

# Quiz #1 Review

## ENT2112 Chapter 1-4

1. What is the academic definition of Entrepreneurship?  
**Entrepreneurship is the process of. doing something new and something different for the purpose of creating wealth for the individual and adding value to society.**
2. What are the three primary reasons that people become entrepreneurs and start their own firms?  
**They want to be their own boss:**  
**Pursue their own ideas:**  
**Pursue financial rewards:**
3. What are the four primary characteristics of successful entrepreneurs?  
**Ambition and self-confidence.**  
**Willingness to take a leap of faith.**  
**Ability to learn from mistakes.**  
**Trust in and respect for the team.**
4. What are the five myths about entrepreneurs?  
**Entrepreneurs are born, not made**  
**Entrepreneurs are gamblers**  
**Entrepreneurs are primarily motivated by money**  
**Entrepreneurs should be young and energetic**  
**Entrepreneurs love the spotlight**
5. What are the types of start-up firms?  
**Lifestyle Startups: Self-employed folks. ...**  
**Small Business Startups: Feeding the Family. ...**  
**Scalable Startups: Born to Be Big. ...**  
**Buyable Startups: Born to be bought. ...**  
**Large Company Startups: Innovate or die. ...**  
**Social Startups: Mission - Difference.**
6. What type of firm creates a substantial number of net new jobs in the United States?  
**Small businesses**

7. What are the four essential qualities of an opportunity?

**Attractive, Timely, Durable, Anchored In an existing product and or service**

8. What are the three ways to identify an opportunity?

**Observing Trends, solving a problem, finding gaps in the market**

9. What are the four most important trends?

**Economic Forces, Social Trends, Technological Advances, Political Action and Regulatory Changes.**

10. What are the characteristics that tend to make some people better at recognizing opportunities than others?

**Prior Industry Experience, Cognitive Factors, Social Factors, Creativity**

11. What are the five steps to generating creative ideas?

**Creativity, Preparation, Incubation, Insight, Evaluation.**

12. In the Opportunity Recognition Process, what two areas are combine to make a business, product, or service opportunity gap that creates a new business?

**Environmental trends, and personal characteristics of an entrepreneur.**

13. What is a feasibility analysis?

**An assessment of the overall appeal of a product or service being proposed**

14. What are the four forms of a feasibility analysis?

**Operational feasibility**

**Technical feasibility**

**Economic feasibility**

**Schedule feasibility**

15. What is the purpose of product / service feasibility analysis?

**To gauge consumer interest in a product, and assess its potential demand.**

16. What are the three steps to assessing product/service demand?

**Concept testing**

**Demand assessment**

**Speaking to potential customers**

17. What is the purpose of industry/target market feasibility analysis?

**To assess the overall appeal of an industry and the target market of a product or service being proposed.**

18. What is the purpose of organizational feasibility analysis?

**To assess whether or not a proposed business has the resources and organization to succeed.**

19. What are the components of a financial feasibility analysis?

**To assess if a proposed business has enough money to succeed and become profitable**

20. What is a business model?

**a firm's plan for how it creates, delivers, and captures value for its shareholders**

21. What are some examples of standard business models?

**Advertising business model (youtube), Auction business model (eBay), Franchise business model (McDonald's)**

22. What are some examples of disruptive business model?

**Google, who relies on advertisements within their web searches tailored for specific consumers**

**Uber, for connecting drivers with riders, where drivers stay independent and are not official employees**

23. What are the four components of Barringer/Ireland's Business Model Template?

**Core strategy (how you will carry out your business)**

**Business mission (What is your goal for your business)**

**Basis of differentiation (how you are different)**

Target market (who you are selling to)

24. The company's basis of differentiation is...?

**How a business sets itself apart from others**

25. Why is it important that a firm's most important resources must be both difficult to imitate and hard to find a substitute for?

**To eliminate competition in the market, and make it hard for aspiring businesses to overtake you. Think of Uber and the amount of drivers they have.**