ATD LEVEL I ENTREPRENEURSHIP AND COMMUNICATION

Time Allowed: 2 hours.

1. Which one of the following types of entrepreneurs focus on opportunities that others may overlook? (2 marks)

A. Imitative entrepreneur

B. Fabian entrepreneur

C .Opportunistic entrepreneur

D. Social entrepreneur

ANSWER: C

2. Which one of the following statements BEST describes the purpose of a customer needs assessment in marketing? (2 marks)

A. To determine the price point at which a product should be sold to customers

B. To identify customer preference, expectations and problems in product development

C. To create advertisements that appeal to customers’ emotions

D. To establish the number of competitors in the market a business operates in

ANSWER: B

3. Which one of the following outcomes is a result of a strong entrepreneurial culture? (2 marks)

A. Increased adaptability to market changes

B. Reduction in employee retention rate

C. Increase in employee’s opportunities

D. Standardization across all departments

ANSWER: A

4. Which one of the following disadvantages could be faced by Fabian entrepreneurs? (2 marks)

A. Risk of financial overextension

B. Loss of market opportunities

C. Lack of operational consistency

D. Over-reliance on innovative practices

ANSWER: B

5. Which one of the following features describes the nature of an entrepreneurial opportunity? (2 marks)

A. Fixed and predictable, requiring no significant adaptation

B. Dynamic and evolving with changing market conditions

C. Based on intuition, with no data or research involved

D. Relevant when business faces minimal competition

ANSWER: B

6. The business-level environment refers to . (2 marks)

A. internal and external forces that affect the operations of an individual business

B. government policies and international regulations impacting the market

C. social trends that do not directly influence market demand

D. external forces such as natural disasters that impact industry-wide supply chains

ANSWER: A

7. Which one of the following terms represents a way of generating business ideas by modifying existing concepts to new situations? (2 marks)

A. Market research

B. Diversification

C. Franchising

D. Market adaptation

ANSWER: D

8. Which one of the following regulatory challenges is experienced by entrepreneurs? (2 marks)

A. Complex and evolving legal requirements

B. Understanding government policies entirely

C. Relying on outdated industry standards

D. Relating with enforcers of taxation laws

ANSWER: A

9. Which one of the following conditions must be met by businesses that use debt financing? (2 marks)

A. Seek funding from multiple investor sources

B. Repay according to the agreed-upon terms

C. Share profits with external stakeholders

D. Provide a detailed business plan to get funding

ANSWER: B

10. Which one of the following statements illustrates the voting rights of members in a cooperative?(2 marks)

A. Survey results from current customers

B. Government census data on population

C. Interviews with potential customers

D. Personal opinions from focus groups

ANSWER: B

11. Which one of the following positioning strategies is based on its utility and performance? (2 marks)

A. Emotional positioning

B. Price-based positioning

C. Functional positioning

D. Psychological positioning

ANSWER: B

12. Which one of the following factors is a barrier to developing an intrapreneurial culture? (2 marks)

A. Overly flexible work environment

B. Fear of failure and risk-aversion

C. Decentralised decision-making

D. Transformational leadership

ANSWER: B

13. Which one of the following statements BEST defines an acquisition as an expansion strategy? (2 marks)

A. A company merging with another to form a new entity

B. A company purchasing or gaining control over another company or its assets

C. A company expanding its operations without any external involvement

D. A company selling its assets to another business for a profit

ANSWER: B

14. The following are characteristics of business owners: (2 marks)

(i) Aims to create a lasting impact and legacy.

(ii) Aims to serve a specific local market.

(iii) Prefer proven business model to minimize risk.

(iv) Often seek venture capital and angel investment.

(v) Take high risks that have potential for high rewards.

(vi) Have no plan or strategy to exit the business.

