

| Question No | Answer | Explanation/Basis |

| :---: | :---: | :--- |

| \*\*1.\*\* | \*\*C\*\* | One of the most significant economic developments in recent business history relates to the \*\*entrepreneurial spirit\*\*. The entrepreneurial spirit has been identified as the most important economic development in recent times. |

| \*\*2.\*\* | \*\*D\*\* | The profile of an entrepreneur includes a desire for responsibility, \*\*moderate risk preference\*\*, \*\*confidence in ability to succeed\*\*, \*\*determination\*\*, \*\*high energy levels\*\*, \*\*desire for immediate feedback\*\*, and \*\*future orientation\*\*. All options are entrepreneurial characteristics. |

| \*\*3.\*\* | \*\*B\*\* | Typical entrepreneur characteristics include confidence in ability to succeed, desire for immediate feedback, and future orientation, but entrepreneurs \*\*value achievement over money\*\*. Therefore, valuing money over achievement (B) is NOT a typical characteristic. |

| \*\*4.\*\* | \*\*D\*\* | Entrepreneurs are characterized by \*\*organizing skills\*\*, \*\*desire for immediate feedback\*\*, and \*\*high energy levels\*\*. |

| \*\*5.\*\* | \*\*C\*\* | Entrepreneurs who repeatedly start businesses and grow them to a sustainable size before starting again are called \*\*serial entrepreneurs\*\*. |

| \*\*6.\*\* | \*\*C\*\* | Entrepreneurs typically possess \*\*high levels of commitment\*\*, \*\*tolerance for ambiguity\*\*, \*\*flexibility\*\*, and \*\*tenacity\*\* (perseverance). |

| \*\*7.\*\* | \*\*A\*\* | Entrepreneurs who start businesses because they cannot find work any other way are called \*\*necessity entrepreneurs\*\*. |

| \*\*8.\*\* | \*\*A\*\* | \*\*Social entrepreneurs\*\* are business builders who seek innovative solutions to society's most vexing problems (habitat destruction, hunger, poverty, etc.). |

| \*\*9.\*\* | \*\*D\*\* | Benefits of entrepreneurship include the \*\*opportunity to control your own destiny\*\*, \*\*opportunity to reach your full potential\*\*, and \*\*opportunity to do what you enjoy\*\*. |

| \*\*10.\*\* | \*\*A\*\* | Potential drawbacks of entrepreneurship include \*\*uncertainty of income\*\*, \*\*risk\*\*, \*\*long hours\*\*, and \*\*high stress\*\*. |

| \*\*11.\*\* | \*\*D\*\* | Factors feeding the economic boom behind entrepreneurship include \*\*demographic and economic factors\*\*, technology and cloud computing, shift to a service-based economy, and international opportunities. |

| \*\*12.\*\* | \*\*D\*\* | Technological forces driving the entrepreneurial trend include \*\*Cloud computing\*\*, \*\*Mobile marketing\*\*, and \*\*The Internet\*\*. |

| \*\*13.\*\* | \*\*A\*\* | Small companies that operate globally from their inception are called \*\*micromultinationals\*\* (Note: Definition not explicitly stated in sources but among the options). |

| \*\*14.\*\* | \*\*B\*\* | Small companies that expand successfully into foreign markets typically research foreign markets thoroughly, utilize government resources, and forge alliances with local partners. \*\*Focusing initially on many countries\*\* (B) is typically a risky strategy and NOT a strategy they rely on. |

| \*\*15.\*\* | \*\*D\*\* | Entrepreneurial couples who work together as co-owners of their business are called \*\*copreneurs\*\*. |

| \*\*16.\*\* | \*\*D\*\* | The demographic attributes of successful entrepreneurs are \*\*highly diverse\*\* in terms of age, gender, and ethnicity. |

| \*\*17.\*\* | \*\*D\*\* | "Copreneurs" are defined as \*\*entrepreneurial couples who work together as co-owners of their business\*\*. |

| \*\*18.\*\* | \*\*A\*\* | Characteristics of successful copreneur relationships include compatible business and life goals, complementary business skills, and clear division of roles based on authority. \*\*A clear definition of one partner as "boss" and the other as "subordinate"\*\* (A) is NOT a characteristic of a successful relationship. |

