**Entrepreneurship - 2016 SLC**

1)  A business plan does not

A) state what the business will do to gain and keep customers

B) guarantee the success of a new business

C) explain who will run the business

D) describe what the business will produce

2)  A good business plan includes sales projections for the long term, which is considered

A) ten years in the future

B) five years in the future

C) two to five years after startup

D) the first year

3)  \_\_\_\_\_ would not be included in the introduction section of a business plan.

A) A detailed description of the business complete with its goals

B) The form of business ownership and legal structure

C) The advantages the business has over its competitors

D) The location of the business

4)  \_\_\_\_ is not an element of the financial section of a business plan.

A) Financial statements

B) Return on investment

C) Market information

D) Identification of risks

5)  The \_\_\_\_ follows the main body of a business plan.

A) glossary

B) executive summary

C) statement of purpose

D) appendix

6)  \_\_\_\_ is made up of more than 10,500 retired executives who volunteer their time to provide entrepreneurs with real-world advice and know-how.

A) BBB

B) SBA

C) SBDC

D) SCORE

7)  An objective person should \_\_\_\_ the business plan before it is presented to investors.

A) paraphrase

B) discard

C) review

D) write

8)  The \_\_\_\_ is the roadmap for a business.

A) income statement

B) balance sheet

C) budget

D) business plan

9)  \_\_\_ is the ability to learn a particular kind of job.

A) Aptitude

B) Skill

C) Competency

D) Talent

10)  Which of the following is an advantage of entrepreneurship?

A) entrepreneurship involve a high risk

B) irregular incomes

C) long hours of work

D) owner is the boss

11)  Prospective entrepreneurs should conduct a(n) \_\_\_\_\_ to determine their strengths and weaknesses.

A) self-assessment

B) interview

C) survey

D) standardized test

12)  Lexi decides to open a flower shop. She is operating a \_\_\_\_ business.

A) service

B) wholesaling

C) manufacturing

D) retailing

13)  \_\_\_ are business possibilities that arise from existing conditions.

A) Ideas

B) Opportunities

C) Ventures

D) Strengths

14)  The first step in making decisions about starting a business is

A) to gather information

B) take action

C) evaluate the pros and cons of alternatives

D) to define the problem/opportunity

15)  The plant that manufactures polo clothing is which type of business?

A) manufacturing business

B) retailing business

C) wholesaling business

D) service business

16)  Riley had a great recipe for BBQ sauce. Lynn convinced Riley that they should go into business together and sell the sauce. Now they ship Riley’s BBQ Sauce to store in 25 states. Riley and Lynn are examples of

A) employees

B) intrapreneurs

C) entrepreneurs

D) managers

17)  Which of the following is not an example of an entrepreneur?

A) Karen started a cleaning service 10 years ago

B) Carol manages a coffee shop owned by her sister

C) Marcella created Mulberry Jam and distributes the jam nationally

D) Carol started a successful home bakery business

18)  \_\_\_\_ is not a risk associated with doing business in another country.

A) Language barriers

B) Insurance

C) Different laws, customs, and cultures

D) High travel and shipping costs

19)  Generally speaking, your marketing strategy will be determined mostly by your business’s

A) medium-term goals

B) short-term goals

C) all goals should be given equal weight when developing a marketing strategy

D) long-term goals

20)  \_\_\_\_ covers the cost to repair an office building if it were damaged by fire.

A) Life insurance

B) Business interruption insurance

C) Liability protection

D) Property insurance

21)  Which of the following is not a strategy for dealing with global risk?

A) seek government assistance

B) work with local business partners

C) employ local management

D) conduct business in only one country

22)  The \_\_\_ risk offers a chance to gain as well as lose from the event or activity.

A) insurable

B) controllable

C) speculative

D) uncontrollable

23)  Income earned by \_\_\_\_ is double taxed.

A) partnerships

B) cooperatives

C) sole proprietorships

D) corporations

24)  Co-ownership of property without the right of survivorship is

A) partnership

B) limited partnership

C) tenancy in common

D) right of partition

25)  The \_\_\_\_ is a financial statement that shows how much money is available to pay bills.