Which one of the following sets of characteristics distinguishes a small business owner from an entrepreneur? (2 marks)

A. (i), (iv), (v)

B. (iii), (iv), (vi)

C. (ii), (iii), (iv)

D. (ii), (iii), (vi)

ANSWER: B

15. Which one of the following statements explains the reason why observing trends is important in identification of a business opportunity? (2 marks)

A. Creates awareness into emerging customer needs

B. Helps reduce risks associated with a new business

C. Guarantees success of a business venture

D. Helps in increasing customer demand

ANSWER: D

16. Which one of the following statements is a business-level source of entrepreneurial opportunity? (2 marks)

A. Leveraging personal skills and hobbies

B. Changes in international laws

C. Customer complaints and suggestions

D. Emergence of new advanced technology

ANSWER: A

17. A prototype refers to . (2 marks)

A. a new product that has no market competition

B. a sample of a product used for sales promotion

C. basic version of a product used in market testing

D. a new business idea with a proven track record

ANSWER: C

18. Which one of the following factors could determine the success of a new manufacturing venture? (2 marks)

A. Wealth of the owner

B. Large size of the factory

C. Unique value proposition

D. Presence of strong competition

ANSWER: C

19. Which one of the following benefits could accrue to an entrepreneur from venturing in a partnership form of business ownership? (2 marks)

A. Sharing of space

B. Sharing of profits

C. Sharing of taxes

D. Sharing unlimited liability

ANSWER: C

20. Which one of the following examples represent a vertical merger? (2 marks)

A. A supermarket chain merging with a competing supermarket chain

B. A furniture producer merging with a clothing retailer

C. A book publisher merging with a bookshop chain

D. A local bank merging with a foreign larger bank

ANSWER: B

21. The objective of regularly updating a business plan is to . (2 marks)

A. reflect changes in the business environment

B. allocate enough time to write a detailed plan

C. ensure use of professional language

D. help in understanding specific customer needs

ANSWER: C

22.Which one of the following examples represents psychographic segmentation of a market? (2 marks)

A. Offering herbal products to health-conscious individuals

B. Offering loyalty programs to repeat customers

C. Adjusting offerings to the needs of different locations

D. Selling toys to parents with young children

ANSWER: A

23. In relation to marketing, artificial intelligence chatbots are used in . (2 marks)

A. data collection

B. data analytics

C. customer engagement

D. customer needs analysis

ANSWER: A

24. Which one of the following examples refers to encoding in the communication process? (2 marks)

A. Manager interpreting a letter sent by an employee

B. Team member voicing his response during a meeting

C. Speaker choosing appropriate words to convey ideas

D. Journalist sharing a report through a news portal

ANSWER: C

25. Which one of the following statements explains a way of achieving the principle of “consideration” in communication? (2 marks)

A. Tailoring the message to the audience level of understanding

B. Ensuring the message captures the attention of audience

C. Using non-verbal signals in all types of formal communication

D. Regularly modifying the message conveyed to the receiver

ANSWER: C

26. Which one of the following refers to intrapersonal communication? (2 marks)

A. Conversation between friends

B. Team meetings and presentations

C. Interactions at social events

D. Reflecting on past experiences

ANSWER: A

27. Which one of the following elements are vocal cues used in communication? (2 marks)

A. Tone, pitch, volume and pace

B. Posture, gestures and eye contact

C. Smiling, nodding and frowning

D. Touch, time and appearance

ANSWER: D

28. Which one of the following forms of communication involve both oral and digital communication? (2 marks)

A. Text messages

B. Chatrooms

C. Social media

D. Video conferencing

ANSWER: A

29. Which one of the following statements explains the purpose of a circular? (2 marks)

A. Communicating a decision or announcement to a specific individual

B. Disseminating information broadly across an organization or group

C. Providing a detailed analysis of information to senior management

D. Inviting employees and other stakeholders to a formal event

ANSWER: D

30. Which one of the following methods could be used to analyze the audience? (2 marks)

A. Ending with a question-and-answer session

B. Maintaining eye-contact with audience

C. Conducting surveys and interviews

D. Using visual aids and non-verbal cues

ANSWER: B

31. Which one of the following statements explains a benefit that could accrue to an organization from conducting an on-site job selection interview? (2 marks)

A. Provide candidates with networking opportunities

B. Reduces individual bias of the interviewer

C. It is a convenient, fast and cost-effective technique

D. Better evaluation of skills and fit

ANSWER: C

32. Which one of the following reasons explains why appropriate non-verbal communication is important in interviews? (2 marks)

