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	Question	Image	Option A	Option B	Option C	Option D
	Which of these is NOT a type of entrepreneur		Smart entrepreneur	Lifestyle entrepreneur	Visionary entrepreneur	Breakthrough entrepreneur
	Concerning the concept of entrepreneurship, an individual who is called an entrepreneur there-----		is no disagreement	is unanimous agreement	has been little discussion	is substantial disagreement
	Early definitions of entrepreneurs were developed by		management experts	marketing experts	personnel managers	economists
	The concept of creative destruction states that		entrepreneurs must risk financial capital	entrepreneurship has an uncertain financial return	entrepreneurs are a force for change	entrepreneurs have unique personality traits
	Entrepreneurship has been defined as a process activity that includes		an opportunity	All of the options are correct	innovation	an organisational context
	Which of the following is false?		Many entrepreneurs start their business while they are	Entrepreneurial flashes of genius are rare	The entrepreneurial process is common in the United States.	The founders of Hewlett-Packard and Sony Corporation had well-

			employed elsewhere			defined product strategies before the companies began operations.
	James Collins, the columnist for Inc. Magazine suggests that entrepreneurs consider the business the ultimate product. This may be advantageous because		it reduces some of the ambiguity related to entrepreneurship.	it increases the entrepreneurs willingness to take risks.	it reduces risk.	the business is more likely to survive if the first product-concept fails.
	If entrepreneurship is considered a process activity, which of the following is not part of the process?		All of the options are correct	An opportunity	AN organisational context	Resources
	Entrepreneurial flashes of genius are		the basis for most new products	common in all entrepreneurs	the basis for most business start-ups	Rare
	Sony Corporation and Hewlett-Packard are examples of companies that		had no start-up risk	started without a specific business purpose.	had a successful start but eventually failed	were started with a clear business purpose
	Entrepreneurial activities include		All of the options are correct	buying an existing business	starting a new business based on a new concept.	starting a new business based on an existing concept.
	If someone starts a convenience food store, this is		existing concept/existing	new concept/new business.	new concept/existing business.	existing concept/new business.

	an example of a		business			
	If someone buys a business and does not make any major changes this is an example of		new concept/new business	existing concept/existing business	new concept/existing business.	existing concept/new business.
	Which of the following is an influence in determining entrepreneurial behavior?		Individual or self	Ethno-cultural environment	All of the options are correct	Circumstances in society
	Which of the following is not an influence in determining entrepreneurial behavior?		The individual or self.	The entrepreneur relationship with peers.	Circumstances in society.	The ethno cultural environment.
	Experts		agree that anyone can be taught to be an entrepreneur .	believe that entrepreneurship can be taught only to someone who is under 20 years of age.	disagree on whether entrepreneurship can be taught.	believe that entrepreneurship can be taught only to those who are over 20 years of age.
	When vocational counselors help people decide on a career choice they may consider		personality traits.	All of the options are correct	the personal self-concept.	basic values and beliefs.
	The big five (5) personality characteristic most associated with entrepreneurship is		extraversion .	openness	agreeableness.	conscientiousness.

	Which of the following is not true concerning entrepreneurs and risk?		They see risk differently than the general public.	They defines risks early in the start-up process.	They minimize risks to every extent possible	They usually take high risks.
	If an entrepreneur has an internal locus of control this means that he/she		Minimizes risk.	Sees changes as opportunities.	Feels comfortable in an unstructured situation.	Believes that success or failure depends on his/her own actions.
	Which of the following is a common entrepreneurial trait?		All of the options are correct	Self-confidence	Persistence despite failure	A passion for the business
	It is common for entrepreneurs to learn about an industry before starting a business. This is often done by		Going to training programs.	Reading trade magazines	Working for someone else.	Talking to friends.
	People who believe that the economy determines ones success or failure have a		Achievement motive.	Tolerance for ambiguity.	Money motivation.	External locus of control.
	Entrepreneurs would best be described as risk		Lovers	Seekers	Managers	Avoiders
	Walt Disney and Henry Ford are two examples of entrepreneurs who		Succeeded only after failing several times.	Were financially motivated	Had a flash of genius.	Were poor managers of risk.
	Entrepreneurs		All of the options are correct	Search for change	Respond to change	Exploit change as an opportunity

	Most successful entrepreneurs have a tolerance for ambiguity. This means that they		Feel comfortable with uncertainty .	Minimize risk.	believe that success or failure depends on his/her own actions.	see changes as opportunities
	Entrepreneurs have a high need for		Taking risks	making money	Achievement	structure
	If a person feels comfortable even in an uncertain situation, the person has a tolerance for		achievement	independence	ambiguity	control
	Entrepreneurs		All of the options are correct	have a high need for achievement.	are often perfectionists	are self motivated
	Which of the following is a common entrepreneurial trait?		All of the options are correct	A high need for achievement	A tolerance for ambiguity	Viewing changes as opportunities
	Scanning the environment refers to the process of		nurturing the entrepreneurial spirit.	researching information about the business environment	motivating oneself.	studying entrepreneurship
	Which is not true of entrepreneurs?		See the big picture when others see only the parts	Recognize opportunities that other people do not see	Are primarily motivated by money	Sense that time is passing quickly
	Which of the following has been identified		To build something for the	All of the options are	To gain control over one's life	To use personal skills and

	as a reason for being self employed?		family	correct		abilities
	A person's belief in his capability to perform a task is known as		self-determination.	scanning the environment.	Ethno-cultural beliefs.	self-efficacy.
	Thought self-leadership states that		leaders must think of themselves as everyone's peer.	a person cannot lead if others do not see him as a leader.	people develop habits in the ways they think.	you must learn to lead yourself before you lead others.
	Opportunity thinking is considered		neurotic habit	risky habit.	functional habit	bad habit
	A dysfunctional way of thinking is		opportunity thinking.	obstacle thinking.	optimistic thinking	positive thinking
	Thought patterns affect		choices a person makes.	the way a person processes information	All of the options are correct	perceptions.
	Which of the following is true?		Individuals from different cultural groups do not all become entrepreneurs for the same reason.	Members of some ethnocultural groups have a higher rate of business ownership than other groups	Studies have shown that different cultures have varying values and beliefs.	All of the options are correct
	A habit of opportunity thinking may make a person more likely to		engage in risky behavior	focus on negative aspects of a problem.	have less self-efficacy	pursue entrepreneurship.

	Self-efficacy is a personal belief in		the importance of persistence.	his ability to perform a task.	the importance of perfectionism.	opportunities.
	Which of the following is considered an adaptive-response behavior?		Someone who quits a good job to become an Entrepreneur	An entrepreneur who had planned all his life to own a Business	An immigrant becoming an entrepreneur because of a lack of language and job skills	All of the options are correct
	Advantages of entrepreneurship include		control over personal financial situation	All of the options are correct	autonomy	the challenge of a start-up.
	Advantages of entrepreneurship include		freedom and independence to make decisions.	need for achievement.	need to be a jack of all trades	process of starting a business.
	Small businesses often have little margin for error because		it decreases the entrepreneur's autonomy.	the companies often operate on a thin financial margin.	mistakes are a sign of poor management.	the entrepreneur does not have the skills to turn the company around.
	The historic changes in the world economy of the 1980s and 1990s have been part of		the new world order.	the entrepreneurial-controlled market.	The technosociety.	the free market decline
	Among the changes occurring in the world economy of the 1980s and 1990s include the following;		increasing worldwide competition	thousands of jobs being eliminated	All of the options are correct	technological changes.

