



FAMILY BUSINESS (434D1A)

QUESTION BANK

PART A-ONE MARK QUESTIONS

UNIT 1: Introduction & Conceptual Models

1. Define a family business in one sentence.
2. Name the three overlapping subsystems in the Three-Circle Model.
3. What is the primary focus of the Ownership Development dimension?
4. What does the Family Developmental dimension primarily manage?
5. Which developmental dimension deals with market strategy and product lifecycle?
6. State one key difference between a family business model and a non-family business model.
7. What is the main purpose of using a model to understand a family business?
8. Which dimension addresses the question of "Who owns the business?"
9. What kind of conflict arises from an overlap of the Family and Business circles?
10. What does the Business Developmental dimension ensure for the company's future?

UNIT 2: Types, Growth & Succession

1. List two common types of family businesses.
2. What is the typical role of a founder in a family business?
3. Describe one characteristic of the growth phase in a family business.
4. What makes a family enterprise more complex than a non-family enterprise?
5. What does "succession" mean in a family business context?



6. Name one factor that contributes to the diversity of succession paths.
7. How can the founder's entrepreneurial experience impact the second generation?
8. What is a key challenge during the evolution from a founder-led to a sibling partnership?
9. State one reason why succession planning is critical for a family business.
10. What does the "complexity of family enterprise" often refer to beyond business operations?

UNIT 3: Leadership Challenges

1. Identify one primary leadership challenge specific to a family business.
2. How does the role of a family business leader typically evolve as the company grows?
3. Define what a "Leader's Legacy" encompasses in a family firm.
4. What is the fundamental difference between Family Democracy and Meritocracy in leadership selection?
5. State one key responsibility of a family business leadership role.
6. Why is obtaining honest feedback a unique challenge for a family business leader?
7. Name one metric, besides profit, for measuring success in a family business.
8. What is a crucial leadership skill required for a 21st-century family business leader?
9. How does the structure of family leadership often differ from corporate leadership?
10. What is the purpose of studying case studies in family business leadership?

UNIT 4: Succession, Values & Preparation

1. Describe one way religion can influence a family business system.
2. What is the core principle of "Authentic Leadership" in succession?



3. What is the most significant challenge during a leadership transition to the second generation?
4. Define "Professionalization" in the context of a family business.
5. How do strong familial values impact the professionalization process?
6. What is a key element in the structure for preparing a next-generation leader?
7. Name one common challenge a successor faces when taking over leadership.
8. What does the "preparation" of a next-generation leader involve beyond formal education?
9. Why is it important to separate familial values from business operations during professionalization?
10. What role does mentorship play in preparing the next-generation leader?

UNIT 5: Teams & Partnerships

1. What is the primary goal of building a team in a family business context?
2. Describe a "Sibling Partnership" in a family firm.
3. Identify one major pitfall of a sibling partnership.
4. What is a key advantage of a successful sibling partnership?
5. Define a "Cousin Consortium."
6. What is the main challenge in building a working relationship among cousins?
7. Name one "common thread" found in successful spouse teams.
8. What is a primary source of stress in a "mom-and-pop" partnership?
9. What is the first step in creating a team atmosphere among family members?
10. Why is a clear governance structure critical for a cousin consortium?



PART B-FIVE MARKS QUESTIONS

UNIT 1: Introduction & Conceptual Models

1. Explain the Three-Circle Model of family business. Describe a specific conflict that can arise in each of the three overlapping zones.
2. Compare and contrast the "Business Developmental Dimension" with the "Family Developmental Dimension" in the Three-Dimension Model. Why must both be managed simultaneously?
3. How does the "Ownership Development Dimension" evolve from the founder to the third generation? Discuss the key challenges at each stage.
4. What is the primary purpose of creating a conceptual model for a family business? Choose any one model and explain its utility to a founding family.
5. A family business is more than just a business that employs family members. Justify this statement by explaining the unique complexities that conceptual models try to capture.

UNIT 2: Types, Growth & Succession

1. Describe the typical evolution of a family business from a "Founder-led" to a "Sibling Partnership" stage. What are the key managerial challenges in this transition?
2. Explain how the "Entrepreneurial Legacy" of a founder can become both an asset and a constraint for the succeeding generation.
3. What is meant by the "Complexity of the Family Enterprise"? Discuss how family relationships add layers of complexity not found in public corporations.
4. "Diversity of Successions" means there is no one-size-fits-all approach. Elaborate on this statement by discussing three different potential succession paths.



