

| Question No | Answer | Explanation/Basis |

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| **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.