	Which is TRUE of entrepreneurship during the 1980s and 1990?		All of the options are correct	It is a major source of vitality in today's world economy.	It has started to emerge.	There has been an unparalleled reduction.
	With regard to the importance of size, the attitude in 1955 seemed to be		with size come great advantages that give a company great strength.	big firms can attract good managers.	big firms are too rigid.	big firms are usually inefficient.
	One of the transformations of business in the new world order is steady growth in		manufacturing.	the Federal government	agriculture.	service industries
	From the mid-50s to the mid-60s some foreign competition began to emerge, and as a result, big business in the United States		went to the government for protection	barely seemed to notice.	immediately panicked.	improved its methods of production
	The vitality of entrepreneurship versus that of big business during recent years has been		about the same	considerably less	greater	less
	The wave of deregulation of the late 1970s changed which of the following industries?		Trucking	All of the options are correct	Communication	Airlines
	The influence of foreign		changed the structure of	been enormous.	given opportunities	All of the options are

	competition and deregulation in our economy during the past 20 to 30 years has		American industry.		to many entrepreneurs	correct
	The deregulation of the late 1970s involved many parts of our economy and		led to a wave of unlawful corporate behavior	were aimed at protecting big firms	were particularly hard on small businesses	resulted in the entry of many small firms into industries that were previously dominated by giant companies.
	Managers who have lost their jobs due to corporate downsizing are likely to become entrepreneurs because		their chances of getting a job as good as the one they lost are slim.	they frequently have considerable experience.	All of the options are correct	they desire independence
	The biggest source of new jobs in recent years has been		large firms	law enforcement	small firms	exporters
	The impact on the individual of the widespread loss of corporate jobs has been		a loss of a sense of security	a greater likelihood to turn to entrepreneurship	All of the options are correct	a reduction in traditional career opportunities.
	The spread of entrepreneurship has been		eliminated in the Soviet Union	concentrated in third world nations.	None of the options apply	limited to developed countries.
	The creation of new ventures has		been stymied by excessive government regulation.	had little impact on the economy.	been the chief source of economic vigor for the last several years in the	a negative correlation with the level of education

					United States.	
	The attitude toward entrepreneurship among decision makers at the World Bank shows that		it is politically unfeasible in almost all of the southern hemisphere.	it doesn't offer much in dealing with problems of the size faced in many areas worldwide.	most nations are not ready for it.	None of the options apply
	Computer and information technology		None of the options apply	seems to be concentrated in Peru.	provides the basis for some ambitious programs to improve the economic lives of groups from many underdeveloped countries	has met some active resistance from farmers in Niger.
	Micro-finance Bank in Nigeria		is based on the idea that capital does not need to be the handmaiden of the rich.	has helped thousands of poor women go into business.	All of the options are correct	has an outstanding repayment record.
	The relationship between economic change and entrepreneurship is		one of incompatibility	unimportant because neither has much impact on the other.	positive because entrepreneurship approaches change as an opportunity rather than a threat.	All of the options are correct
	The popularity of entrepreneurship in the United States is partly as the result of		legislative limits of CEO compensation	corporate downsizing.	inflationary pressures.	foreign competition and the lifting of tariffs.

	The prospect of a long dependable career with a large organization		is something that people cannot count on.	has suffered from frequent announcements of companies reducing their work force.	is slimmer than it was 30 years ago.	All of the options are correct
	Some writers claim that we may see fewer and fewer jobs in our economy in the future because		All of the options are correct	modern technology makes it possible to eliminate many jobs.	unions have campaigned for the elimination of many jobs.	people no longer want the stability that a job provides.
	Until recently, employment in a large corporation usually gives loyal employees assurance of		secure retirement plans.	bright career prospects.	steadily improving earnings and benefits.	All of the options are correct
	The reasons given for downsizing include		Opening up our economy to international competition has brought pressure from low-cost third-world producers.	All of the options are correct	The need to keep costs at the lowest possible level.	Any company with more employees than necessary has costs which make it impossible to survive.
	Critics of the practice of downsizing say		Many executives have bonus plans that are based on cost reductions that require getting rid of many	It is caused more by the greed of top management than by the need of the organization	Many large layoffs have come in firms shortly after record profits have been achieved.	All of the options are correct

			employees.			
	A-----is regarded as the individual who perceives opportunities and takes actions to obtain required resources for the provision of new and improved goods and services		Entrepreneur	Business initiator	A business expert	sole proprietor
	The ability to see the differences among various data and events is called		transformational thinking	divergent thinking	convergent thinking.	illumination
	The following are criteria used for identifying SMEs except		Number of persons employed	The value of investment	Annual turnover	All of the options are correct
	is a government agency that provide local finance		Nigerian bank for commerce and industry	Central bank of Nigeria	Nigeria industrial development bank	All of the options are correct
	NERFUND is a source of medium and long-term loans to SMEs		FALSE	Never	TRUE	At times
	79. The aim of Small Scale Industries Credit Scheme is to provide financial and technical support to the SMEs		FALSE	At times	Never	TRUE
	The following are factors that enhance the		None of the options apply	Lack of depth of the	Inadequate infrastructural base	Poor management practices

	financing of SMEs in Nigeria except			financial system		
	Unfavourable tariff policy is a constraint to the financing of SMEs in Nigeria		FALSE	Never	At times	TRUE
	SSICs was set up in		1972	None of the options apply	1971	1970
	The second tier securities market was established in		1988	1985	1987	1986
	NERFUND was established to provide short term funds for SMEs operating in the area of manufacturing, mining and other ancillary projects		TRUE	FALSE	At times	Never
	The organs of National Directorate of Employment are these except		The Director General	The Board	None of the options apply	The State Advisory committees
	NIPC means-----		Nigerian Industrial Promotion Commission	Nigerian Industrial Promotion Council	Nigerian Investment Promotion Commission	Nigerian Investment Promotion Council
	NEXIM commenced operations in		Sept. 1997	May, 1989	Jan. 1991	June 1987
	SMEDAN services include the following		All of the options are correct	Capability building and promotiona	Business information centres	Business support centres

				l services		
	_____ is a benefit of registration with SMEDAN		Free counseling	Access to business Finance	All of the options are correct	Advocacy
	Microfinance is about providing financial services to the poor who are traditionally not served by the conventional financial institutions.		FALSE	TRUE	At times	Never
	Is the benefits of registration with SMEDAM		Community	Neighborhood	Environment	Society
	The environment does not determine what is possible for the organisation to achieve, the government does		FALSE	TRUE	Never	At times
	Mintzberg (1979) used ---- environmental dimensions to generate the states of environment		5	3	4	2
	Mintzberg (1979) highlighted ____stages of the environment		4	6	3	5
	Which is not a type of environment?		NGA	Simple	Dynamic	Stable
	An environment is when knowledge can be broken down into easily comprehended components.		Complex	Simple	Stable	Dynamic
	A----- is regarded as the individual who		NGA	Entrepreneur	A business expert	sole proprietor

	perceives opportunities and takes actions to obtain required resources for the provision of new and improved goods and services					
	Which of the following is not an Entrepreneurship theory		social cultural theory	Economic theory	Historical theory	NGA
	Entrepreneurship theory see the entrepreneur as the man who perceives business opportunities and takes advantage of scarce resource to use them		Economic theory	Ecological theory	managerial theory	Resource theory
	Which of the following is not entrepreneurship theory		Resource	Experiential theory	innovation theory	Educational theory
	_____ theory is concerned with general level of education in the society		study	Network	educational	structural
	_____theory states the entrepreneur task as creative destruction		Educational	destruction theory	innovation theory	Ecological theory