A) cash flow statement

B) balance sheet

C) income statement

D) pro forma financial statement

26)  An income statement does not

A) forecast how well the business can expect to perform in the future

B) analyze costs to determine areas that need to be cut back

C) examine how sales, expenses, and income are changing over time

D) identify the owner’s equity in the business

27)  The difference between revenue and cost of goods sold is

A) net income before taxes

B) cost of goods sold

C) gross profit

D) operating expenses

28)  \_\_\_ is an example of a current asset

A) A warehouse

B) An accounts payable

C) A mortgage

D) Inventory

29)  Cash sales and cash payments received from customers on their credit accounts are recorded in the

A) subsidiary ledger

B) purchases journal

C) cash receipts journal

D) table of aging accounts

30)  \_\_\_\_ is an example of a startup cost

A) Weekly payroll

B) Computer for the business

C) Monthly utility bill

D) Monthly rent expense

31)  Immediate transfer of ownership of goods from a seller to a buyer for a price is called a

A) vendor

B) sale

C) contract agreement

D) business transaction

32)  Since the business purchases goods for resale, they are called the

A) vendee

B) vendor

C) casual seller

D) owner

33)  \_\_\_ means to place the goods at the buyer’s disposal.

A) Tender

B) Sell

C) Transfer

D) Distribute

34)  Things that a person owns are called

A) liabilities

B) assets

C) equity

D) net worth

35)  Debt-to-equity measures

A) the difference between assets and your liabilities

B) the relation between startup costs and net worth

C) the difference between equity and your liabilities

D) the relation between the dollars borrowed and the dollars invested in the business

36)  Loans backed by collateral are called

A) business loans

B) secured loans

C) unsecured loans

D) short-term loans

37)  \_\_\_\_ would most likely be accepted as collateral for a secured loan for $18,000.

A) $2,500 computer system

B) $32,000 automobile that is paid in full

C) $12,000 of home equity

D) Apartment that costs $1,200 per month to rent

38)  \_\_\_ is not a reason for a bank to reject a loan application for a new business.

A) A startup business

B) The owner has not experience

C) A sloppy business plan

D) Owner investment of $30,000

39)  Credit card fraud is an example of

A) artificial risk

B) natural risk

C) economic risk

D) human risk

40)  \_\_\_\_ is not one of the basic strategies for dealing with risk.

A) Denying the risk exists

B) Transferring the risk to another party

C) Assuming the risk

D) Avoiding the risk

41)  A business’s credit policies need to specify all of the following except

A) the age and race of the customers who will be offered credit

B) what products may be purchased using credit

C) the creditworthiness of the customer who will be offered credit

D) what the terms of the credit will be

42)  Most credit cards are considered

A) unsecured loans

B) secured loans

C) installment loans

D) collateral loans

43)  An insurance agent may not

A) work for a single insurance company

B) earn a commission of the amount of coverage he/she sells to customers

C) earn greater commission for less claims on policies sold

D) represent many different insurance companies

44)  \_\_\_ covers a company’s legal responsibility for the harm it may cause to others as a result of what it and its employees do or fail to do in its business operations.

A) Liability insurance

B) Business interruption insurance

C) Property insurance

D) No fault insurance

45)  A business can buy insurance to cover risks associated with

A) destructive weather

B) consumer demand

C) competitors’ actions

D) economic conditions

46)  Human actions have no effect on

A) pure risks

B) uncontrollable risks

C) controllable risks

D) speculative risks

47)  The electronic credit authorizer

A) generates a summary of a customer’s credit report

B) calculates the creditworthiness of a potential customers

C) checks to see if a customer’s credit card is valid

D) checks to see if a customer has enough money in his/her checking account to cover a purchase

48)  When a business allows another business to buy now and pay later, it is offering

A) a line of credit

B) revolving credit

C) trade credit

D) retail credit

49)  Department stores that offer credit cards to customers are offering

A) consumer credit

B) trade credit

C) service credit

D) a line of credit

50)  The Consumer Credit Protection Act

A) does not allow prospective employers to look at your credit history

B) requires minimum payments on retail credit cards to be 10% of the amount charged

C) requires disclosure of credit requirements and rates to loan applicants

D) prohibits banks from sending credit card applications in the mail

51)  \_\_\_\_ means let the seller beware.

A) Caveat venditor

B) Caveat emptor

C) Restitution

D) Express warranty

52)  The \_\_\_ is the grant of the exclusive right to make, use, import, sell, and offer a new product or process.

A) trademark

B) copyright

C) service mark

D) patent

53)  The secret recipe for a well known pizza is known as \_\_\_\_\_.

