

Time: 1hr

Marks: 15

(1) Question no 1 to 6 carry 1 marks & 7 to 9 carry 3 marks.

**1. ISO stands as:**

- (a) Indian standard organization
- (b) International standard organization
- (c) Indian society organization
- (d) International & Indian standard organization

Ans (b)

**2. Structure of organization can be divided into how many types:**

- (a) 4
- (b) 5
- (c) 6
- (d) 7

Ans (b)

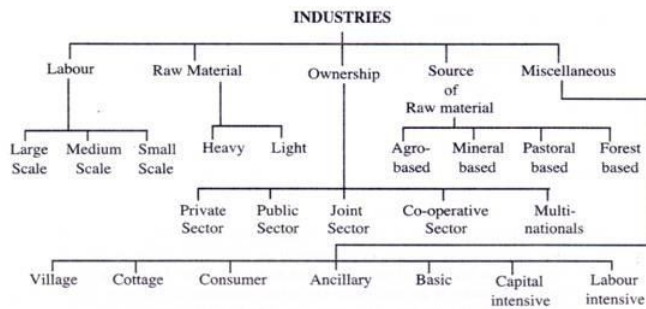
**3. New industrial policy is implemented on ..1991...**

**4. NISIET stands as.....National Institute for Small Industry Extension Training...**

**5. Define entrepreneurship.**

Ans. Entrepreneurship is both the study of how new businesses are created as well as the actual process of starting a new business – the term is used interchangeably. An entrepreneur is someone who has an idea and who works to create a product or service that people will buy, by building an organization to support those sales. Entrepreneurship is now a popular college major, with a focus on studying new venture creation.

**6. Make chart of classification of industries.**



**7. What is M.R.T.P. act? Explain it.**

Ans. The Monopolistic and Restrictive Trade Practices Act, 1969, was enacted

- 1. To ensure that the operation of the economic system does not result in the concentration of economic power in hands of few,
- 2. To provide for the control of monopolies, and
- 3. To prohibit monopolistic and restrictive trade practices.

### *Current Status of MRTP Act*

This act is not in force in India currently as it was repealed and was replaced by Competition Act 2002 with effect from September 1, 2009. The MRTP commission was replaced by Competition Commission of India.

### *Aims & Objectives of MRTP Act*

On the basis of recommendation of Dutt Committee, MRTP Act was enacted in 1969 to ensure that concentration of economic power in hands of few rich. The act was there to prohibit monopolistic and restrictive trade practices. It extended to all of India except Jammu & Kashmir.

The aims and objectives of this act were:

- To ensure that the operation of the economic system does not result in the concentration of economic power in hands of few rich.
- To provide for the control of monopolies, and
- To prohibit monopolistic and restrictive trade practices.

### *Non-applicability of MRTP Act*

Please note that MRTP act is not applicable to :

- Government Company and undertaking owned by Government.
- Company established by a Central or State Act.
- Trade Unions
- Companies which have been taken over by the central Government.
- Companies owned by registered Cooperative Societies.
- Any financial institution.

### *Definition of Monopolistic Trade Practice*

The act defines the Monopolistic Trade Practice as “Such practice indicates misuse of one’s power to abuse the market in terms of production and sales of goods and services.

- Firms involved in monopolistic trade practice tries to eliminate competition from the market.
- Then they take advantage of their monopoly and charge unreasonably high prices.
- They also deteriorate the product quality, limit technical development, prevent competition and adopt unfair trade practices”

### *Definition of Unfair Trade Practice*

The act defines Unfair Trade Practice as

- False representation and misleading advertisement of goods and services.
- Falsely representing second-hand goods as new.
- Misleading representation regarding usefulness, need, quality, standard, style etc of goods and services.
- False claims or representation regarding price of goods and services.
- Giving false facts regarding sponsorship, affiliation etc. of goods and services.
- Giving false guarantee or warranty on goods and services without adequate tests.

### *Definition of Restrictive Trade Practice*

The act defines Restrictive Trade Practice as “The traders, in order to maximize their profits and to gain power in the market, often indulge in activities that **tend to block the flow of capital into production**. Such traders also bring in conditions of delivery to affect the flow of supplies leading to unjustified costs.”

**8. Explain objectives & function of district industries centre in setting up industry.**

Ans. The 'District Industries Centre' (DICs) programme was started by the central government in 1978 with the objective of providing a focal point for promoting small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place.

**Objectives of District Industries Centre (DIC):**

The important objectives of DICs are as follow :

- i. Accelerate the overall efforts for industrialisation of the district.
- ii. Rural industrialisation and development of rural industries and handicrafts.
- iii. Attainment of economic equality in various regions of the district.
- iv. Providing the benefit of the government schemes to the new entrepreneurs.
- v. Centralisation of procedures required to start a new industrial unit and minimisation- of the efforts and time required to obtain various permissions, licenses, registrations, subsidies etc.

