**MCQ on Entrepreneurship:**

**1. Characteristics of Self-Help Groups are\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) SHG comprises 15-20 members & non-partisan in nature

b) Members should belong to the same economic strata of society

c) Rational leadership should be encouraged for the distribution of power

d) All of these

**Answer: d**

**2. A small-scale entrepreneur is\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) A formal-sector entrepreneur with 11 to 50 employees

b) A formal-sector entrepreneur with 11 to 49 employees

c) A formal-sector entrepreneur with 16 to 49 employees

d) A formal-sector entrepreneur with 16 to 50 employees

**Answer: b**

**3. The following are myths related to entrepreneurs….**

a) Entrepreneurs are born not made

b) Entrepreneurs are doers and not thinkers

c) Entrepreneurs are gamblers

d) All of the above

**Answer : d**

**4. The following critical risks are\_\_\_\_\_\_\_\_**

a) Financial and physical risk  b) Career risks and family risk

c) Psychological risks

d) All of the above

**Answer: d**

**5. What are the policies that influence access to finance in the context of Innovative entrepreneurship?**

a) Debt financing

b) Venture capital

c) Business Angels

d) All of these

**Answer: d**

**6. ‘Angels usually provide which type of financing?**

a) Debt

b) Equity

c) Stock

d) None of these

**Answer: b**

**7. Which of the following possible financing options has become a popular choice for entrepreneurs?**

a) Angel investor

b) Credit cards

c) Venture capital

d) Public Offering

**Answer: b**

**8. An entrepreneur’s primary motivation for starting a business is\_\_\_\_\_\_\_\_\_\_\_**

a) To make money

b) To be independent

c) To be famous

d) To be powerful

**Answer: b**

**9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ actions by an entrepreneur are most likely to contribute to creative destruction.**

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a) Development of a new product

b) Take-over of a competitor

c) Issuing shares

d) Development of a new product

**Answer: d**

**10. The resistance of employees in an organization against flexibility, growth, and diversification can be overcome by developing\_\_\_\_\_\_\_\_\_\_\_\_\_.**

a) Entrepreneurship

b) Managerial domain

c) Intrapreneurship

d) Administrative domain

**Answer: c**

**11. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ shows the process of creating something new.**

a) Innovation

b) Business model

c) Modeling

d) Creative flexibility

**Answer: a**

**12. High potential venture\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) has the same growth potential as a lifestyle firm

b) starts out like a lifestyle firm+

c) drawing the interest of private investors only

d) None of these

**Answer: D**

**13. An entrepreneurship primary motivation for starting a business is\_\_\_\_\_\_\_\_\_\_\_**

a) To make money

b) To be independent

c) To be famous

d) To be powerful

**Answer: b**

**14. …………….. actions by an entrepreneur most likely to contribute to creative destruction.**

a) Development of a new product

b) Take-over of a competitor

c) Issuing shares

d) Development of an organization

**Answer: a**

**15. ……………….. Shows the process of creating something new.**

a) Innovation

b) Business model

c) Modeling

d) Creative flexibility

**Answer: a**

**16. The activity which occurs when the new venture is started is called -**

a) Motivation

b) Business skills

c) Departure point

d) Goal orientation

**Answer: c**

**17. Having less than 50 percent of equity share in an international venture is called) Minority interest**

b) Joint venture

c) Majority interest

d) Exporting

**Answer: a**

**18. Bankers say that most businesses fail because of the \_\_\_\_\_\_\_\_\_ inability to plan properly.**

a) Investors

b) Marketers

c) Entrepreneurs

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d) Consultants

**Answer: c**

**19. Industry analysis should include information on:**

a) Market size of competitor’s product

b) Growth rate of suppliers

c) New product entry

d) Economic conditions

**Answer: d**

**20. What is the most common reason given for why people choose to become entrepreneurs?**

a) To make a lot of money.

b) To escape the long hours associated with corporate jobs.

c) To be their own boss.

d) To be able to retire early.