THE ENTREPRENEUR

TRUE/FALSE

2.1 Experts agree on the definition of *entrepreneur*.

Answer: F

2.2 The earliest reference to the term of entrepreneurship was in the early 1900s.

Answer: F

2.3 The earliest references to the term “entrepreneurship” were developed by management experts.

Answer: F

2.4 Research on entrepreneurs in the later 1990s concerned the entrepreneur’s personality.

Answer: T

2.5 The process of “creative destruction” states that entrepreneurs are a force for change.

Answer: T

2.6 Recently, there has been a focus on defining the entrepreneur by entrepreneurial behavior and actions.

Answer: T

2.7 The entrepreneurial process is relatively rare in the United States.

Answer: F

2.8 The classic entrepreneur is one who starts a new business based on an existing concept.

Answer: F

2.9 The classic entrepreneur is one who develops a new product or idea and builds a business around the new concept.

Answer: T

2.10 The “Big 5” personality trait most associated with entrepreneurship is conscientiousness.

Answer: F

- 2.11 The four spheres of influence on entrepreneurs are the individual, the ethnocultural environment, the circumstances in society, and the entrepreneur's ability to make money.

Answer: F

- 2.12 Experts disagree on whether entrepreneurship can be taught.

Answer: T

- 2.13 Many successful entrepreneurs succeeded only after they had failed several times.

Answer: T

- 2.14 An entrepreneur with an internal locus of control believes that success or failure depends on his/her own actions.

Answer: T

- 2.15 A person with an external locus of control would believe that outside factors (fate, the economy, etc.) determine one's success.

Answer: T

- 2.16 Entrepreneurs usually take high risks.

Answer: F

- 2.17 Entrepreneurs have a high need for achievement.

Answer: F

- 2.18 Self-efficacy is a person's belief in his or her capability to perform a task.

Answer: T

- 2.19 The concept of thought self-leadership states that people who think of themselves as leaders generally become one.

Answer: F

- 2.20 The concept of thought self-leadership states that people develop functional and dysfunctional habits in the ways they think.

Answer: T

- 2.21 According to thought self-leadership, the dysfunctional way of thinking is known

as “obstacle thinking.”

Answer: T

- 2.22 According to thought self-leadership, opportunity thinking is likely to decrease a person’s self-efficacy.

Answer: F

- 2.23 The effects of culture and traits may be intertwined since different cultures have varying values and beliefs.

Answer: T

- 2.24 Culture affects the image or status of entrepreneurs.

Answer: T

- 2.25 If an immigrant becomes an entrepreneur because he or she is unable to find a job, this is an adaptive-response behavior.

Answer: T

- 2.26 Advantages of entrepreneurship include autonomy, the challenge of a start-up, and more control over personal finances.

Answer: T

- 2.27 Disadvantages of entrepreneurship include personal sacrifices, the burden of responsibility, and little margin for error.

Answer: T

- 2.28 Entrepreneurs often work long hours resulting in a strain on family relationships.

Answer: T

- 2.29 For many entrepreneurs the challenge of a start-up provides a significant feeling of achievement.

Answer: T

MULTIPLE CHOICE

- 2.30 Concerning the concept of entrepreneurship and the individual who is called an entrepreneur, there
- a. is substantial disagreement.
 - b. is no disagreement.
 - c. is unanimous agreement.

d. has been little discussion.

Answer: a

- 2.31 The earliest reference to the term entrepreneurship was in the
- a. 1700s.
 - b. 1800s.
 - c. 1900s.
 - d. 21st century.

Answer: a

- 2.32 Early definitions of entrepreneurs were developed by
- a. marketing experts.
 - b. management experts.
 - c. economists.
 - d. personnel managers.

Answer: c

- 2.33 The concept of “creative destruction” states that
- a. entrepreneurs are a force for change.
 - b. entrepreneurship has an uncertain financial return.
 - c. entrepreneurs must risk financial capital.
 - d. entrepreneurs have unique personality traits.

Answer: a

- 2.34 Entrepreneurship has been defined as a process activity that includes
- a. an opportunity.
 - b. an organizational context.
 - c. innovation.
 - d. all of the above.

Answer: d

- 2.35 Which of the following is false?
- a. The entrepreneurial process is common in the United States.
 - b. Entrepreneurial “flashes of genius” are rare.
 - c. Many entrepreneurs start a business while they are employed elsewhere.
 - d. The founders of Hewlett-Packard and Sony Corporation had well-defined product strategies before the companies began operations.

Answer: d

- 2.36 James Collins, the columnist for *Inc.* Magazine suggests that entrepreneurs consider the business the ultimate product. This may be advantageous because
- a. it reduces risk.
 - b. the business is more likely to survive if the first product-concept fails.

- c. it reduces some of the ambiguity related to entrepreneurship.
- d. it increases the entrepreneur's willingness to take risks.

Answer: b

- 2.37 If entrepreneurship is considered a process activity, which of the following is not part of the process?
- a. An opportunity
 - b. Resources
 - c. an organizational context
 - d. All of the above

Answer: d

- 2.38 Entrepreneurial "flashes of genius" are
- a. the basis for most business start-ups.
 - b. rare.
 - c. the basis for most new products.
 - d. common in all entrepreneurs.

Answer: b

- 2.39 Sony Corporation and Hewlett-Packard are examples of companies that
- a. were started with a clear business purpose.
 - b. had a successful start but eventually failed.
 - c. started without a specific business purpose.
 - d. had no start-up risk.

Answer: c

- 2.40 Entrepreneurial activities include
- a. starting a new business based on a new concept.
 - b. starting a new business based on an existing concept.
 - c. buying an existing business.
 - d. all of the above.

Answer: d

- 2.41 If someone starts a convenience food store, this is an example of a(n)
- a. new concept/new business.
 - b. existing concept/new business.
 - c. existing concept/existing business.
 - d. new concept/existing business.

Answer: b

- 2.42 If someone buys a business and does not make any major changes this is an example of
- a. new concept/new business.
 - b. existing concept/new business.

- c. existing concept/existing business.
- d. new concept/existing business.

Answer: c

- 2.43 Which of the following is an influence in determining entrepreneurial behavior?
- a. Individual or self
 - b. Ethnocultural environment
 - c. Circumstances in society
 - d. All of the above

Answer: d

- 2.44 Which of the following is not an influence in determining entrepreneurial behavior?
- a. The individual or self.
 - b. The ethnocultural environment.
 - c. The entrepreneur's relationship with peers.
 - d. Circumstances in society.

Answer: c

- 2.45 Experts
- a. agree that anyone can be taught to be an entrepreneur.
 - b. believe that entrepreneurship can be taught only to someone who is under 20 years of age.
 - c. believe that entrepreneurship can be taught only to those who are over 20 years of age.
 - d. disagree on whether entrepreneurship can be taught.

Answer: d

- 2.46 When vocational counselors help people decide on a career choice they may consider
- a. basic values and beliefs.
 - b. personality traits.
 - c. the person's self-concept.
 - d. all of the above.

Answer: d

- 2.47 The "Big 5" personality characteristic most associate with entrepreneurship is
- a. extraversion.
 - b. conscientiousness.
 - c. agreeableness.
 - d. openness.

Answer: d

- 2.48 The "Big 5" personality trait most associated with entrepreneurship is

- a. openness.
- b. extraversion.
- c. conscientiousness.
- d. neuroticism.