A. Removes the need for verbal responses.

B. Ensures interviewers dominate the process

C. Ensures correct and brief answers are provided

D. Help to reveal unspoken emotions and attitudes

ANSWER: D

33. Which one of the following documents should be in the possession of both the interviewer and the interviewee during a job selection interview? (2 marks)

A. Interview schedule

B. Personal portfolio

C. Candidate’s resume

D. Identification documents

ANSWER: D

34. Which one of the following types of meetings could be convened to discuss strategic issues and governance in an organization? (2 marks)

A. Disciplinary meetings

B. Committee meetings

C. Social gatherings

D. Board meetings

ANSWER: C

35. Which one of the following outcomes could be a consequence of poor communication in an organization? (2 marks)

A. Enhanced competition among departments

B. Increased interdependence among workers

C. Increased workload and productivity

D. Increased frustration among employees

ANSWER: D

36. Which one of the following is the first stage in the communication process? (2 marks)

A. Setting up context

B. Identifying target

C. Encoding the message

D. Selecting the channel

ANSWER: D

37. Which one of the following principles focuses on providing the receiver with enough information to understand the message? (2 marks)

A. Conciseness

B. Completeness

C. Correctness

D. Consistency

ANSWER: A

38. Which one of the following public communication aims to influence public opinion? (2 marks)

A. Advocacy communication

B. Interpersonal communication

C. Private communication

D. Non-verbal communication

ANSWER: B

39. Which one of the following characteristics is associated with formal communication? (2 marks)

A. Must be sent using outlined medium

B. Follows a chain of command

C. Originates from top executives

D. Does not require documentation

ANSWER: A

40. The goal of external communication is to . (2 marks)

A. manage interdepartmental coordination

B. establish relationships with external entities

C. focus only on external employee needs

D. enhance team harmony

ANSWER: B

41. Which one of the following effects is achieved by using “contrast" in visual communication? (2 marks)

A. It creates harmony between different elements

B. It highlights differences to emphasize certain parts

C. It reduces the visibility of unimportant elements

D. It ensures viewers understand the elements displayed

ANSWER: B

42. Which one of the following stages in writing of business documents ensures that the document meets its objectives and addresses the target audience? (2 marks)

A. Prewriting

B. Drafting

C. Revising

D. Editing

ANSWER: B

43. Which one of the following statements relates to a drawback of structured interviews? (2 marks)

A. They tend to be highly inconsistent in assessing candidates

B. They are rigid and do not allow flexibility to explore responses

C. They require extensive time to prepare for each candidate

D. They are inappropriate for evaluating technical competencies

ANSWER: C

44. Which one of the following types of meeting formats involves a presentation to a large audience? (2 marks)

A. Video conferencing

B. Webinar

C. Teleconference

D. Informal chat

ANSWER: B

45. Which one of the following statements is TRUE about video conferencing tools like Zoom and Google Meet? (2 marks)

A. They are only useful for audio-only communication

B. They allow users to share video, audio, and documents in real-time

C. They require all participants to be located in the same country

D. They limit the ability for participants to collaborate visually

ANSWER: B

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| 47. | Which one of the following statements represents the primary purpose of a market plan? (2 marks)  To highlight the marketing strategies that will attract and retain customers  To provide an organization structure and detailed management roles  To explain the product development process for the company  To outline the company's financial projections and funding requirements  ANSWER: A |  |  |
| 48. | Which one of the following statements represents the use of appendices section in a business plan? (2 marks)  To provide the projected sales  To showcase the products and services  To provide supplementary information  To highlight the mission and vision statements  ANSWER: C |  |  |

49. Which one of the following actions represents the primary focus when identifying customer needs in a business? (2 marks)

A. Understanding how competitors’ prices affect sales

B. Recognizing customers’ desires and problems to be solved

C. Developing new advertising campaigns to attract customers

D. Analyzing the financial performance of the company

ANSWER: B

50. Which one of the following sections is included in a business plan? (2 marks)

A. Research problem

B. Conclusion and recommendations

C. Discussion of findings

D. Products and services description

ANSWER: D