

Chapter 8 - Small Business and Enterprises

1 Meaning of Small Business

- A business with **limited investment**, **less workforce**, and **small-scale production**.
 - Managed by **individuals, families, or small groups**.
 - Focused on **local markets** rather than large-scale national or international trade.
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2 Features of Small Business

- 💰 **Low Capital Investment** – Limited funds for operations.
 - 👤 **Family Ownership** – Usually owned and managed by a small group.
 - 📍 **Local Area of Operation** – Products/services mainly cater to nearby markets.
 - 👷 **Labour Intensive** – More dependence on human labour than machines.
 - ⚡ **Quick Decision-Making** – Simple organizational structure.
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3 Role of Small Business in India

- 🏢 **Employment Generation** – Creates jobs for a large section of the population.
 - 🇮🇳 **Regional Development** – Promotes balanced economic growth across rural and urban areas.
 - 🛒 **Customized Products** – Meets local and specific demands.
 - 🌐 **Export Contribution** – Contributes to India's foreign exchange through handicrafts, textiles, etc.
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4 Problems Faced by Small Business

- 💰 **Limited Finance** – Difficulty in getting loans.
 - ⚙️ **Poor Technology** – Lack of modern machinery.
 - 📦 **Poor Marketing** – Weak brand visibility and distribution.
 - 👨‍🎓 **Lack of Skilled Labour** – Shortage of trained manpower.
 - 📊 **Competition from Large Firms** – Hard to compete in pricing and quality.
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5 Small-Scale Industries (SSIs)

- Industries where **investment in plant and machinery** is within the prescribed limit (as per MSME Act).
 - Examples: **Handloom, handicrafts, food processing units.**
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6 Government Support for Small Business

- 🏠 **NSIC** (National Small Industries Corporation) – Provides marketing and finance support.
 - 🏦 **SIDBI** (Small Industries Development Bank of India) – Offers loans and financial assistance.
 - 📖 **DIC** (District Industries Centres) – Provides training, guidance, and incentives.
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7 Rural Enterprises

- 🧶 **Khadi and Village Industries** – Promoted by **KVIC** (Khadi and Village Industries Commission).
 - 🚜 **Agro-based Industries** – Based on agricultural produce (e.g., dairy, food processing).
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✓ Summary:

Small businesses are the backbone of India's economy, providing employment, supporting

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exports, and ensuring regional growth. However, they face challenges in finance, technology, and marketing, which the government tries to solve through various schemes and institutions.



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