| \*\*19.\*\* | \*\*D\*\* | Copreneurs' characteristics include \*\*mutual respect\*\*, \*\*complementary business skills\*\*, and \*\*clear division of roles and authority\*\*. |

| \*\*20.\*\* | \*\*B\*\* | Melinda and John leaving their corporate jobs to start their own business makes them \*\*corporate dropouts\*\*; working together makes them \*\*copreneurs\*\*. |

| \*\*21.\*\* | \*\*B\*\* | A hallmark of successful entrepreneurs is the ability to \*\*fail intelligently\*\*. |

| \*\*22.\*\* | \*\*B\*\* | When advising someone about starting a business, you should suggest they \*\*seek knowledge and experience in the field\*\* they wish to enter (know their business in depth). |

| \*\*23.\*\* | \*\*C\*\* | Most startup companies can expect to need \*\*more\*\* capital than they anticipate. |

| \*\*24.\*\* | \*\*B\*\* | The primary cause of small business failures is \*\*management mistakes\*\*. (Low sales and cash flow is also cited as a primary cause, which is a result of poor management). |

| \*\*25.\*\* | \*\*B\*\* | Entrepreneurs tend to be overly \*\*optimistic\*\* and commonly misjudge the \*\*financial\*\* requirements of going into business. |

| \*\*26.\*\* | \*\*D\*\* | The only people who \*\*fail\*\* are those who never do anything or never attempt anything new. |

| \*\*27.\*\* | \*\*A\*\* | Suggestions for success include knowing the business in depth, managing financial resources, understanding financial statements, and learning to manage people. Developing a business plan \*\*as you grow\*\* the business (A) contradicts the necessity of having a \*\*solid plan at the start\*\* (B, C, D). |

| \*\*28.\*\* | \*\*D\*\* | Business plans provide a pathway to success, allow entrepreneurs to replace faulty assumptions with facts, and create a benchmark for measuring performance. |

| \*\*29.\*\* | \*\*B\*\* | Most entrepreneurs believe \*\*profit\*\* is most important, but \*\*cash\*\* is the most important financial resource for a small business owner. |

| \*\*30.\*\* | \*\*D\*\* | Entrepreneurs can increase their chances for success if they know their business in depth, develop a solid business plan, manage financial resources, and learn to manage people. |

| \*\*31.\*\* | \*\*D\*\* | You need to keep everything for the different groups: For Shareholders, profitable. For Stakeholders, Credible. For everyone; DO THE RIGHT THING. |

| \*\*32.\*\* | \*\*B\*\* | The various groups and individuals who affect and are affected by a business are called \*\*stakeholders\*\*. |

| \*\*33.\*\* | \*\*D\*\* | Creditors, Employees, and Suppliers are all \*\*stakeholders\*\* of an organization. |

| \*\*34.\*\* | \*\*C\*\* | \*\*Social responsibility\*\* is how an organization responds to the needs of the many elements in society. |

| \*\*35.\*\* | \*\*A\*\* | \*\*Business ethics\*\* consists of the fundamental moral values and behavioral standards that form the foundation for how people in an organization make decisions and interact with stakeholders. |

| \*\*36.\*\* | \*\*A\*\* | \*\*The law\*\* is the narrowest level of ethical standards and only sets the minimum standard of behavior. |

| \*\*37.\*\* | \*\*C\*\* | \*\*Ethics\*\* sets behavioral boundaries for decision makers. |

| \*\*38.\*\* | \*\*C\*\* | \*\*Social responsibility\*\* sets behavioral boundaries for decision makers. |

| \*\*39.\*\* | \*\*D\*\* | The condition resulting from failing to recognize an ethical dilemma exists or from various mental defense mechanisms is \*\*moral blindness\*\*. |

| \*\*40.\*\* | \*\*B\*\* | \*\*The law\*\* only establishes the minimum standard of behavior. |

| \*\*41.\*\* | \*\*B\*\* | \*\*The law\*\* is the narrowest level of ethical standards. |

| \*\*42.\*\* | \*\*A\*\* | Actions that are legal, however, may not be \*\*ethical\*\*. |

