Entrepreneurship Development can be achieved. It is widely accepted that proper utilization of resources can be best known through proper education.

The problem was stated as, “A study of Commerce Education and its Impact on Entrepreneurship Development in Maharashtra state” this problem was undertaken to assess weakness in the current commerce education system and the researcher tried to find out interactive module for educating students.

1.11 Scope of The Study:

The scope of the study is restricted only to a study of various aspects mentioned in the objectives. The study has covered only 82 colleges and 160 entrepreneurs of Marathwada region of Maharashtra state. Only commerce colleges and Entrepreneurs from small scale Industries are considered for the present study.

1.12 Research Hypothesis:

1. Commerce graduates do not feel motivated to be an entrepreneur.

2. The different parameters of commerce education that is syllabus, teaching methodology etc. are not effective means in creating entrepreneurs.

3. Commerce education does not provide effective inputs like training and guidance to the students to be entrepreneurs.

4. The institutes providing the commerce education are lacking in the resources required for Entrepreneurship Development.
1.13 Significance of the Study:

The major components of today’s economy are business units. All successful business units are the results of successful entrepreneurs. Success of an entrepreneur depends upon how he understand the business and applies himself. It is accepted that the application of any individual depends upon education that he gets. So, it is the need of the hour that education should develop entrepreneurs so that students of next generation become job providers. The rationale behind choosing this topic for study is that there has been little research done to study the influencing factors of Commerce Education and training that helps to develop next generation entrepreneurs. Hence, to critically assess the factors required in this field are taken into consideration. The present research is also undertaken to get insights the pattern of training to be adopted along with regular curriculum for Entrepreneurship Development.

1.14 Chapter Scheme:

Chapter I: Introduction

Chapter II: Research Methodology and Review of Literature

Chapter III: Role of Commerce Education and Training in Entrepreneurial Development

Chapter IV: Data analysis and Interpretation

Chapter V: Summary, Conclusion and Recommendations

The study is an exploratory one, based essentially on the primary data. The aim of the study is to have a comprehensive picture of current commerce education and Impact of education and training on entrepreneurship development in Maharashtra state. It is sub divided into five chapters in order to deal with each of the factor involved in entrepreneurship development more thoroughly. A brief outline is as follows:

First Chapter:

Introduction outlines the Background of the study i.e. entrepreneurship in general and commerce education and training in particular. It also presents the latest scenario of educational system and employment and on that ground stresses the importance of self employment and entrepreneurship. It also introduces concept of entrepreneur, entrepreneurship and entrepreneurship development in brief. Need for study, objectives of the study, the problem, scope of the study, significance of the study and tentative hypothesis.
Second Chapter :

Research methodology which describes the methodological tools and instruments adopted in conducting the present investigations being exploratory in nature. The study is carried out through desk and field methods. This chapter also covers the different literatures from Journals, News papers, Books, Papers published on internet, and review from Ph.D thesis for the better understanding of the research topic i.e. Review of Literature.

Third Chapter :

This chapter highlights the importance of commerce education, weaknesses in current commerce education with reference to entrepreneurship development and Impact of commerce education and training on entrepreneurship development.

Fourth Chapter :

Analysis of the data collected through the semi structured interview method. The topic presents the aggregative analysis of the data. Overall analysis of the data consists of -

1. The Analysis of possible Hurdles to start own business.
2. The Analysis of the effectiveness of Entrepreneurship development programs organized by colleges for students.
3. The Analysis of effectiveness of support provided by colleges/university to inculcate the entrepreneurial values amongst students.
4. The Analysis of opinion of students, faculties and entrepreneurs regarding effectiveness of commerce education with reference to entrepreneurship development.
5. The Analysis of different motivational factors influencing the state of mind of individuals to be entrepreneur.
6. Other demographic data.

Fifth Chapter :

Presents the Summary, Conclusion and Recommendations.
1.15 References:


10. Tilak (1994) - Education For Development In Asia,Sage,New Delhi - Quoted by P.V.Bhaskaran Nair in his book Return on Higher Education of Women In India. pp 2-3


