



Institute of Management
JK Lakshmi Pat University
Jaipur

END TERM EXAMINATION 2018

Programme: BBA/BCOM VI Semester
MM: 50 Marks

Sub: Entrepreneurship
Time: 3 Hours
Subject code: BCH609/BBA601

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

- Q1. Suppose you want to establish a "Chain of Food Restaurant". Prepare a Business Plan for execution of the Idea. (10 marks)
- Q2. "India is predominately a rural economy". In view of this, justify the need for developing Rural Tourism in India and appreciate the role of Tourism Entrepreneurship. (10 marks)
- Q3. Write Short notes on the following
A. Theories of Industry/Factory Location
B. MSME initiatives taken by Indian Government. (10 marks).
- Q4. Enumerate the different types of Entrepreneurs and explain contributions of any two Social Entrepreneurs. (10 marks).
- Q5. A. Describe any two major schemes initiated by Government of India for development of Women Entrepreneurship.
B. Discuss methods of Project Appraisal. (10 marks)

Section B

Walmart, the US-based retail giant, had been on an acquisition spree since the summer of 2016, when it bought US-based e-commerce company Jet.com (Jet) for \$3.3 billion as a part of its strategy to compete with e-commerce giant Amazon.com (Amazon). This acquisition trail started as a result of the changing retail e-commerce landscape in the US, especially from 2016. Retail e-commerce sales in the US had experienced 16% year-on-year (Y-O-Y) growth compared to the total retail growth, which was 2% Y-O-Y in Q2 of 2016. The significant expansion of the e-commerce sector coupled with prospects of its sustained future growth, stirred Walmart to adapt its business model to the digital backdrop.

Since then, Walmart had been acquiring several smaller e-commerce websites like Shoebuy, Moosejaw, Modcloth, and Bonobos, most of which – if not all – catered to young users. Experts believed many such acquisitions could be expected in the near future from the world's largest physical retailer as a part of its strategy to increase its online operations. "I can tell you we are happy with the moves we are making, and we are happy with the results. It's about moving fast. It's about innovating. And it's a very big market," said Marc Lore (Lore), co-founder of Jet who became the head of Wal-Mart's US online operations

Amazon was a young fledgling company in 1999 with annual revenue of US \$1.6 billion, while Walmart's revenue was around US \$138 billion. In 2012, Walmart's revenue was about US \$444 billion, estimated as 16 times the revenue of Amazon at that time and equal to 3% of the US economy – such was the strength and stand of Walmart in the US retail industry. But market analysts pointed out that gradually, due to increased internet usage, online retail growth had surpassed Walmart's traditional retail growth (Refer to Exhibit – II for US E-commerce Sales from 2012-2016). This came as a huge blow to Walmart, which till then had been focusing mostly on increasing the number and scale of its physical outlets and had failed to leverage Walmart.com. Meanwhile, Amazon, which had been constantly growing its online operations, benefitted from the shift in customers' preferences and behavior.

Walmart's e-commerce acquisition spree in the consumer space started in August 2016 with the acquisition of Jet, an e-commerce marketplace predominantly known for its pricing scheme, which offered pricing adjustments like buying more items at once, opting out of free returns, and purchasing items from the same distribution centers so as to make it less expensive for the company to collect and ship items. Walmart had faced sluggishness in its online business for several years, but the series of acquisitions it had made from 2016 had brought in a lot of positivity and growth in its digital sales, which, according to a few market experts, could actually become a cause for serious concern for Amazon.

Q1. What were the potential challenges faced by Walmart? (6 Marks)

Q2. What are the opportunities available in E-commerce Business? (6 Marks)

Q3. What business strategies would you suggest to overcome the environmental threats for E-Commerce Companies? (8 Marks)