A) copyright

B) trade secret

C) patent

D) intellectual property

54)  Land, buildings, and fixtures are \_\_\_\_.

A) intellectual property

B) community property

C) real property

D) personal property

55)  Which of the following would not be considered a mistake when preparing a business plan?

A) failing to define the target market

B) using out-of-date data and information

C) spending time studying the competition

D) overestimating the potential for growth

56)  Once an entrepreneur has identified his/her goals, it is time to develop a

A) marketing strategy

B) marketing concept

C) marketing mix

D) marketing layout

57)  If a store sells snow shovels for half-price in the middle of the summer, the store is offering customers a

A) cash discount

B) seasonal discount

C) trade discount

D) quantity discount

58)  Product characteristics that will satisfy consumer needs are called

A) features

B) packaging

C) branding

D) labeling

59)  Creating an image for a product in the customer’s mind is called

A) positioning

B) advertising

C) labeling

D) distributing

60)  This type of pricing technique starts out with a low introductory price with the goal of building a strong customer base.

A) bundling

B) prestige pricing

C) price skimming

D) penetration pricing

61)  The list of people who receive salary or wage payments from a business is called a(n)

A) account payable

B) liability

C) payroll

D) workforce

62)  A specific work activity an employee performs is called a

A) function

B) task

C) job

D) human resource

63)  An entrepreneur would not use \_\_\_\_\_ for recruiting.

A) in-store advertisements

B) classified advertisements

C) facebook

D) employment agencies

64)  Students who will work for little or no pay in order to gain experience in a particular field are called

A) mentors

B) independent contractors

C) temporary employees

D) interns

65)  A small business owner should not \_\_\_ when interviewing potential employees.

A) avoid ruling out a job applicant until the interview is over

B) talk about the significance of working at a new business

C) explain the atmosphere in which the job applicant will be working

D) refuse to allow the job applicant to ask questions

66)  An amount paid for a job position stated on a an annual basis is called a

A) bonus

B) salary

C) wage

D) commission

67)  \_\_\_\_ are managers who work directly with the employees who perform the day-to-day tasks of a business.

A) Top management

B) Administrators

C) Supervisors

D) Middle managers

68)  \_\_\_ is a written statement listing the tasks and responsibilities of a position.

A) Job analysis

B) Job description

C) Job peforma

D) Job sampling

69)  Employees can request employers to take out payments for health or dental insurance from their pay. These are called

A) fringe benefits

B) voluntary deductions

C) payroll taxes

D) mandatory deductions

70)  Employees fill out \_\_\_ forms for employers to determine the amount of taxes to deduct from pay checks.

A) 1040

B) W-2

C) 1040EZ

D) W-4

71)  Some employers will match amounts that employees put into \_\_\_\_ accounts for retirement.

A) 401K

B) Savings

C) CD

D) IRA

72)  The \_\_\_\_\_ tax discourages business activity and business prosperity.

A) interstate

B) payroll

C) capital gains

D) sales

73)  Establishing informal ties with people who can help your business grow is called

A) promoting

B) selling

C) networking

D) brainstorming

74)  \_\_\_\_ covers losses a business incurs as a result of selling a faulty product that injured someone.

A) Liability protection

B) Life insurance

C) Business interruption insurance

D) Property insurance

75)  \_\_\_ is the act of establishing a favorable relationship with customers and the general public.

A) Advertising

B) Marketing

C) Publicity

D) Public relations

76)  Giving away pens, notepads, and t-shirts imprinted with the company name is an example of

A) self-promotion

B) public relations

C) sales generation

D) personal selling

77)  The biggest disadvantage of public relations is the

A) limited impact

B) cost

C) speed

D) difficulty to predict and control

78)  \_\_\_\_\_ marketing consists of marketing activities designed to satisfy customer needs without negatively impacting the environment.

A) Social responsible

B) Conservation

C) Green

D) Renewable

79)  \_\_\_ are general statements of how people should or should not act.

A) Ethical issues

B) Standards

C) Ethical principles

D) Ethical beliefs

80)  The \_\_\_ of ethics refers to social expectations of people’s moral behavior.

A) impact

B) law

C) culture

D) standard

81)  The \_\_\_ believes that the right thing for a person to do in any situation is the action that best serves that person’s own long-term interests.

