

FBLA Entrepreneurship Sample Questions

***Disclaimer:** These are sample test questions of what a competitor will find in this competition. To view the official study guide, with the knowledge area and objective list, visit the guidelines on the Competitive Events page of the national website at www.fbla.org.*

Business Plan

1. Which section of a business plan typically contains the mission statement, business objectives, and a brief description of the product or service?
 - a) Operations plan
 - b) Executive summary
 - c) Marketing plan
 - d) Financial plan
2. When drafting a business plan, which is the most effective approach to demonstrate market viability?
 - a) Include personal opinions of the founders
 - b) Provide detailed market research data and trends
 - c) Focus only on product features
 - d) Exclude competitor analysis
3. A strong value proposition in a business plan should:
 - a) Emphasize pricing alone
 - b) Explain how the business uniquely solves customer problems
 - c) Provide a detailed organizational chart
 - d) Outline legal structure options
4. Which part of a business plan outlines the day-to-day processes needed to deliver the product or service?
 - a) Marketing strategy
 - b) Operations plan
 - c) SWOT analysis
 - d) Executive summary
5. In preparing a business plan for investors, the most critical financial element is:
 - a) Personal savings balance
 - b) Detailed revenue projections with supporting assumptions
 - c) Number of employees hired
 - d) Founder's biography
6. The appendix in a business plan is best used for:
 - a) Core marketing strategies
 - b) Summaries of key findings
 - c) Supporting documents such as resumes, permits, or charts
 - d) Executive summaries

7. If a business plan's market analysis shows a declining industry trend, the entrepreneur should:
 - a) Ignore the trend and focus on strengths
 - b) Adjust the business model to address emerging opportunities
 - c) Remove the data to maintain optimism
 - d) Reduce funding requests
8. A competitive advantage is most effective when it is:
 - a) Unique, sustainable, and valued by customers
 - b) Based solely on temporary pricing
 - c) Easily replicated by competitors
 - d) Kept secret from stakeholders

Financial Management

9. Which financial statement shows a company's assets, liabilities, and equity at a specific point in time?
 - a) Income statement
 - b) Balance sheet
 - c) Cash flow statement
 - d) Statement of retained earnings
10. The main purpose of a cash flow statement is to:
 - a) Show net income for a given period
 - b) Track cash inflows and outflows to ensure liquidity
 - c) Measure profitability
 - d) Summarize changes in owner's equity
11. In financial forecasting, a conservative estimate means:
 - a) Overestimating revenues and underestimating costs
 - b) Underestimating revenues and overestimating costs
 - c) Overestimating both revenues and costs
 - d) Ignoring variable costs
12. If a company's current ratio is below 1, this indicates:
 - a) Strong liquidity
 - b) Difficulty meeting short-term obligations
 - c) Excess inventory
 - d) High profitability
13. Which financing option does **not** require repayment but reduces ownership stake?
 - a) Bank loan
 - b) Venture capital
 - c) Line of credit
 - d) Trade credit
14. Depreciation is recorded on financial statements to:
 - a) Increase cash flow
 - b) Allocate the cost of a fixed asset over its useful life
 - c) Increase reported profits
 - d) Avoid taxes entirely

Initial Capital and Credit

15. Which source of start-up capital is most likely to require the entrepreneur to give up equity?
 - a) Family loan
 - b) Angel investor funding
 - c) Bank line of credit
 - d) Trade credit
16. Bootstrapping refers to:
 - a) Using large external investments to fund growth
 - b) Building a business primarily with personal savings and minimal outside funding
 - c) Selling the business quickly for profit
 - d) Obtaining government grants
17. A high personal credit score can benefit an entrepreneur by:
 - a) Guaranteeing venture capital funding
 - b) Improving access to favorable loan terms
 - c) Eliminating the need for collateral
 - d) Increasing sales revenue
18. Which financing method allows an entrepreneur to sell accounts receivable at a discount for immediate cash?
 - a) Factoring
 - b) Leasing
 - c) Equity financing
 - d) Crowdfunding
19. A term loan from a bank is typically:
 - a) Paid back in equal installments over a fixed period
 - b) Repaid only at the end of the loan term
 - c) Convertible into equity
 - d) Interest-free
20. The most significant disadvantage of using credit cards for start-up financing is:
 - a) Low interest rates
 - b) Limited spending flexibility
 - c) High interest costs and potential debt accumulation
 - d) Lack of accessibility

Marketing Management

21. The four Ps of marketing are:
 - a) Price, Product, Promotion, Place
 - b) Planning, Production, People, Profit
 - c) Price, Process, Promotion, People
 - d) Product, People, Planning, Place

22. A niche market strategy focuses on:
- a) Selling to the largest possible audience
 - b) Serving a specific, well-defined segment of customers
 - c) Setting the lowest possible prices
 - d) Offering a generic product to all consumers
23. Which type of pricing strategy involves setting a low initial price to quickly attract customers and gain market share?
- a) Price skimming
 - b) Penetration pricing
 - c) Value-based pricing
 - d) Prestige pricing
24. In digital marketing, "SEO" stands for:
- a) Sales Enhancement Opportunity
 - b) Search Engine Optimization
 - c) Strategic Engagement Operation
 - d) Social Engagement Outreach
25. The primary goal of a brand positioning statement is to:
- a) Outline the company's mission
 - b) Define how the brand is perceived relative to competitors
 - c) Set annual revenue targets
 - d) Establish employee policies
26. Guerrilla marketing is characterized by:
- a) Large-scale advertising campaigns
 - b) Unconventional, low-cost tactics to create maximum impact
 - c) Exclusively digital channels
 - d) Reliance on television advertising