5. Analyze the factors that contribute to the growth of a family business in its second generation, contrasting them with the factors that drove its initial founding.

UNIT 3: Leadership Challenges

1. Differentiate between "Family Democracy" and "Meritocracy" as approaches to leadership selection. What are the potential risks and benefits of each for the long-term health of the business?
2. Explain the concept of "Leader's Legacy" in a family business. What should a fourth-generation leader include in their legacy plan beyond financial wealth?
3. Why is obtaining honest feedback a significant challenge for a leader in a family business? Suggest two practical mechanisms a leader can implement to overcome this challenge.
4. "The leadership role evolves with the business lifecycle." Explain how the strategies and responsibilities of a family business leader must change from the growth phase to the maturity phase.
5. Define "Success" for a multi-generational family business. Propose a balanced scorecard with three non-financial metrics that should be used alongside profit to measure this success.

UNIT 4: Succession, Values & Professionalization

1. Explain how "Authentic Leadership" can provide a solid foundation for a successful succession process. Describe two traits of an authentic successor.
2. What is "Professionalization" in a family business context? Discuss two challenges a family faces when trying to professionalize its operations and management.



3. Describe a structured process for preparing a next-generation family member for leadership. What elements should this process include beyond formal business education?
4. How can deeply held "Familial Values" be leveraged as a strategic advantage during a leadership transition? Provide a concrete example.
5. Analyze the challenges specific to a "Family Entrepreneurial Leadership Transition to the Second Generation." Why is this often the most difficult transition?

UNIT 5: Teams & Partnerships

1. Outline the key "Tasks" involved in establishing a successful Sibling Partnership. What are two major "Pitfalls" they must actively avoid?
2. Compare and contrast the dynamics of a "Sibling Partnership" with a "Cousin Consortium." What new governance challenges arise in a consortium?
3. Identify three common sources of stress in a "Mom-and-Pop" partnership and suggest practical strategies to mitigate each.
4. What are the "common threads" or success factors found in effective husband-and-wife leadership teams? Explain why these factors are critical.
5. Describe the steps a family business leader can take to create a genuine "team atmosphere" among a group of cousins who are being integrated into the business.

PART C-TEN MARK QUESTIONS

1. Elaborate the preparation of next-generation leadership
2. Elaborate the leadership skills for the 21st century
3. Using the Three-Dimension Development Model (Ownership, Family, Business) as a framework, analyze the key challenges a second-generation family business might face when the founding CEO retires. In your analysis,



provide specific examples of issues in each dimension and explain how they are interconnected. Conclude with the primary action the incoming generation must take to ensure stability.

4. Describe the issues and problems in family business with suitable examples
5. Choose some family based enterprises which are very successful organisations. What are the coping strategies that they have followed to overcome problems associated with family management.
6. Trace the typical growth and evolution of a family business from its entrepreneurial founding to a mature third-generation cousin consortium. For each stage (Founder, Sibling Partnership, Cousin Consortium), describe the dominant strategic focus, the primary source of complexity, and a key succession-related challenge that must be navigated.
7. The "diversity of successions" means there is no single correct path. Compare and contrast three different succession paths a retiring founder might consider (e.g., transferring to a single child, selling externally, establishing a sibling partnership). For each path, evaluate two major advantages and two major risks, specifically considering the long-term survival of the business and family harmony.
8. Discuss about the Succession in Family Business through Authentic Leadership
9. Define "Leader Legacy" in the context of a multi-generational family business. Propose a detailed framework for a fourth-generation leader to build a meaningful legacy that encompasses not just financial capital, but also social, cultural, and human capital. What specific actions should they take in each of these four areas before transitioning out of their role?
10. Successful succession is less about a transaction and more about a transformation led by Authentic Leadership." Discuss this statement. Explain the core principles of Authentic Leadership and create a detailed 5-



point plan for how a successor can use these principles to gain legitimacy in the eyes of both family and non-family employees during the transition.

11. Analyze the relationship between "Familial Values" and the "Professionalization" of a family business. Why is professionalization often a necessary step for growth, and how can deeply held family values either facilitate or hinder this process?
12. Compare the structure, dynamics, and challenges of a Sibling Partnership and a Cousin Consortium. If you were a consultant, what specific and distinct governance structures (e.g., Family Council, Board of Directors) and formal agreements would you recommend implementing for each to mitigate their unique pitfalls and ensure effective decision-making?
13. Illustrate the growing trend toward teams and partnerships
14. Describe the Common threads of successful spouse teams