



IMPORTANCE OF ENTREPRENEURSHIP DEVELOPMENT

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INTRODUCTION:

Entrepreneurship is distinct process of creating something new, i.e. new products process, techniques and so on. It is a distinct activity relating to production, distribution of goods and services to earn rewards and assume risk.

Entrepreneurship plays an important role in the economic and social development of a nation. It is a process of creating something new. According to Joseph Schumpeter entrepreneurship is concerned with

- Development of new technology
- Introduction of new product
- Crating of new form of organization structure
- Development of new source of raw material
- Entry in new market.

DEFINITION OF ENTREPRENEURSHIP:

Robert Hisrich states “Entrepreneurship is the process of creating something new and assuming the risks and rewards.”

B.C. Tandon “Entrepreneurship is the ability to create something new organizing and coordinating and undertaking risk and handling economic uncertainty.”

CHARACTERISTICS OF ENTREPRENEURSHIP:

- i. Entrepreneurship is a process of setting up a new organization.
- ii. Entrepreneurship is a purposeful activity.
- iii. It is an economic activity.

- iv. It is an innovation.
- v. It is a future oriented activity.
- vi. It is involves innovation and creativity.
- vii. It is individual or group activity.
- viii. It is requires proactiveness.
- ix. Entrepreneurship activity is undertaken to assume risk and rewards.
- x. The entrepreneurship activity requires a proper blend of physical capital and manpower resources.
- xi. Entrepreneurship activity facilitates social and economical development.

IMPORTANCE OF ENTREPRENEURSHIP:

1. **Economic Development** - Entrepreneurs activity contributes to the economic development of a nation.
2. **Social Development** – The social entrepreneurship generate new and innovative ideas to enhance social development of the society. Entrepreneurs contribute towards social development activity like education, health etc.
3. **Employment** – Entrepreneurship facilitates employment generation the Entrepreneur provide employment to people.
4. **Revenue to government** – Entrepreneur provide revenue to government by way of direct and indirect taxes.
5. **Capital Formation**- Entrepreneurs facilitates capital formation in the country.
6. **Regional Development** – The entrepreneur set up industries in urban and rural areas also and some backward areas the backward and rural areas get developed economically and socially.
7. **Reduction in Income Inequalities** – The entrepreneurs are responsible for reduction of income inequalities in the country.
8. **Consumer welfare**- Entrepreneurship activity facilitates consumer welfare.
9. **Infrastructure Development** – Infrastructure development is important for economic growth of a nation entrepreneurs contribute towards infrastructure development.

10. **Foreign Exchange** – Entrepreneurs generate foreign exchange by way of export goods and services. The entrepreneurs operate not only in domestic market but also in overseas markets.
11. **Facilitates Competition** – Entrepreneurs facilitates competition in the business world.
12. **Standard of Living** – Entrepreneurs generate employment increase income level of the employed people. This leads to increase standard of living.

CONCLUSION AND SUGGESTIONS:

Entrepreneurs are a process of setting up a new business organization. Entrepreneurs are an innovation. Entrepreneurship plays key role in the economic and social development of a nation. Due to the economic and social development entrepreneurs create economic and social wealth. The Entrepreneurs acts as a catalyst of growth and development in today's modern world.

In India entrepreneurs face a number of problems in the areas of finance marketing, infrastructure etc. despite various problems, Entrepreneurs have a bright future in India.

Young entrepreneurs need to keep the upcoming trends in mind they are starting their business.

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