A) Utility Principle

B) Egoism Principle

C) Principle of Duties

D) Principle of Virtues

82)  \_\_\_\_ is the practice of advertising a product at a low price while intentionally stocking only a limited number in hopes of luring shoppers to buy more expensive items.

A) Substantiation

B) False advertising

C) Bait and switch

D) Puffery

83)  Payroll income taxes must be paid \_\_\_ by the employer.

A) semi-annually

B) monthly

C) annually

D) quarterly

84)  Every month business must pay sales taxes to the \_\_\_

A) local and state government

B) assessor’s office

C) county government

D) federal government

85)  \_\_\_\_ must pay FICA or social security taxes.

A) Employers and employees

B) Property owners

C) Churches

D) Nonprofit organizations

86)  The income tax in United States is a \_\_\_\_ tax.

A) proportional

B) progressive

C) regressive

D) flat

87)  Businesses must deposit sales tax \_\_\_\_ into a bank account that belongs to the government.

A) every week

B) every month

C) quarterly

D) daily

88)  The \_\_\_\_\_ was passed to promote the employment of people over the age of 40 based on their ability rather than their age.

A) Fair Labor Standards Act of 1938

B) Americans with Disabilities Act of 1990

C) Civil Rights Act of 1964

D) Age Discrimination in Employment Act of 1967

89)  The Family Medical Leave Act of 1993 requires businesses with more than 50 employees to provide employees up to \_\_ months of unpaid leave if a serious health condition affect the employee, the employee’s child, or the employee’s parent or spouse.

A) 3

B) 4

C) 6

D) 2

90)  Union efforts to force employers to hire more workers than demanded for the task is referred to as

A) featherbedding

B) mediation

C) a strike

D) a wildcat strike

91)  Studies have shown that unions increased members’ wages by an average of about \_\_\_ percent above the wages of similarly qualified nonunion workers.

A) 30

B) 25

C) 15

D) 10

92)  There are \_\_\_ right to work states in the United States.

A) 22

B) 25

C) 50

D) 42

93)  Union membership has gone down for all of the following reasons except

A) competition from nonunion firms

B) an increase in manufacturing companies

C) changes in the economy

D) less effective strike

94)  \_\_\_\_ occurs when labor negotiations break down and a third party is brought in to impose a settlement both sides must accept.

A) Arbitration

B) Collective bargaining

C) Derived demand

D) Mediation

95)  The Sherman Antitrust Act was enacted to

A) increase competition by regulating monopolies

B) require disclosure of credit requirements and rates to loan applicants

C) control the content and labeling of food and drug products

D) prohibit discrimination and ensure equal opportunity for persons with disabilities

96)  \_\_\_ is the assumption in business that a company’s only important ethical obligation is to try to make as much money as possible for its investors and owners.

A) Community model

B) Stockholder model

C) Capitalism model

D) Stakeholder model

97)  \_\_\_\_ is the assumption in business that a company has legal and ethical responsibilities to everyone affected by the decisions and actions of the business.

A) Stockholder model

B) Capitalism model

C) Stakeholder model

D) Community model

98)  \_\_\_ permits a party to a contract to recover money or property given to the other party.

A) Restitution

B) Punitive damages

C) Disclaimer

D) Encumbrance

99)  The \_\_\_ gives an explicit assurance of quality of performance by the seller.

A) moral responsibility

B) express warranty

C) implied warranty

D) product liability

100)  The \_\_\_\_ is a document used to evidence transfer of ownership of real property.

A) lease

B) easement

C) contract

D) deed

Entrepreneurship – 2016 SLC Key

1) B

2) C

3) D

4) C

5) D

6) D

7) C

8) D

9) A

10) D

11) A

12) D

13) B

14) D

15) A

16) C

17) B

18) B

19) B

20) D

21) D

22) C

23) D

24) C

25) A

26) D

27) C

28) D

29) C

30) B

31) B

32) A

33) A

34) B

35) D

36) B

37) B

38) D

39) D

40) A

41) A

42) A

43) C

44) A

45) A

46) B

47) C

48) C

49) A

50) C

51) A

52) D

53) B

54) C

55) C

56) A

57) B

58) A

59) A

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79) C

80) D

81) B

82) C

83) D

84) A

85) A

86) B

87) B

88) D

89) A

90) A

91) C

92) A

93) B

94) A

95) A

96) B

97) C

98) A

99) B

100) D