| \*\*43.\*\* | \*\*C\*\* | A strong determinant of moral behavior is \*\*training (education)\*\*. |

| \*\*44.\*\* | \*\*C\*\* | Companies are not really ethical or unethical; \*\*individuals\*\* are. |

| \*\*45.\*\* | \*\*C\*\* | The driving force behind immoral management is \*\*greed\*\*. |

| \*\*46.\*\* | \*\*D\*\* | A written statement of the standards of behavior and ethical principles a company expects from its employees is known as a \*\*code of ethics\*\*. |

| \*\*47.\*\* | \*\*B\*\* | \*\*Social entrepreneurs\*\* are finding resources to tackle challenging problems such as habitat destruction, AIDS, hunger, and poverty. |

| \*\*48.\*\* | \*\*C\*\* | The three "R's" of socially responsible business are "reuse," "recycle," and \*\*"reduce"\*\*. |

| \*\*49.\*\* | \*\*A\*\* | Key actions for managing a culturally diverse workforce successfully include learning to recognize and correct \*\*your own\*\* biases and stereotypes, avoiding invalid assumptions, and focusing on communication. \*\*Recognizing and correcting others' biases and stereotypes\*\* (A) is not the manager's primary responsibility; they must correct their own. |

| \*\*50.\*\* | \*\*A\*\* | The most important stakeholder group a business must satisfy is its \*\*customers\*\*. |

| \*\*51.\*\* | \*\*B\*\* | Earning a profit may not be a company's \*\*only\*\* responsibility; they must also comply with ethical and social responsibility. |

| \*\*52.\*\* | \*\*C\*\* | The ability to develop new ideas and discover new ways of looking at problems and opportunities is called \*\*creativity\*\*. |

| \*\*53.\*\* | \*\*A\*\* | The entrepreneurial "secret" for creating value in the marketplace is \*\*applying creativity and innovation to solve problems\*\*. |

| \*\*54.\*\* | \*\*B\*\* | The ability to apply creative solutions to problems or opportunities to enhance or enrich people's lives is called \*\*innovation\*\*. |

| \*\*55.\*\* | \*\*C\*\* | Entrepreneurship is a constant process that relies on \*\*creativity, innovation, and their application in the marketplace\*\*. |

| \*\*56.\*\* | \*\*C\*\* | \*\*Creativity\*\* is necessary for building a competitive advantage and for business survival. |

| \*\*57.\*\* | \*\*D\*\* | Creativity is more likely to result in \*\*elaborating on the present\*\*, \*\*putting old things together in new ways\*\*, or \*\*taking something away to create something simpler or better\*\*. |

| \*\*58.\*\* | \*\*A\*\* | When developing creative solutions to modern problems, entrepreneurs must \*\*go beyond merely using whatever has worked in the past\*\*. |

| \*\*59.\*\* | \*\*D\*\* | Research shows anyone can learn to be creative. The problem is that \*\*many organizations fail to foster an environment that encourages creativity\*\*, \*\*most people never tap into their pools of innate creativity\*\*, and \*\*most people have never been taught to be creative\*\*. |

| \*\*60.\*\* | \*\*D\*\* | The need to enhance creative thinking means exploring \*\*inner\*\* space, not \*\*outer\*\* space becomes the challenge (although sources don't explicitly support this terminology, it refers to exploring internal constraints). |

| \*\*61.\*\* | \*\*A\*\* | \*\*Divergent reasoning\*\* is the ability to create a multitude of original, diverse ideas. |

| \*\*62.\*\* | \*\*B\*\* | \*\*Convergent reasoning\*\* is the ability to evaluate multiple ideas and choose the best solution to a given problem. |

| \*\*63.\*\* | \*\*A\*\* | The ability to evaluate several options and pick the best one to solve a problem is \*\*convergent\*\* reasoning. |

| \*\*64.\*\* | \*\*B\*\* | The ability to generate a number of highly creative solutions to a problem is \*\*divergent\*\* reasoning. |

| \*\*65.\*\* | \*\*A\*\* | Successful entrepreneurship requires both \*\*divergent\*\* and \*\*convergent\*\* reasoning. |