Answer: a

- 2.49 Which of the following is not true concerning entrepreneurs and risk?
- a. They usually take high risks.
 - b. They define risks early in the start-up process.
 - c. They minimize risks to every extent possible.
 - d. They see risk differently than the general public.

Answer: a

- 2.50 If an entrepreneur has an internal locus of control this means that he/she
- a. minimizes risk.
 - b. feels comfortable in an unstructured situation.
 - c. believes that success or failure depends on his/her own actions.
 - d. sees changes as opportunities.

Answer: c

- 2.51 Which of the following is a common entrepreneurial trait?
- a. A passion for the business
 - b. Persistence despite failure
 - c. Self-confidence
 - d. All of the above

Answer: d

- 2.52 It is common for entrepreneurs to learn about an industry before starting a business. This is often done by
- a. reading trade magazines.
 - b. talking to friends.
 - c. going to training programs.
 - d. working for someone else.

Answer: d

- 2.53 People who believe that the economy determines one's success or failure have a(n)
- a. external locus of control.
 - b. money motivation.
 - c. tolerance for ambiguity.
 - d. achievement motive.

Answer: a

- 2.54 Entrepreneurs would best be described as risk

- a. seekers.
- b. avoiders.
- c. managers.
- d. loving.

Answer: c

- 2.55 Walt Disney and Henry Ford are two examples of entrepreneurs who
- a. had a “flash of genius.”
 - b. were financially motivated.
 - c. succeeded only after failing several times.
 - d. were poor managers of risk.

Answer: c

- 2.56 Entrepreneurs
- a. search for change.
 - b. respond to change.
 - c. exploit change as an opportunity.
 - d. all of the above.

Answer: d

- 2.57 Most successful entrepreneurs have a tolerance for ambiguity. This means that they
- a. minimize risk.
 - b. feel comfortable with uncertainty.
 - c. believe that success or failure depends on his/her own actions.
 - d. see changes as opportunities.

Answer: b

- 2.58 Entrepreneurs have a high need for
- a. achievement.
 - b. making money.
 - c. structure.
 - d. taking risks.

Answer: a

- 2.59 If a person feels comfortable even in an uncertain situation the person has a tolerance for
- a. control.
 - b. achievement.
 - c. ambiguity.
 - d. independence.

Answer: c

- 2.60 Entrepreneurs

- a. are self motivated.
- b. have a high need for achievement.
- c. are often perfectionists.
- d. all of the above.

Answer: d

- 2.61 Which of the following is a common entrepreneurial trait?
- a. Viewing changes as opportunities
 - b. A tolerance for ambiguity
 - c. A high need for achievement
 - d. All of the above

Answer: d

- 2.62 Scanning the environment refers to the process of
- a. researching information about the business environment.
 - b. nurturing the entrepreneurial spirit.
 - c. studying entrepreneurship.
 - d. motivating oneself.

Answer:

- 2.63 Which is not true of entrepreneurs?
- a. Sense that time is passing quickly
 - b. Recognize opportunities that other people do not see
 - c. See the “big picture” when others see only the parts
 - d. Are primarily motivated by money

Answer: d

- 2.64 Which of the following has been identified as a reason for being self employed?
- a. To use personal skills and abilities
 - b. To gain control over one’s life
 - c. To build something for the family
 - d. All of the above

Answer: d

- 2.65 A person’s belief in his capability to perform a task is known as
- a. ethnocultural beliefs.
 - b. scanning the environment.
 - c. self-efficacy.
 - d. self-determination.

Answer: c

- 2.66 Thought self-leadership states that
- a. leaders must think of themselves as everyone’s peer.
 - b. you must learn to lead yourself before you lead others.

- c. people develop habits in the ways they think.
- d. a person cannot lead if others do not see him as a leader.

Answer: c

- 2.67 Opportunity thinking is considered a
- a. functional habit.
 - b. bad habit.
 - c. risky habit.
 - d. neurotic habit.

Answer: a

- 2.68 A dysfunctional way of thinking is
- a. obstacle thinking.
 - b. opportunity thinking.
 - c. optimistic thinking.
 - d. positive thinking.

Answer: a

- 2.69 Thought patterns affect
- a. perceptions.
 - b. the way a person processes information.
 - c. choices a person makes.
 - d. all of the above.

Answer: d

- 2.70 Which of the following is true?
- a. Members of some ethnocultural groups have a higher rate of business ownership than other groups.
 - b. Individuals from different cultural groups do not all become entrepreneurs for the same reason.
 - c. Studies have shown that different cultures have varying values and beliefs.
 - d. All of the above.

Answer: d

- 2.71 A habit of “opportunity thinking” may make a person more likely to
- a. engage in risky behavior.
 - b. pursue entrepreneurship.
 - c. have less self-efficacy.
 - d. focus on negative aspects of a problem.

Answer: b

- 2.72 Self-efficacy is a person’s belief in
- a. opportunities.
 - b. the importance of perfectionism.

- c. his ability to perform a task.
- d. the importance of persistence.

Answer: c

- 2.73 Which of the following is considered an adaptive-response behavior?
- a. An immigrant becoming an entrepreneur because of a lack of language and job skills
 - b. An entrepreneur who had planned all his life to own a business
 - c. Someone who quits a good job to become an entrepreneur
 - d. All of the above

Answer: a

- 2.74 Advantages of entrepreneurship include
- a. autonomy.
 - b. the challenge of a start-up.
 - c. control over personal financial situation.
 - d. all of the above

Answer: d

- 2.75 Advantages of entrepreneurship include autonomy. This is the
- a. freedom and independence to make decisions.
 - b. need for achievement.
 - c. need to be a *jack of all trades*.
 - d. process of starting a business.

Answer: a

- 2.76 Small businesses often have little margin for error because
- a. the entrepreneur does not have the skills to turn the company around.
 - b. the companies often operate on a thin financial margin.
 - c. mistakes are a sign of poor management.
 - d. it decreases the entrepreneur's autonomy.

Answer: b

STARUP AND NEW VENTURE MANAGEMENT (303)

MUTIPLE CHOICE QUESTION

1. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information? a. Supplier

b. **Retailer**

c. Competition

d. Government

2. In some countries, points of purchase displays are not allowed in retail stores. Such differences are studied by international entrepreneurs under _____ environment. a. Economic

b. Political

c. **Cultural**

d. Technological

3. Having more than 50% ownership position that provides the entrepreneur with managerial control is called _____.

a. Joint venture

b. **Majority interest**

c. Horizontal merger

d. Diversified activity merge

4. The development of a new venture based on an inventor's work often requires _____. a.

Expertise of an entrepreneur

- b. Heavy investment from financiers
- c. Skilled human resources
- d. Highly educated staff

5. A business where an individual is both the owner and conductor of the business affairs is called _____.

a. Sole Proprietorship

- b. Partnership
- c. Corporation
- d. None of the above

6. In _____, the entrepreneur has the right to sell any assets.

a. Proprietorship

- b. Partnership
- c. Limited Liability Company
- d. None of the given options

7. The idea and actions that explain how a firm will make its profits refers to a.

Mission

- b. Goal
- c. **Strategy**
- d. Objective

8. Entrepreneurs are best as _____
- a. Managers
 - b. Venture capitalists
 - c. Planners
 - d. **Doers**

9. Entrepreneurs and ventures capitalists:
- a. Get along well
 - b. Are the best friends
 - c. Are cordial friends
 - d. **Are in conflict**

10. _____ is one method of stimulating, and then capitalizing on, individuals in an organization who think that something can be done differently and better.