**Answer: c**

**21. \_\_\_\_\_ is the position of a firm on a continuum ranging from highly conservative to highly entrepreneurial**.

a) Risk tolerance

b) Entrepreneurial intensity

c) Inventiveness

d) Organizational bureaucracy

**Answer: b**

**22. Some entrepreneurs report that the financial rewards associated with entrepreneurship can be bittersweet if they are accompanied by\_\_\_\_\_\_\_\_.**

a) modest upside potential

b) the thrill of starting a business

c) motivating factors

d) losing control of the firm

**Answer: d**

**23. Entrepreneurs are…………………………**

a) Moderate risk taker

b) High-risk taker

c) Avoidance

d) Both b & c

**Answer: a**

**24. EDP ( Entrepreneurship Development( Programmes) is required to help –**

a) Existing entrepreneurs

b) First generations of entrepreneurs

c) Future generation entrepreneurs

d) None of the above

**Answer: c**

**25. Fiscal and monetary measures to stimulate investment in private & public sector includes\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) Lowering the rate of interest

b) Tax reduction & Public Expenditure

c) Price policy & Abolition of monopoly

d) All of these

**Answer : d**

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

a) To see if there are possible barriers to success

b) To identify possible sources of funds

c) To estimate the expected sales

d) To explore potential customers

**Answer: a**

**27. Which of the following factor has allowed small companies to act like they are big ones?**

a) Technology

b) Customers

c) Economic development

d) Competition

**Answer: a**

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**28. A Micro Entrepreneurs are\_\_\_\_\_\_\_\_\_**

a) A formal-sector entrepreneur with zero to 10 employees

b) A formal-sector entrepreneur with 1 to 10 employees

c) A formal-sector entrepreneur with zero to 15 employees

d) A formal-sector entrepreneur with 1 to 15 employees

**Answer: a**

**29. Entrepreneurship can be defined as\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a)  The act of initiating, creating, building, expanding, and sustaining a venture and gathering The necessary resources to exploit an opportunity in the marketplace for long-term wealth and capital gain

b)  The act of creating, building, expanding, and sustaining a venture, building an entrepreneurial team, and gathering the necessary resources to exploit an opportunity in the marketplace for long-term wealth and capital gain

c)  The act of initiating, creating, building, expanding, and sustaining a venture, building an entrepreneurial team, and gathering the necessary resources to exploit an opportunity in the marketplace for long-term wealth and capital gain

d) None of the Above

**Answer: c**

**30. A women Entrepreneur is supposed to have a minimum financial interest in the share capital of the entrepreneurial enterprise:**

a) 35 percent

b) 51 percent

c) 25 percent

d) None of the above

**Answer: b**

**31. Sustainability of entrepreneur development depends on factors like\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) Technical skills

b) Technology

c) Organizational sustainability

d) All of these

**Answer : d**

**32. In terms of innovative business the five policy includes \_\_\_\_\_\_\_\_\_\_\_\_**

a) Private sources of funding, Debt financing, Venture capital, Business

angels, subsidies, and grants from governments

b) Equity shares, Preference shares, debentures, mutual funds, and Insurance

c) Equity shares, private sources, preference shares, debentures, and capital

investment

d) None of these

Answer: a

**34. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are the informal associations of people who choose to come together to find ways to improve their living condition**

a) NGO

b) Self-Help Groups

c) Private companies

d) None of these

**Answer: b**

**35. The activity which occurs when the new venture is started is called:**

a) Motivation

b) Business skills

c) Departure point

d) Goal orientation

**Answer: C**

**36. Having less than 50 percent of equity share in an international venture is called:**

a) Minority interest

b) Joint venture

c) Majority interest

d) Exporting

**Answer: a**

**37. Which of the following is alternatively called corporate venturing?**

a) Entrepreneurship

b) Intrapreneurship

c) Act of starting a new venture

d) Offering new products by an existing company

**Answer: b**

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**38. Individuals influencing an entrepreneur’s career choice and style are known as which of the following?**