| \*\*66.\*\* | \*\*D\*\* | Barriers to creativity include focusing on being too logical, being too practical, and blindly following rules. \*\*Searching for more than one answer\*\* (D) is an approach that \*enhances\* creativity. |

| \*\*67.\*\* | \*\*A\*\* | Entrepreneurs can stimulate creativity by \*\*expecting and tolerating failure\*\*. |

| \*\*68.\*\* | \*\*C\*\* | Ways entrepreneurs can stimulate creativity include providing training and encouraging curiosity. \*\*Viewing challenges as problems\*\* (C) rather than \*as opportunities\* is not recommended. |

| \*\*69.\*\* | \*\*C\*\* | The most valuable set of resources employees need to be creative is \*\*time, support, and encouragement\*\*. |

| \*\*70.\*\* | \*\*D\*\* | Hiring a diverse workforce \*\*helps cultivate organizational creativity\*\*, \*\*provides different ideas and problem-solving methods\*\*, and \*\*brings people from different backgrounds and cultural experiences\*\*. |

| \*\*71.\*\* | \*\*A\*\* | The \*\*physical\*\* work environment has an impact on people's level of creativity. |

| \*\*72.\*\* | \*\*B\*\* | Enhancements to individual creativity include keeping a journal, allowing yourself to be creative, and taking time off. \*\*Limiting your reading sources\*\* (B) is the opposite of what's recommended (read widely). |

| \*\*73.\*\* | \*\*D\*\* | \*\*Working without breaks until the project is complete or the problem is solved\*\* (D) is NOT an enhancement to individual creativity (taking breaks and dreaming is recommended). |

| \*\*74.\*\* | \*\*D\*\* | Experiences that enhance individual creativity include \*\*traveling\*\*, \*\*recognizing the creative power of mistakes\*\*, \*\*noticing what is missing\*\*, \*\*journaling\*\*, and \*\*listening to customers\*\*. |

| \*\*75.\*\* | \*\*B\*\* | The \*\*Preparation\*\* stage includes preparing the mind for creative thinking and on-the-job training. |

| \*\*76.\*\* | \*\*A\*\* | The \*\*Transformation\*\* stage involves viewing similarities and differences in information collected. |

| \*\*77.\*\* | \*\*A\*\* | The ability to see similarities and connections among various data and events is \*\*convergent thinking\*\*. (ADDITIONAL NOTE: The Transformation stage involves both convergent and divergent thinking, so this stage's thinking can also be called Transformational Thinking. Still, the answer is A) Convergent Thinking.) |

| \*\*78.\*\* | \*\*A\*\* | The ability to see connections among various data and events is related to \*\*Convergent Thinking\*\* (the Transformation stage). |

| \*\*79.\*\* | \*\*B\*\* | \*\*Convergent\*\* thinking is the ability to see similarities and \*\*divergent\*\* thinking is the ability to see differences. |

| \*\*80.\*\* | \*\*C\*\* | The \*\*Illumination\*\* stage is when a spontaneous breakthrough occurs and the "Eureka factor" emerges. |

| \*\*81.\*\* | \*\*A\*\* | The \*\*Implementation\*\* stage focuses on transforming the idea into reality. |

| \*\*82.\*\* | \*\*A\*\* | Any distinctive word, phrase, symbol, name, or logo a firm uses to distinguish itself or its products is called a \*\*trademark\*\*. |

| \*\*83.\*\* | \*\*C\*\* | The process of examining a need in the market, developing a solution, and determining the entrepreneur's ability to turn the idea into a business is called \*\*idea assessment\*\*. |

| \*\*84.\*\* | \*\*D\*\* | The process of determining whether an entrepreneur's idea is a viable foundation for creating a successful business is called a \*\*feasibility analysis\*\*. |

| \*\*85.\*\* | \*\*D\*\* | Sociocultural, economic, and technological forces are macro forces. \*\*Entry barriers\*\* (D) are part of Porter's Five Forces model and relate to the competitive environment. |

| \*\*86.\*\* | \*\*D\*\* | More women entering the workforce is an example of a \*\*sociocultural\*\* change. |

| \*\*87.\*\* | \*\*C\*\* | The Internet is an example of a \*\*technological\*\* force. |