- a) Strategic Orientation
- b) Capitalization
- c) **Intrapreneurship**
- d) Management

11. The _____ plan shows whether the business is economically feasible or not. a. Financial

- b. **Business**
- c. Economic
- d. Marketing

12. In which of the following, the ownership of venture is reflected by ownership of shares of stock?

- a. Partnership
- b. Limited partnership
- c. **Corporation**
- d. Proprietorship

13. Entrepreneurship can best be described as:

- a. a process that requires setting up a business
- b. taking a significant risk in a business context
- c. having a strong vision
- d. **a process involving innovation, new products or services, and value creation**

14. The small business 'owner-manager' is always the founder of the business:

- a. True
- b. **False** (A management buyout is an example of a business where the owner-manager would probably not have been the founder)

15. Which of these statements best describes the context for entrepreneurship:

- a. Entrepreneurship takes place in small businesses
- b. Entrepreneurship does not take place in social enterprises
- c. **Entrepreneurship takes place in a wide variety of contexts**
- d. Entrepreneurship takes place in large businesses

16. Which of the following are described as one of the 'Big Five' personality traits?

- a. propensity to leadership
- b. **need for achievement**
- c. extravert personality
- d. tolerance of others

17. The period of business when an entrepreneur must position the venture in a market and make necessary adjustments to assure survival is called the:

- a. pre-startup stage.
- b. startup stage.**
- c. early growth stage.
- d. later growth stage.

18. Which of the following is a reason why a person might prefer to purchase a franchise rather than open a completely new business?

- a. higher failure rate.
- b. increased independence.
- c. ability to benefit from previous experience.**
- d. reduced royalty fees.

19. MSMED stands to _____

- a. Micro, Small & Medium Enterprises Development**
- b. Mini, Small & Medium Enterprises Development
- c. Micro, Small & Medium Entrepreneurship Development
- d. Micro, Small & Medium Enterprises Department

20. Which of the following is an internal factor that influences entrepreneurs?

- a. Technological Capacity**
- b. Social environment
- c. Political environment
- d. Economic condition

21. _____ requires proper review and reconsideration of the selected alternative before implementing it.

- a. Developing possible alternatives
- b. Selecting the best alternative
- c. Checking the decision**

d. Exploring the developed alternatives

22. Which one of the following is an economic barrier to an entrepreneur?

- a. Emotional blocks
- b. **Labour**
- c. Lack of sustained motivation
- d. lack of vision

23. Which of the following enterprises was found by Akio Morita?

- a. Samsung
- b. Apple
- c. Panasonic
- d. **Sony**

24. _____ can be defined as psychological features that enable an individual to take action toward a desired goal?

- a. **Motive**
- b. Trait
- c. Attitude
- d. Ego

25. _____ implies that women entrepreneurs are now economically independent and take decisions independently.

- a. Better utilization of resources
- b. **Improved quality life**
- c. Economic development
- d. Employment generation

26. Financial feasibility analysis can be done by comparing _____ with the estimated sales figure.

- a. cash flow statement
- b. balance sheet
- c. **break-even point**

d. profit and loss statement

27. Which of the following is not considered while selecting the region?

- a. Law and order
- b. **Price of land**
- c. Availability of raw materials
- d. Proximity to the product market

28. Which one of the following is the step involved in setting up a new enterprises?

- a. Creating a business plan
- b. Making a product choice
- c. Selecting the location
- d. **Setting up infrastructure**

29. The parties involved in franchise business are _____.

- a. 1
- b. **2**
- c. 3
- d. 5

30. If someone starts a new business that is a service station, this is an example of a(n):

- a. new concept/new business.
- b. new concept/existing business
- c. **existing concept/new business.**
- d. existing concept/existing business.

31. If an entrepreneur has an internal locus of control, this means that he/she:

- a. has a high need for achievement
- b. **believes that success or failure depends on his/her own actions.**
- c. feels comfortable in an unstructured situation
- d. believes fate is a powerful force

32. The process of gathering information about trends is called:

- a. need for achievement.
- b. tenacity.
- c. **Trend**
- d. neuroticism

33. The opposite of "opportunity thinking" is:

- a. **obstacle thinking**
- b. thought self-leadership.
- c. self-efficacy.
- d. adaptive response behavior.

34. The startups which rarely go public are called:

- a. Life style
- b. **Foundation company**
- c. Small company
- d. High potential venture

35. Which of the following factor can create the managerial difficulties in the joint ventures between foreign companies?

- a. **Cultural differences**
- b. Economic policies
- c. Public ignorance
- d. Government taxes

36. _____ process of creating incremental wealth is called Entrepreneurship. a.

Static

- b. Continuous
- c. Systematic
- d. **Dynamic**

37. Barriers to new product creation and development are known as:

- a. Trial and error
- b. Opportunity cost
- c. **Opportunity parameters**

d. Intrapreneurship culture

38. Information regarding all of the following is related to operations, EXCEPT:

- a. **Promotion**
- b. Location
- c. Raw materials
- d. Labor skills

39. Which of the following cannot be used as basis of loan?

- a. Worth of the business
- b. Fixed asset
- c. **Perishable asset**
- d. All of the given options

40. Which of the following is the key factor for choosing the type of financing?

- a. Availability of funds
- b. Assets of the venture
- c. Prevailing interest rates
- d. **All of the given options**

41. Entrepreneur actually starts setting up of an enterprise by

- a. Planning
- b. Organizing
- c. Staffing
- d. **Directing**

42. Which of the following is least likely to influence the timing of new business births?

- a. Government policies
- b. **Profitability**
- c. Interest rates
- d. Consumer expenditure

43. Which of the following is usually not a barrier to market entry for a small firm?

- a. economy of scale
- b. **good ideas**

- c. switching costs
 - d. access to distribution
44. Which of the following statements is false? Electronic commerce:
- a. can allow new ventures to compete on more or less equal terms with large firms
 - b. offers a relatively inexpensive means of advertising and conducting market and competitor research
 - c. can lead to small businesses having reduced contact with its customers
 - d. **is rarely used in small businesses**
45. Generally speaking the risk involved in launching as a franchise is greater than that as a start up.
- a. **True**
 - b. False
46. Venture capital firms are usually organized as
- a. closed-end mutual funds
 - b. **limited partnerships**
 - c. corporations
 - d. nonprofit businesses
47. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an _____
- a. inventor
 - b. **opportunist**
 - c. hacker
 - d. craftsman
48. To the _____, physical location does not matter because the Internet allows anyone to link to any Web site no matter where in the world that site might be.
- a. bricks-and-clicks retailer
 - b. **e-tailer**
 - c. bricks-and-mortar retailer
 - d. B-to-G business

49. Being interested in computers, Jim Johnson came up with an idea of personalizing the screen saver programs with family pictures. After trying a couple of programs, Jim started marketing this service to neighbors and area businesses. Jim's activities can be described as a(n)
- entrepreneurship.**
 - intrapreneurship.
 - useless idea.
 - large business.
50. Today, inspired by the growth of companies such as Amazon.com, entrepreneurs are flocking to the _ to start new businesses.
- Small Business Administration
 - Internet**
 - bookstore
 - mall
51. Which of these refers to the belief by individuals that their future is within their control and that external forces will have little influence?
- Awareness of passing time
 - Tolerance for ambiguity
 - Internal locus of control**
 - External locus of control
52. _____ means that people are motivated to excel and pick situations in which success is likely.
- External locus of control
 - Tolerance for Ambiguity
 - Awareness of passing time