Personnel Management

27. Job analysis primarily involves:
- a) Evaluating an employee's performance
 - b) Determining the duties, responsibilities, and qualifications for a position
 - c) Recruiting candidates
 - d) Conducting exit interviews
28. Which leadership style focuses on involving team members in decision-making?
- a) Autocratic
 - b) Laissez-faire
 - c) Democratic
 - d) Transactional
29. The primary purpose of an onboarding process is to:
- a) Terminate unproductive employees
 - b) Integrate new hires into the company culture and processes
 - c) Conduct wage negotiations
 - d) Evaluate competitor salaries

30. A performance appraisal is most effective when it:
- a) Occurs annually without feedback
 - b) Includes measurable goals and two-way communication
 - c) Focuses only on weaknesses
 - d) Is conducted solely by HR
31. Employee turnover rate is calculated by:
- a) Dividing total employees by total separations
 - b) Dividing total separations by average number of employees
 - c) Adding new hires to total separations
 - d) Subtracting separations from hires
32. Which is considered a non-monetary employee benefit?
- a) Health insurance
 - b) Flexible work hours
 - c) Retirement plan contributions
 - d) Year-end bonus

Taxes

33. Which tax is levied on the profits of a corporation?
- a) Sales tax
 - b) Income tax
 - c) Property tax
 - d) Payroll tax
34. Payroll taxes fund:
- a) Local school districts
 - b) Social Security and Medicare
 - c) State transportation projects
 - d) Corporate dividends
35. Self-employed individuals must pay:
- a) Only income tax
 - b) Both income and self-employment taxes
 - c) Only property tax
 - d) Only payroll tax
36. A sales tax is generally:
- a) Paid by the seller
 - b) Collected from the buyer and remitted by the seller to the government
 - c) Paid annually by businesses
 - d) Based on corporate profits

Community/Business Relations

37. Corporate social responsibility (CSR) refers to:
- a) Maximizing shareholder profits
 - b) A company's commitment to ethical practices and community well-being
 - c) Expanding into foreign markets
 - d) Outsourcing non-core activities

38. Networking events are most effective for entrepreneurs when they:
- a) Focus solely on selling products
 - b) Build long-term professional relationships
 - c) Target only competitors
 - d) Avoid follow-up communication
39. Cause-related marketing involves:
- a) Partnering with non-profits to promote mutual benefits
 - b) Selling products at a loss
 - c) Sponsoring only sports teams
 - d) Offering discounts for bulk purchases
40. A chamber of commerce typically provides:
- a) Legal enforcement for contracts
 - b) Business advocacy, networking opportunities, and community promotion
 - c) Free start-up capital
 - d) Product certification

Government Regulations

41. Occupational Safety and Health Administration (OSHA) regulations primarily address:
- a) Environmental protection
 - b) Workplace health and safety
 - c) Tax compliance
 - d) Trade policies
42. Zoning laws regulate:
- a) Business advertising
 - b) Land use and building locations
 - c) Labor disputes
 - d) Pricing strategies
43. Which federal agency regulates truth in advertising?
- a) OSHA
 - b) EPA
 - c) FTC
 - d) SEC
44. Environmental regulations affecting businesses are often enforced by:
- a) OSHA
 - b) SEC
 - c) EPA
 - d) FTC
45. A business license is typically required to:
- a) File federal income taxes
 - b) Operate legally within a municipality
 - c) Hire employees
 - d) Purchase inventory

Legal Issues

46. Intellectual property rights protect:
- a) Physical assets only
 - b) Creations of the mind such as inventions and trademarks
 - c) Only written contracts
 - d) Real estate holdings
47. A sole proprietorship has which legal characteristic?
- a) Limited liability for debts
 - b) Unlimited personal liability
 - c) Shared profits and losses
 - d) Separate taxation from the owner
48. A non-disclosure agreement (NDA) is designed to:
- a) Protect trade secrets and confidential information
 - b) Limit the sale of goods
 - c) Establish employment terms
 - d) Set pricing policies
49. Which type of bankruptcy allows a business to reorganize and continue operating?
- a) Chapter 7
 - b) Chapter 11
 - c) Chapter 13
 - d) Chapter 9
50. A breach of contract occurs when:
- a) A party fails to perform as promised in the agreement
 - b) A contract is signed by both parties
 - c) Terms are renegotiated
 - d) A verbal agreement is made

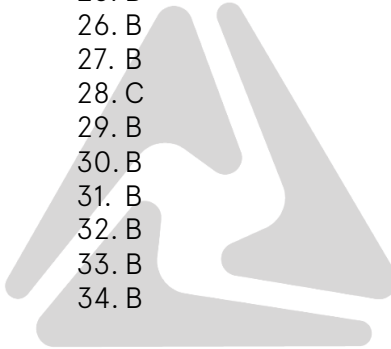
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Answer Key

1. B
2. B
3. B
4. B
5. B
6. C
7. B
8. A
9. B
10. B
11. B
12. B
13. B
14. B
15. B
16. B
17. B

18. A
19. A
20. C
21. A
22. B
23. B
24. B
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26. B
27. B
28. C
29. B
30. B
31. B
32. B
33. B
34. B

35. B
36. B
37. B
38. B
39. A
40. B
41. B
42. B
43. C
44. C
45. B
46. B
47. B
48. A
49. B
50. A



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