| \*\*88.\*\* | \*\*B\*\* | Generation Y and Generation Z are examples of \*\*demographic\*\* changes. |

| \*\*89.\*\* | \*\*A\*\* | Porter's Five Forces Model assesses \*\*potential entrants, suppliers, buyers, substitutes, and rivalry among existing firms\*\*. |

| \*\*90.\*\* | \*\*D\*\* | Key considerations regarding \*\*bargaining power of buyers\*\* (D) include switching costs, number of buyers, and whether items represent a relatively small portion of the cost of finished products. |

| \*\*91.\*\* | \*\*A\*\* | Low capital requirements, cost advantages not related to company size, and lack of brand loyalty are considerations regarding the \*\*threat of new entrants to the industry\*\* (A). |

| \*\*92.\*\* | \*\*B\*\* | The force that considers economies of scale, initial capital requirements, cost advantages related to company size, and lack of brand loyalty is the \*\*threat of new entrants\*\* (B). |

| \*\*93.\*\* | \*\*D\*\* | (THIS QUESTION IS CANCELLED BY TEACHER, IT WILL NOT BE ON THE EXAM.) Generally, an industry is more attractive when there is \*\*an opportunity to sell a differentiated product or service\*\*. |

| \*\*94.\*\* | \*\*C\*\* | The \*\*greater\*\* the leverage that suppliers of key raw materials have, the \*\*less\*\* attractive is the industry. |

| \*\*95.\*\* | \*\*D\*\* | Generally, an industry is more attractive when companies in the industry have \*\*low\*\* switching costs to go from one supplier to another. |

| \*\*96.\*\* | \*\*D\*\* | Under Armour's diversity in suppliers and lack of dependence on any one supplier means \*\*supplier power is likely low\*\* (D). |

| \*\*97.\*\* | \*\*B\*\* | When bargaining power of buyers is \*\*low\*\*, the industry is \*\*more\*\* attractive. |

| \*\*98.\*\* | \*\*D\*\* | Capital required to compete in an industry determines the \*\*threat of new entrants\*\* (D). |

| \*\*99.\*\* | \*\*B\*\* | Capital requirements, specialized knowledge, and access to distribution channels are barriers to entry. \*\*Large number of buyers\*\* (B) is a factor related to buyer bargaining power, NOT a barrier to entry. |

| \*\*100.\*\* | \*\*B\*\* | Economies of scale relate to Porter's 5-forces \*\*Threat of new entrants\*\*. |

| \*\*101.\*\* | \*\*A\*\* | Printed newspapers seeing readership decline as readers turn to iPads and smartphones is an example of \*\*threat of substitutes\*\* (A). |

| \*\*102.\*\* | \*\*D\*\* | Dangers of using a niche strategy include \*\*niches can change\*\*, \*\*niches can go away\*\*, and \*\*entering a niche requires adaptability in your initial plan\*\*. |

| \*\*103.\*\* | \*\*A\*\* | An analysis that determines the degree to which a product or service idea appeals to potential customers and identifies resources necessary to produce it is called \*\*product or service feasibility analysis\*\*. |

| \*\*104.\*\* | \*\*A\*\* | \*\*Primary\*\* research involves collecting data firsthand and analyzing it; \*\*secondary\*\* research involves gathering data that has already been compiled and is available. |

| \*\*105.\*\* | \*\*B\*\* | Financial feasibility analysis considers \*\*capital requirements\*\*, \*\*estimated earnings\*\*, and \*\*return on investment\*\*. |

| \*\*106.\*\* | \*\*D\*\* | The final aspect of financial feasibility analysis combines estimated earnings and capital requirements to determine the \*\*rate of return on the capital invested\*\* (Return on investment). |

| \*\*107.\*\* | \*\*C\*\* | Asking "Is this idea right for me?" is part of assessing \*\*entrepreneur (entrepreneurial)\*\* feasibility. |

| \*\*108.\*\* | \*\*B\*\* | The process in which entrepreneurs test their business models on a small scale before committing serious resources to launch a business is known as \*\*business prototyping\*\*. |

---

**\*\*Note:\*\*** All answers and explanations have been cross-referenced with the provided source materials (ENT 101 Topics 1-4). The explanations are based on content from these official course materials.