a) Role model

b) Moral-support network

c) Professional support network

d) Support system

**Answer: a**

**39. Industry analysis should include information on –**

a) Market size of competitor’s product

b) Growth rate of suppliers

c) New product entry

d) Economic conditions

**Answer: d**

**40. We need to update the business plan because**

a) Environmental factors and internal factors can change the direction of the plan

b) Goals set by the entrepreneurs may be unreasonable

c) Goals may not be measurable

d) Goals may not be specific

**Answer: a**

**41. From the following which one is not a classification of entrepreneurs according to the types of business?**

a) Wholesale trade

b) Retail trade

c) Exporter

d) Rural entrepreneur

**Answer: d**

**42. What is the process by which individuals pursue opportunities without regard to resources they currently control?**

a) Startup management

**b) Entrepreneurship**

c) Financial analysis

d) Feasibility planning

**Answer: b**

**43. Entrepreneurs typically form\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

a) Service businesses

b) Manufacturing companies

c) Constructive companies

**d) A variety of ventures**

**Answer: d**

**44. Which of the following is NOT a common myth about entrepreneurs?**

**a) Everyone has the potential to be an entrepreneur.**

b) Entrepreneurs are born, not made.

c) Entrepreneurs are gamblers.

d) Entrepreneurs love the spotlight.

**Answer: a**

**45. Influence on innovation and job creation best typifies entrepreneurial firms'\_\_\_\_\_\_\_\_.**

a) Impact on society

**b) Economic impact**

c) Impact on larger firms

d) Impact on the environment

**Answer: b**

**Frequently Asked Questions on Entrepreneurship**  :

**1. What is the Importance of Entrepreneurship?**

**Answer**: Entrepreneurship has the following importance

1. Entrepreneurship increases employment opportunities, which can reduce the problem of unemployment.
2. Monopoly can be reduced only by developing entrepreneurship
3. Capital is earned only through entrepreneurship
4. Earning money through entrepreneurship can increase your business further
5. The economic condition of the country and the progress of the country can be increased only through entrepreneurship.
6. Entrepreneurship is also helpful in the progress of other areas of the country.

**2. What are the Qualities of a successful entrepreneur?**

**Answer**: successful entrepreneur should have the following characteristics or qualities :

1. Ability to identify the right opportunity and take advantage of it.

2. Understanding the importance of time and being punctual to work on time

3. Ability to understand right and wrong and make the right decisions

4. Having faith in yourself

5. Always focus on growing your business

6. Ability to take risks.

7. Using new technology in your business and moving forward the business.

8. Efficient in arranging and managing well.

9. Doing everything with planning.

10. To give good work training to your employees about work.

11. Taking the right decision at the time of risk (disaster).

12. The ability to complete the task once a decision is made.

13. Ability to deal with future problems

14. Learning from your own and others' experience

15. To meet the demand according to the market.

**3. What are the Reasons for the failure of the entrepreneur.**

**Answer**: An entrepreneur starts an enterprise with a thought, but still he does not find the enterprise successful. The main reasons for the failure of an entrepreneur can be as follows.

1. Lack of capital.
2. Choosing the wrong business.
3. Not having proper management. 4 - Lack of raw materials.
4. Lack of proper knowledge of marketing.
5. Selecting the wrong employees.
6. The price of the product (commodity) is high.
7. Selection of an inappropriate location.
8. Not to advertise.
9. Using old technology.

**4. What are the main Entrepreneurial potentials?**

**Answer**: An entrepreneur to be successful, it is necessary to have the following abilities.

1. Thinking of adopting new products and new opportunities by thinking differently from the job.
2. Always fulfilling your goal.
3. Completing any work in a phased manner.
4. Knowing about problems and having the ability to solve problems.
5. To meet the demand according to the market.
6. Keeping the minimum cost and selling the product at the maximum price.
7. Monitoring all the work happening in the enterprise properly.
8. Maintaining the quality of work.
9. Identifying the right opportunity and taking advantage of it.
10. Maintaining confidence.