- d. **Need to achieve**
53. Marleesha likes to set her own goals, which have an intermediate level of difficulty. Which of the entrepreneurial characteristics does she probably possess?
- a. **A high need for achievement**
- b. A high need for power
- c. An external locus of control
- d. An inability to deal with uncertainty
54. The most cited source of new business ideas is
- a. brainstorming.
- b. **in-depth understanding of industry/profession.**
- c. a hobby.
- d. copying someone else.
- e. none of the above.
55. Before opening his own business, Tanay was writing a report that details the specifics of his ideas and future business operations. This document is known as
- a. a SWOT analysis.
- b. a business portfolio.
- c. **a business plan.**
- d. a competitive analysis.
56. _____ refers to an unincorporated business owned by an individual for profit.
- a. Partnership
- b. **Proprietorship**
- c. Corporation
- d. Association

57. Sangeeta , Kabir, and Ravi started selling computer software on college campuses under the name Student Software Company. Each person contributed Rs.15000/- toward start-up costs and agreed on dividing costs and profits equally. The legal structure for the company can best be described as a
- proprietorship.
 - partnership.**
 - trade alliance.
 - corporation.
58. A group of companies or individuals that invests money in new or expanding businesses for ownership and potential profits is known as
- an equity financing firm.
 - franchising.
 - a venture capital firm.**
 - a corporation.
59. An advantage of which of these tactics is that there is a shorter start-up time and an existing track record?
- Participate in a business incubator
 - Start a new business
 - Buy a franchise
 - Buy an existing business**
60. Which of these refer to an arrangement by which the owner of a product or service allows others to purchase the right to distribute the product or service with help from the owner?
- Franchising**
 - Business incubation
 - Spinning-off
 - Globalization

61. Which of these offers the advantage that the entrepreneur has the ability to develop and design the business in the entrepreneur's own way?
- a. Participate in a business incubator
 - b. **Start a new business**
 - c. Buy a franchise
 - d. Buy an existing business
62. For Internet start-ups, one typical source of first funds is through
- a. stock financing.
 - b. government funds.
 - c. **angel financing.**
 - d. community development financing.
63. The final step in the start-up process is often the
- a. development of partnerships.
 - a. launching the company.
 - b. obtaining venture capital.
 - c. securing government funding.
 - d. **IPO.**
64. Felix is an entrepreneur. At this stage of his company, his main concerns are do we have enough customers and money. What stage of growth is Felix's company in?
- a. **Start-up**
 - b. Survival
 - c. Takeoff
 - d. Resource maturity
 - e. Success
65. Entrepreneurs take the risk of starting a business for all of the following reasons except:

- a. they want independence.
 - b. they like the challenge and the risk.
 - c. they want to make money for themselves.
 - d. **they want to work less.**
66. Steve Jacobi is an entrepreneur to the max. Steve has started three businesses, two of which he sold for a great deal of money. He is now involved in running his third business, with plans to sell it shortly and start yet another one. When commenting on his success as an entrepreneur, he says that once an idea comes to him, he just can't wait to start working on it and bring it to reality, and that is what he focuses on. Which of the traits of successful entrepreneurs does this suggest is characteristic of Steve?
- a. **Action-oriented**
 - b. Self nurturing
 - c. Self-directed
 - d. Tolerant of uncertainty
67. An entrepreneurial team is:
- a. a group of people who work within a corporation to launch new products.
 - b. **a group of experienced people who join together to develop and market a new product.**
 - c. a group from the Small Business Administration which consults with small business owners.
 - d. a group of managers who get together to find creative solutions to problems.
68. Robert Vadera is a business owner who works from home as a freelance video producer. He really enjoys his work, but isn't looking to "set the world on fire" with his company. He just wants to make a good living and spend time with his family when he can. Vadera would be classified as a(n)
- a. entrepreneur.
 - b. intrapreneur.

- c. **micropreneur.**
 - d. venture capitalist.
69. An incubator is:
- a. A government agency that advises and assists small businesses.
 - b. A program through which private investment companies licensed by the S.B.A. lend money to small businesses.
 - c. **A center that offers new businesses low-cost offices with basic business services.**
 - d. A specific geographic area to which governments try to attract private businesses by a variety of means.
70. Indrayani Jungle wants to start a small business importing some products from her native Kenya. Before she starts, some good advice to Indrayani would be:
- a. **talk to others who have been or are in the import business.**
 - b. get a loan right away.
 - c. find a business to buy as soon as possible.
 - d. incorporate immediately.
71. A business plan for a new business does not need to include:
- a. a marketing plan.
 - b. a discussion of the purpose of the business.
 - c. a description of the company background.
 - d. **the name of the lending bank.**
72. The primary concerns when first starting your business are:
- a. marketing and accounting.
 - b. planning and human resources.
 - c. **financing and planning.**
 - d. financing and marketing.

73. What are the primary sources of funding for entrepreneurs?
- personal savings and individual investors**
 - finance companies and banks
 - the Small Business Administration and banks
 - former employers and the Economic Development Authority
74. Kylie is employed by Street Wheels, a large corporation that produces accessories for scooters, bicycles, and other children's vehicles. She is a creative force within the company and has helped launch several new successful products. Kylie is a/an _____.
- Intrapreneur.**
 - Partner
 - Entrepreneur
 - Owner
75. Babba, a licensed real estate broker, received notification that his application for a business loan was denied. The bank refused his request because he failed to provide a blueprint identifying the intended target market and competitive strategy. In order to secure a bank loan Babba evidently needs a:
- bankruptcy lawyer.
 - business plan.**
 - venture capitalist.
 - loan advocate.
76. As a _____ Ronnie searches for firms in need of additional funding to achieve their goals. In return for his investment, Ronnie becomes a part owner in the business. Ronnie operates as a(n):
- investment analyst.
 - venture capitalist.**
 - corporate raider.
 - securities trader.

77. The resistance of employees in an organization against flexibility, growth, and diversification can be overcome by developing:

Entrepreneurship

Intrapreneurship

Managerial domain

Administrative domain

78. Which one of the following is a barrier to new product creation and development?

Trial and error

Opportunity parameter

Opportunity cost

Intrapreneurship culture

79. Factors contribute to the creation of new venture EXCEPT:

Government

Finance

High interest rates

Role models

80. Which one of the following is the process of entrepreneurs developing new products that over time make current products obsolete?

Creative destruction

New business model

Anatomization

None of the given options

81. An entrepreneur doing business within the national border is called:

International entrepreneurship

Intrapreneurship

Domestic entrepreneurship

Imports

82 Which of the following is alternatively called corporate venturing?

Entrepreneurship

Intrapreneurship

Act of stating a new venture

Offering new products by an existing company

83. In which of the following situation the company is considered to be on breakeven point?

No Profit no loss

Profits are higher then expenses

Expenses are higher then profits

None of the given options

84. Licensing is a significant marketing strategy to:

Use intellectual property of others

Pirate others' patents

Grow the business in new markets

Control the costs

85. Which one of the following best represents the environment of an entrepreneurial oriented organization?

Corporate culture

Entrepreneurial culture

Intrapreneurial culture

Traditional culture

86. Individuals who help the entrepreneur in business activities are called:

Role models

Moral support networks

Professional support networks

Business support networks

87. Which one of the following is a business arrangement in which someone else is allowed to use something of the company?

