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| *Indicate the answer choice that best completes the statement or answers the question.* |

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| 1. Felix lost his job at an investment firm because of downsizing during a period of recession. To keep himself financially stable, he opened a food truck that became a huge success. Which of the following advantages of entrepreneurship initially motivated Felix to start the food truck?   |  |  |  | | --- | --- | --- | |  | a. | Survival | |  | b. | Independence | |  | c. | Flexibility | |  | d. | Challenge | |

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| 2. Neman, a single parent, quit his job and started a small independent business because he was unable to give adequate attention to his child. Being an entrepreneur gives him the freedom to give undivided attention to his child without jeopardizing his work. Which of the following advantages of entrepreneurship is highlighted in the given scenario?   |  |  |  | | --- | --- | --- | |  | a. | Greater financial success | |  | b. | Flexibility | |  | c. | Greater challenge | |  | d. | Survival | |

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| 3. Samuel has an innovative idea for better disposal of garbage. Hence, he starts a business to implement this idea that he believes will succeed. He is also aware of the risks involved in starting the business. However, Samuel puts in only six hours a day into building his business. Some days, he finds it difficult to put in any time at all. Which of the following entrepreneurial characteristics does Samuel lack?   |  |  |  | | --- | --- | --- | |  | a. | Energy | |  | b. | Confidence | |  | c. | Tolerance of uncertainty | |  | d. | Self-reliance | |

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| 4. Which of the following is a characteristic of successful entrepreneurs?   |  |  |  | | --- | --- | --- | |  | a. | Tolerance of uncertainty | |  | b. | Superciliousness | |  | c. | Apathy | |  | d. | Intolerance of failure | |

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| 5. In the context of protecting your start-up, \_\_\_\_\_ means using metrics, creative strategies, and state-of-the-art technology to accelerate the advancement of your brand, service, or product far beyond the norm.   |  |  |  | | --- | --- | --- | |  | a. | growth hacking | |  | b. | crowdfunding | |  | c. | activity-based costing | |  | d. | backscratching | |

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| 6. Gemini Inc., a large conglomerate, offered Timothy's new logistics company the much required financial support in exchange for a 40% ownership in the company. It also provided Timothy with an experienced group of people to help him make crucial decisions for the company. In the given scenario, which of the following statements is true of Gemini Inc.?   |  |  |  | | --- | --- | --- | |  | a. | It is an angel investor. | |  | b. | It is a venture capital firm. | |  | c. | It is a sole proprietor. | |  | d. | It provides commercial loans. | |

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| 7. Runion Bank is well-known for providing funds to start-ups. The bank lends money to an entrepreneur at an interest rate of 5%, which is to be repaid only after the business earns a sizable profit. If the business fails, then only the primary amount needs to be returned. In the given scenario, which of the following statements is true of Runion Bank?   |  |  |  | | --- | --- | --- | |  | a. | It is a venture capital firm. | |  | b. | It is an angel investor. | |  | c. | It provides commercial loans. | |  | d. | It helps entrepreneurs in the process of crowdfunding. | |

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| 8. Ronit has been involved in many start-up projects. However, none of his ventures have been successful because of severe competition in the market and personal issues such as poor health and lack of dedication. Which of the following threats is highlighted in the given scenario?   |  |  |  | | --- | --- | --- | |  | a. | Too little money | |  | b. | Lack of knowledge | |  | c. | High risk of failure | |  | d. | Bigger regulatory burden | |

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| 9. Herbert uses prominent social media websites to promote his newly opened restaurant. He constantly posts promotional offers and provides coupons that customers can redeem to avail discounts when they dine in the restaurant. The opportunity of \_\_\_\_\_ is highlighted in the given scenario.   |  |  |  | | --- | --- | --- | |  | a. | providing personal customer service | |  | b. | using technology | |  | c. | having lower labor costs | |  | d. | exploiting market niches | |

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| 10. Mauve starts a business that specializes in procuring and selling antique items. Her business caters specifically to individuals who have high-income jobs and who like collecting unique artifacts. Mauve does not have much competition and can decide the prices of her products without any external influence. The opportunity of \_\_\_\_\_ is highlighted in the given scenario.   |  |  |  | | --- | --- | --- | |  | a. | providing personal customer service | |  | b. | exploiting market niches | |  | c. | using technology | |  | d. | having lower overhead costs | |

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| 11. Michael wants to launch a new product. He creates a website specifically for this on the Internet and uploads a short video demonstration of his product on the website. He also appeals to the viewers to make donations to help him start production. People respond well to his idea and help him collect enough financial resources to start his business. The opportunity of \_\_\_\_\_ is highlighted in the given scenario.   |  |  |  | | --- | --- | --- | |  | a. | exploiting a market niche | |  | b. | providing personal customer service | |  | c. | having lower overhead costs | |  | d. | using technology | |

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| 12. Which of the following statements is true of a business plan?   |  |  |  | | --- | --- | --- | |  | a. | It should not consider the competition. | |  | b. | It should be finalized before approaching personal funding sources. | |  | c. | It includes an executive summary, which is at least 10 pages long. | |  | d. | It is absolutely crucial for obtaining outside funding. | |

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| 13. The Small Business Administration (SBA) supports the \_\_\_\_\_, which provides free, comprehensive counseling for small businesses from qualified volunteers.   |  |  |  | | --- | --- | --- | |  | a. | Service Corps of Retired Executives | |  | b. | Center for Strategic and International Studies | |  | c. | American Veterans Center | |  | d. | Humane Society of the United States | |

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| 14. According to the Global Entrepreneurship Monitor (GEM), the most effective way to evaluate entrepreneurship levels is by phase. A country's total early-phase entrepreneurship rate includes the:   |  |  |  | | --- | --- | --- | |  | a. | percentage of adults who have been running their own business from three months to 3.5 years. | |  | b. | number of middle-aged workers who have turned into necessity entrepreneurs after being laid off from their corporate jobs. | |  | c. | percentage of millennials who have decided to start their own venture after retirement. | |  | d. | number of adults who have proven their entrepreneurship capabilities despite repeated failures. | |

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| 15. Small firms tend to be effective innovators for a number of reasons. Most importantly, their very reason for being often ties to:   |  |  |  | | --- | --- | --- | |  | a. | a brand-new idea. | |  | b. | a large span of control. | |  | c. | a search for crowdfunders. | |  | d. | the presence of bureaucracy. | |

**Answer Key**

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| 2. b |

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| 3. a |

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| 4. a |

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| 5. a |

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| 6. b |

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| 7. c |

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| 8. c |

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| 9. b |

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| 10. b |

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| 11. d |

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| 12. d |

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| 13. a |

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| 14. a |

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| 15. a |