

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**December, 2014**

**01430**

**MS-93 : MANAGEMENT OF NEW  
AND SMALL ENTERPRISES**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

- 
- Note :** (i) *Attempt any three questions from Section-A carrying 20 marks each.*
- (ii) *Section - B is compulsory and carries 40 marks.*
- 

**SECTION - A**

1. Briefly explain the Problems and Support Needs of SSEs with special reference to Acquisition, Transfer and Adaptation of Technologies.
2. What criteria are used for technology selection by Small Scale Enterprises ? State the sources of information regarding technology selection.
3. Briefly describe various dimensions which an entrepreneur needs to examine before selecting a particular location/site.
4. (a) Why small business owners in general are considered not good at handling employee relations ?  
(b) Discuss the different pricing policies which Small Scale Sector should consider ?

5. Write short notes on **any four** of the following :
- (a) Family Business
  - (b) Growth strategies
  - (c) Personnel recruitment process in small enterprises
  - (d) Proprietorship
  - (e) National Small Industries Corporation (NSIC)

### SECTION - B

6. Read the case given below and answer the questions given at the end of the case.

#### **The King of Omega - 3 - P.J. Kunjachan**

“Hard work, luck, all of them remain complimentary to my success mantra - do what you have to do today, today itself,” says P.J. Kunjachan, the CMD of Arjuna Natural Extracts Ltd., Kerala.

To have assumed the driver’s seat, after a modest, humble beginning in 1989, today, Mr. Kunjachan leads the flagship company, Arjuna Natural Extracts Ltd., Kerala an ISO 9002 GMP Institution having Livelong Nutraceuticals Ltd. and Herbal Supplements Ltd. as prime associate companies. Add to it 300 acres of prime land farming and an innovative integrated dairy project, up in the high ranges of Kerala, flourishing under his direct supervision.

Ten thousand square metres of processing plants alone, two factories in Tamil Nadu, two in Kerala, world class red facilities approved by the Ministry of Science and Technology, Government of India, for in-house research, experts comprising

clinicians, ayurvedic physicians, phytochemists, botanists, and scientists manufacturing more than 40 standardised herbal/spice extracts, marketing in over 30 countries for more than a decade, the largest manufacturer of omega-3 concentrates in Asia-CEO Kunjachan is a busy entrepreneur! More so because he started his career as a proofreader in local daily with Rs. 1.50 per day as wages and that too he had to literally “snatch” from his employer.

Kunjachan was the fourth of six children, born to an Ayurvedic physician and a hard working housewife. As his parents were struggling to make both ends meet Kunjachan’s education came to a halt after his pre-degree course.

He became proofreader for a local mid-day daily *Indian Pouran* for nearly one and a half years. Thereafter he began a joint venture supply chain at home. Since he did not have sufficient money, he became the working partner in a system to distribute major newspapers in his village. His partner invested the initial amount and Kunjachan did the rest, that is, manage the entire operations.

A voracious reader of newspapers, he learnt about the scope of running the distribution of a fertilizer manufacturing company in his locality. He invested his small savings and soon became the distributor for the State of Kerala. His business grew steadily. Companies dealing in products related to the fertilizer industry like poisons also became his partners in business. Slowly he reached a position to do something new on his own, that others were normally reluctant to do in view of the risks involved.

Therefore, he ventured into the more risky field of manufacturing. He started a bone meal factory in Tamil Nadu to minimise operational costs and also avoid political interference to some extent. The business did very well.

Then came the transformation to natural extracts. Together with his brother-in-law Benny Antony, a biochemist, he launched Arjuna Aromatics in 1989. With its due share of successes and setbacks, Arjuna Aromatics' products started getting global acceptance. Then following his next desire and ambition - agriculture, farming, plantation, Kunjachan purchased approximately 200 acres of cardamom plantation in Munnar. Planting and re-planting was soon in full swing. And then Kunjachan took up another ambitious project to set up a plant for manufacturing Omega-3 fatty acids from fish oil.

The facility in Tamil Nadu can be best described as the largest unit manufacturing Omega-3 fatty acids from fish oil in Asia. They have won awards from government and non-governmental agencies for export and innovations. Global patents are pending for at least four products. The organisation has grown manifold. Arjuna Natural Extracts, (as it is now called) has become a public limited company with Livelong Nutraceuticals Ltd. and Herbal Supplements Ltd. as fully owned subsidiaries.

Leading his business from the front is P.J. Kunjachan. A man, who had not even a penny to start off but a success mantra, proven and now time tested, and a flair for new ideas and instinct to like, attract and retain people. Till date there have been no dropouts or resignations from his team. A handful of people who left were

actually encouraged to take up better positions by Kunjachan himself. Absenteeism and labour problems are alien terms for him. His vision of employing as many people as he can continues to thrive and his affinity for unflinching quality standards continues to yield results. His inborn talent of maintaining excellent human relations makes him a CEO who always finds time to visit factories and plantations and, more importantly, talk to his team members.

**Questions :**

- (a) Discuss the initiatives taken by Mr. P.J. Kunjachan.
  - (b) Trace the growth chart of Mr. P.J. Kunjachan's career in brief.
  - (c) Identify the areas in which he expanded his business.
  - (d) Comment on the special qualities of Mr. P.J. Kunjachan which helped him to establish his business.
-