Patent

Trade mark

Copy right

Licensing

88. A patent is granted for a specified amount of time because of the assumption:

That during this time firm will cover its development costs

That firm will earn a sufficient profit during this period

To limit the monopoly of the firm

That it will stimulate idea and development of a better product

89. Which of the followings give the owners a negative right, preventing anyone from making, using, or selling the invention?

Patent

Copyright

Trade mark

Trade secret

90. Which one of the followings statements is NOT true about trademarks?

The entrepreneur cannot file after the mark already been in use

A trademark could be a slogan or a particular sound

Some trademarks have no relationship with the product

The filing date for the trademark becomes the first date use of the mark

91. Which one of the following is the main problem for the entrepreneur in the beginning stages of creating a new venture?

Lack of experience

Limited resources

Lack of education

None of the given options

92. Which one of the factors should be considered while assessing the location for business?

Parking

Access from roadways to facility

Delivery rates

All of the given options

93. Which one of the following is a sound strategic option for an entrepreneur when synergy is present?

Merger

Joint venture

Minority interest

Majority interest

94. Why should an entrepreneur do a feasibility study for starting a new venture?

To see if there are possible barriers to success

To identify possible sources of funds

To estimate the expected sales

To explore potential customers

95. Kent is going to start his own business. He is concerned that the merchandise he wants to carry will go out of style soon after opening his business. Which type of risk must he prepare for?

Human

Incompetence

Natural

Economic

DIMR@pune

Entrepreneurship MCQS Guide

Section 1

1. Which one of the following actions by an entrepreneur is most likely to contribute to creative destruction?
 - A) Development of a new product
 - B) Take-over of a competitor
 - C) Issuing shares
 - D) Reducing prices
2. An advantage of the small firm in the innovation process?
 - A) Ability to carry out R&D
 - B) Ability to raise finance
 - C) Ability of the entrepreneur to carry out multiple tasks
 - D) Ability of the entrepreneur to act on new ideas or product development
3. External links may provide incentives to:
 - A) Raise finance
 - B) Introduce new working practices
 - C) Introduce improvements to products
 - D) Attend business exhibitions
4. Firms located on science parks compared to those located off science parks are:
 - A) More innovative
 - B) Less innovative
 - C) No more or less innovative
 - D) More growth orientated
5. Innovative small firms are more likely in:
 - A) Knowledge-based sectors
 - B) Biotechnology
 - C) Automobile manufacture
 - D) Aerospace manufacture
6. Schumpeter considered that innovative entrepreneurs would:
 - A) Thrive
 - B) Disappear
 - C) Be absorbed within large innovative firms
 - D) Be absorbed within non-innovative firms
7. Innovative entrepreneurs face special issues in raising:
 - A) Development capital
 - B) Structured capital
 - C) Human capital
 - D) Seed capital
8. Innovative entrepreneurs may have to pay high insurance premiums due to the:
 - A) The need to protect patents
 - B) Greater employee liability
 - C) Greater customer liability
 - D) Greater trading risks
9. Networking by innovative entrepreneurs may be most encouraged by?
 - A) Science parks
 - B) Business incubators

- C) Chambers of Commerce
- D) Business associations

10. The most likely problem encountered by innovative entrepreneurs in raising finance is:

- A) Limited security since R&D is an intangible asset
- B) The costs of the patenting system
- C) The exhaustion of personal equity in R&D
- D) Inability of potential external funders to understand technology

Answer of Multiple Choice Questions

1. (A) 2. (D) 3. (C) 4. (C) 5. (A) 6. (C) 7. (D) 8 (A) 9 (B) 10 (C)

1. Which of the following is NOT recognized as a misconception about entrepreneurship?

- A) Successful entrepreneurship needs only a great idea.
- B) Entrepreneurship is easy.
- C) Entrepreneurship is found only in small businesses.
- D) Entrepreneurial ventures and small businesses are different.

2. All of the following are characteristics of small businesses EXCEPT:

- A) Small businesses are independently owned, operated, and financed.
- B) Small businesses have fewer than 100 employees.
- C) Small businesses emphasize new or innovative practices.
- D) Small businesses have little impact on industry.

3. Which of the following is NOT one of the three areas in which the importance of entrepreneurship can be shown?

- A) Innovation
- B) Number of new start-ups
- C) Job creation and employment
- D) bureaucracy

4. The creation of new firms is important because these new firms contribute to economic development through benefits that include all of the following EXCEPT:

- A) Product-process innovation
- B) Increased tax revenues
- C) Unemployment
- D) Social betterment

5. All of the following represent countries in which the highest level of entrepreneurial activity was found EXCEPT:

- A) Australia
- B) Korea
- C) Norway
- D) Japan

6. Positive external trends or changes that provide unique and distinct possibilities for innovating and creating value are called _____.

- A) Strengths
- B) Opportunities
- C) Weaknesses
- D) Threats

7. An individual who has no prior business ownership experience as a business founder, inheritor of a business, or a purchaser of a business is called a(n) _____ entrepreneur.

- A) Habitual
- B) Novice
- C) Serial
- D) Portfolio

8. An individual who has prior business ownership experience is called a(n) _____ entrepreneur.
A) Novice
B) habitual
C) Serial
D) Portfolio
9. All of the following are popular demographic factors about entrepreneurs that have been studied EXCEPT:
A) Self-confidence
B) Gender
C) Education
D) Family birth order
10. The three main responsibilities involved with managing an entrepreneurial venture once its up and running include all of the following EXCEPT:
A) Managing processes
B) Managing people
C) Managing bureaucracy
D) Managing growth

Answer of Multiple Choice Questions

1. (D) 2. (C) 3. (D) 4. (C) 5. (D) 6. (B) 7. (B) 8 (B) 9 (A) 10 (C)

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Section 2

1. An individual who initiates, creates and manages a new business can be called _____.

- A. A leader
- B. A manager
- C. A professional
- D. An entrepreneur

ANSWER: D

2. Someone who improves an existing business can be called _____.

- A. An intrapreneur.
- B. A professional.
- C. A co-worker.
- D. A changeling.

ANSWER: A

3. Which could provide an individual with the motivation to start a new business venture?

- A. The financial rewards.
- B. A desire to be independent.
- C. Risk taking
- D. All the above.

ANSWER: D

4. Which industrial sector tends to naturally promote small-scale businesses and Entrepreneurship, and generally has lower barriers to market entry?

- A. Service.
- B. Manufacturing.
- C. Distribution.
- D. Agriculture.

ANSWER: A

5. The UK government has implemented a number of policies to encourage Entrepreneurship in schools.

One such initiative is _____.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.
- D. Young Initiative.

ANSWER: A

6. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

ANSWER: D

7. Intellectual Property laws can protect _____.

- A. Trademarks.
- B. Copyright.
- C. Patents.
- D. All the above.

ANSWER: D

8. A business arrangement where one party allows another party to use a business name and sell its

products or services is known as _____.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

ANSWER: B

9. Which of the following is the reason for business failure _____.

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

ANSWER: D

10. The use of informal networks by entrepreneurs to gather information is known as _____.

- A. Secondary research.
- B. Entrepreneurial networking.
- C. Informal parameters.
- D. Marketing

ANSWER: B

11. Good sources of information for an entrepreneur about competitors can be Obtained from _____.

- A. Websites.
- B. Product information leaflets.
- C. Company reports and published accounts.
- D. All the above.

ANSWER: D

12. A new venture's business plan is important because _____.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

ANSWER: D

13. Primary data is _____.

- A. the most important data.
- B. the data that is collected first.
- C. new data specifically collected for a project.
- D. data that is collected second.