**Functions of District Industries Centre (DIC):**

- i. Acts as the focal point of the industrialisation of the district.
- ii. Prepares the industrial profile of the district with respect to :
- iii. Statistics and information about existing industrial units in the district in the large, Medium, small as well as co-operative sectors.
- iv. Opportunity guidance to entrepreneurs.
- v. Compilation of information about local sources of raw materials and their availability.
- vi. Manpower assessment with respect to skilled, semi-skilled workers.
- vii. Assessment of availability of infrastructure facilities like quality testing, research and development, transport, prototype development, warehouse etc.
- viii. Organises entrepreneurship development training programs.
- ix. Provides information about various government schemes, subsidies, grants and assistance available from the other corporations set up for promotion of industries.
- x. Gives SSI registration.
- xi. Prepares techno-economic feasibility report.
- xii. Advices the entrepreneurs on investments.
- xiii. Acts as a link between the entrepreneurs and the lead bank of the district.
- xiv. Implements government sponsored schemes for educated unemployed people like PMRY scheme, Jawahar Rojgar Yojana, etc.
- xv. Helps entrepreneurs in obtaining licenses from the Electricity Board, Water Supply Board, No Objection Certificates etc.
- xvi. Assist the entrepreneur to procure imported machinery and raw materials.
- xvii. Organises marketing outlets in liaison with other government agencies.

**9. How to do registration of small scale industries in setting up SSI. Explain procedure.**

Ans. **PROCEDURE FOR REGISTRATION**

**Eligibility:** All Micro & Small Enterprises which are registered with the Director of Industries (DI)/District Industries Centre (DIC) as manufacturing/service enterprises or having Acknowledgement of Entrepreneurs Memorandum (EM Part-II) are eligible for registration with NSIC under its Single Point Registration Scheme (SPRS).

Micro & Small Enterprises who have already commenced their commercial production but not completed one year of existence. The Provisional Registration Certificate can be issued to such Micro & Small Enterprises under Single Point Registration scheme with monetary limit, minimum amount of money to be invested, of Rs. 5 Lacs which shall be valid for the period of one year only from the date of issue after levying the registration fee and obtaining the requisite documents.

**How to apply:**

Micro and Small enterprises could be applied through online application that is provided by the prescribed state website (State website's of thou are applying for registration) respective state in which or by submitting the application form in duplicate which is to be submitted the concerned Zonal/Branch Office of NSIC located nearest to the unit.

**Procedure:**

**Step 1: Provisional Small Scale Industry (SSI) Registration**

To obtain SSI registration you must apply for provisional SSI registration certificate. This certificate is given when the unit is in pre-operative stage and helps SSI unit obtain term loans and working capital. This license is given for five years.

One could apply for this certificate online through the state website or by applying in the concerned zonal department.

**Important Documents for Provisional SSI registration:**

- Three passport size photographs of proprietors/partners/directors, as the case may be.
- Photocopy of the partnership deed in case of a partnership unit. It is not necessary that the partnership should be registered under the partnership Act.
- Copy of the Memorandum and Articles of Association in case of Private Company along with certificate of incorporation. Copy of the resolution of the company authorising one of the Directors of the company to sign the application form and also appear for the interview.
- Proof of legal possession i.e. rent receipt, NOC from the landlord with proof of ownership, the power load authorised by the connection holder to the applicant
- Provisional Registration would be allowed in approved Industrial areas only after the Unit has obtained consent to establish from Delhi Pollution Control Committee
- Some of the documents may differ because each state has different requirements of documents. Above given documents are minimum required documents which are to be submitted

**Step 2: Start the Business**

The next step towards having a permanent license is to start the business with SSI certificate. The owner should start the production in the factory so that permanent licence could be given.

**Step 3: Apply for Permanent SSI registration**

After you have started the business you should apply for permanent SSI registration. This could be done by applying online through state website or through the Zonal office or district office of the department.

**Requirements for applying PRC(Permanent Registration Certificate)**

- You may apply for the PRC without an industrial license in case your unit is listed in Schedule-III of the Industrial Licensing Exemption Notification. Other units must first acquire an industrial license.
- The unit should have obtained all clearances from the pollution control board, drug control board etc.
- The unit should not violate any locational restriction
- The original value of plant including machinery should be within prescribed limits for which you are applying.
- The unit should not be a subsidiary, owned or controlled by another industrial undertaking.

**Documents which are to be submitted for applying in**

- Proof of ownership of premises i.e. allotment letter/possession letter/lease Deed/property tax receipt. If the unit has a municipal corporation license in its own name or in the name of its proprietor or one of the Partner/Directors as the case may be, then no other proof of legal possession is required.
- In case premises are arranged on rental basis, unit should submit proof of Legal possession i.e. a rent receipt and/or NOC from the landlord supported by the proof of land lord's ownership. For this purpose rent receipt/rent agreement with GPA (General Power of Attorney) is also accepted provided the GPA is appointed by the owner/lessee through a Regd. deed.
- One photo copy of sale bill of each end product applied for.
- One photo copy of purchase bill of each raw material.
- Copy of partnership deed in case of partnership unit (this need not be registered.)
- Copy of Memorandum of Articles of Association with certificate of incorporation in case of private limited company (in case of any change of Directors subsequently, copy of resolution and intimation in form No.32)along with copy of resolution authorising one of the directors to sign the application for grant of permanent SSI registration.
- Copy of the industrial license from Govt. of India in case the end products require such license under Industrial Development and Regulation Act.1951.
- An affidavit on Rs.10/- Non judicial Stamp Paper duly attested by Notary Public affixed with proper notarial Stamp giving the status of the unit, machinery installed, power requirement etc. as per the prescribed format
- Purchase bill of machinery installed.
- Photo copy of valid consent letter from pollution control committee of that state.