ANSWER: C

14. Innovation can best be defined as _____.

- A. the generation of new ideas.
- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the successful exploitation of new ideas.

ANSWER: D

15. Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

ANSWER: C

16. Entrepreneurs are motivated by _____.

- A. money.

- B. personal values.
- C. pull influences.
- D. All the above.

ANSWER: D

17. Which of the following is least likely to influence the timing of new business births?

- A. Government policies.
- B. Profitability.
- C. Consumer expenditure.
- D. Weather conditions.

ANSWER: D

18. Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.
- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

ANSWER: D

19. The purpose of all good small business strategy is _____.

- A. to increase turnover.
- B. to increase profitability.
- C. to achieve competitive advantage.
- D. to achieve stated objectives.

ANSWER: D

20. Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?

- A. less satisfaction of the owners.
- B. less help from various agencies.
- C. there are more funds required.
- D. there is a high failure rate.

ANSWER: D

21. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called _____.

- A. an administrator.
- B. a predator.
- C. an auditor.
- D. a turnaround consultant.

ANSWER: A

22. Goods or services reach the market place through _____.

- A. marketing channels.

- B. multilevel pyramids.
- C. monopolies.
- D. multiplication.

ANSWER: A

23. To provide financial assistance to entrepreneurs the government has set up a number of _____.

- A. financial advisors.
- B. financial intermediaries.
- C. Industrial estates.
- D. financial institutions.

ANSWER: D

24. _____ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time

- A. Idea generation.
- B. Opportunity Scanning.
- C. Project.
- D. Strategy.

ANSWER: C

25. Large investment is made in fixed assets, the project will be termed as _____.

- A. Capital Intensive.
- B. Labour Intensive.
- C. Product Intensive.
- D. Market Intensive.

ANSWER: A

26. PERT stands for _____.

- A. Programme Evaluation and Research Techniques.
- B. Project Evaluation and Review Techniques.
- C. Programme Evaluation and Review Techniques.
- D. Project Evaluation and Research Techniques.

ANSWER: C

27. _____ is used to accomplish the project economically in the minimum available time with

limited resources

- A. Project Scheduling.
- B. Network Analysis.
- C. Budget Analysis.
- D. Critical Planning.

ANSWER: A

28. _____ is a form of financing especially for funding high technology, high risk and perceived high reward projects

- A. Fixed capital.
- B. Current capital.
- C. Seed capital.
- D. Venture capital.

ANSWER: D

29. In _____, machines and equipments are arranged in the order or sequence in which they are to be used for manufacturing the product

- A. Factory Layout.
- B. Product Layout.
- C. Process Layout.
- D. Combined Layout.

ANSWER: B

30. The term _____ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units

- A. Incentive.
- B. Subsidy.
- C. Bounty.
- D. Concession.

ANSWER: C

31. The granting of cash subsidy on the capital investment is called _____.

- A. Concessional finance.
- B. Quantum of Subsidy.
- C. Interest Subsidy.
- D. Central Investment Subsidy.

ANSWER: D

32. _____ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: A

33. Decisions taken by an entrepreneur on behalf of his enterprise are known as _____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

ANSWER: A

34. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as _____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

35. _____ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence

ANSWER: C

36. Which of the list below does not form Intellectual Property?

- A. Trade marks.
- B. Patents.
- C. Tangible assets.
- D. Copyright.

ANSWER: C

37. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as _____.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

ANSWER: B

38. What is the role of a Business Angel?

- A. To provide small business advice.
- B. To provide capital for business development in exchange for a stake in the Business ownership.
- C. To set up a franchise business.

D. To assist an entrepreneur to open a lifestyle business.

ANSWER: B

39. Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

ANSWER: B

40. Idea of new product is tested in potential consumers to determine consumer acceptance at _____ stage.

- A. Concept.
- B. Product development.
- C. Test marketing.
- D. Commercialization.

ANSWER: C

42. Which one of the following is not considered as one of the building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- C. business awareness.
- D. personal attributes.

ANSWER: C

43. An entrepreneur who owns more than one business at a time is called _____.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- C. a portfolio entrepreneur.
- D. None of the above.

ANSWER: C

44. Industries producing complete articles for direct consumption & also processing industries is called as _____.

- A. Manufacturing industries.
- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

ANSWER: A

45. _____ is primarily concerned with the identification, qualification and evaluation of the

project resources.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: B

46. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as _____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

47. Decisions which are non-repetitive and novel nature and required to solve unstructured problem is called as _____.

- A. Programmed decisions.
- B. Non-programmed decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: B

48. Seed capital assistance _____.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

ANSWER: B

49. Business means _____.

- A. Commerce.
- B. industry and commerce.
- C. trade and commerce.
- D. selling and buying of goods.

ANSWER: B

51. Promoter is a person who _____.

- A. takes part in the incorporation of a company .
- B. is a director.
- C. is a relative of the managing director.
- D. works to publicity to the company.

ANSWER: A

52. Business risks can be _____.

- A. avoided.
- B. reduced.
- C. ignored.
- D. erased.

ANSWER: B

53. The oldest form of business organization is _____.

- A. Partnership.
- B. sole proprietorship.
- C. joint stock company.
- D. co-operative undertaking.

ANSWER: B

54. Memorandum of association of a firm contains _____.

- A. rules regarding the internal management of the company.
- B. rules regarding the constitution and activities of the company.
- C. rules regarding the external management.
- D. rules regarding the constitution.

ANSWER: B

55. A person owning and running a small firm, is known as _____.

- A. A manager-owner.
- B. An owner-manager.
- C. A professional adapter.
- D. An enterprise worker.

ANSWER: B

56. Which of the following is a characteristic typical of _____? Most entrepreneurs

- A. Choose high risk ventures.
- B. Choose low risk ventures.
- C. Choose moderate (or calculated) risk ventures.
- D. Choose no risk ventures.

ANSWER: C

57. The UK government has implemented a number of policies to encourage Entrepreneurship in schools.

One such initiative is _____.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.
- D. Young Initiative.

ANSWER: A

58. One of the disadvantages of a franchise business for a franchisee is _____.

- A. Lack of independence.
- B. Franchise businesses typically have a high failure rate.
- C. Lack of brand identity.
- D. Training is not normally provided by the franchisor.

ANSWER: A

59. The Markets and Competitors section of a business plan should contain _____.

- A. A statement of the target market.
- B. The size of each market segment.
- C. The key characteristics of buyers in each business segment.
- D. All the above.

ANSWER: D

60. As a new company grows, the entrepreneur will need to _____.

- A. be responsive to changes in the market.
- B. ensure financial controls are maintained.
- C. build a management team.
- D. all the above.

ANSWER: D

61. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier.
- B. Retailer.
- C. Competition.
- D. Government bureau.

ANSWER: B

62. Entrepreneurship can best be described as _____.

- A. a process that requires setting up a business.
- B. taking a significant risk in a business context.
- C. having a strong vision.
- D. a process involving innovation, new products or services, and value creation.

ANSWER: D

63. Every entrepreneur should draw an ----- for his project to ensure the timely completion of all activities involved in setting up an enterprise.

- A. cost structure
- B. implementation plan
- C. market structure
- D. production structure

ANSWER: B

64. Entrepreneurial development is the key to achieve all-round ----- through acceleration of industrial and entrepreneurial activities.

- A. economic development
- B. increase in profits
- C. shareholders value
- D. business development

ANSWER: A