

c2

Student: _____

1. The major causes of business failure include
 - A. manager does not have a business degree
 - B. incompetence and inexperience
 - C. type of small business
 - D. number of competitors

2. Which of the following is not an advantage of small business ownership?
 - A. independence
 - B. challenge
 - C. skill development
 - D. more free time

3. Personal characteristics of successful entrepreneurs include
 - A. business degree
 - B. risk taking
 - C. perseverance
 - D. risk taking and perseverance

4. Which of the following is not a characteristic of a successful small business?
 - A. high operating expenses
 - B. alertness to change
 - C. ability to attract and hold employees
 - D. thoroughness with operating details

5. Entrepreneurial traits include
 - A. developing strategy
 - B. team player
 - C. creativity
 - D. works through others

6. Managerial traits include

- A. creativity
- B. skills in several functional areas
- C. innovativeness
- D. risk taking

7. In which phase is entrepreneurship most important?

- A. startup process
- B. hiring of key employees
- C. maintaining a positive cash flow
- D. building a sufficient customer base

8. The entrepreneurial startup process begins with

- A. a visit to the banker for startup funds
- B. a visit to the library for more information on the business
- C. a visit to a business professor for advice
- D. an innovative idea that is refined as the idea is thought through

9. The ability to see, conceive, and create new and unique products, services is

- A. innovation
- B. risk taking
- C. product development
- D. locus of control

10. The primary reason most people start their own business is to

- A. build for their family
- B. earn large sums of money
- C. use their skills/abilities
- D. gain independence

11. The risks of self-employment include all but which of the following?

- A. income uncertainty
- B. more than 9 - 5 work hours
- C. the business takes over the life of the owner
- D. guaranteed income

12. Which of the following are not primary causes of small business failure?

- A. incompetence and inexperience
- B. lack of financial capacity
- C. floods and tornados
- D. lack of understanding financial information

13. In which situation would it be the most appropriate to utilize managerial skills?

- A. generating ideas
- B. maintaining control of operations
- C. generating solutions to problems
- D. adding new products to the line

14. Which of the following is not an environmental characteristic conducive to small business success?

- A. good owner-manager rapport with employees
- B. high labour intensity
- C. industries that do not receive government assistance
- D. markets requiring flexibility

15. Specific areas of managerial incompetence contributing to small business failure include

- A. budgeting
- B. receivables and payables management
- C. handling personnel
- D. all of the answers are correct

16. Even though they own their own businesses. entrepreneurs must still answer to

- A. their boss
- B. neighbors
- C. customers and suppliers
- D. no one

17. How much longer do entrepreneurs work per week on average than paid employees.

- A. 30
- B. 20
- C. 6
- D. the same

18. Small businesses tend to be

- A. labour intensive
- B. capital intensive
- C. balanced between labour and capital intensity
- D. none of the answers are correct

19. Entrepreneurial skills are required to

- A. maintain a business
- B. start a business
- C. solidify existing operations
- D. sell the business

20. Managerial skills are required to

- A. expand product lines
- B. start a business
- C. develop new ideas
- D. maintain a business

c2 Key

1. The major causes of business failure include
- A. manager does not have a business degree
 - B. incompetence and inexperience**
 - C. type of small business
 - D. number of competitors

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #1

Difficulty: Easy

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

2. Which of the following is not an advantage of small business ownership?
- A. independence
 - B. challenge
 - C. skill development
 - D. more free time**

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #2

Difficulty: Easy

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

3. Personal characteristics of successful entrepreneurs include
- A. business degree
 - B. risk taking
 - C. perseverance
 - D. risk taking and perseverance**

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #3

Difficulty: Easy

Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.

4. Which of the following is not a characteristic of a successful small business?

- A.** high operating expenses
- B. alertness to change
- C. ability to attract and hold employees
- D. thoroughness with operating details

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #4

Difficulty: Medium

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

5. Entrepreneurial traits include

- A. developing strategy
- B. team player
- C.** creativity
- D. works through others

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #5

Difficulty: Easy

Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.

6. Managerial traits include

- A. creativity
- B.** skills in several functional areas
- C. innovativeness
- D. risk taking

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #6

Difficulty: Easy

Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.

7. In which phase is entrepreneurship most important?

- A.** startup process
- B. hiring of key employees
- C. maintaining a positive cash flow
- D. building a sufficient customer base

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #7

Difficulty: Medium

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

8. The entrepreneurial startup process begins with
- A. a visit to the banker for startup funds
 - B. a visit to the library for more information on the business
 - C. a visit to a business professor for advice
 - D.** an innovative idea that is refined as the idea is thought through

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #8

Difficulty: Easy

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

9. The ability to see, conceive, and create new and unique products, services is
- A.** innovation
 - B. risk taking
 - C. product development
 - D. locus of control

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #9

Difficulty: Easy

Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.

10. The primary reason most people start their own business is to
- A. build for their family
 - B. earn large sums of money
 - C. use their skills/abilities
 - D.** gain independence

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Balderson - Chapter 02 #10

Difficulty: Easy

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

11. The risks of self-employment include all but which of the following?
- A. income uncertainty
 - B. more than 9 - 5 work hours
 - C. the business takes over the life of the owner
 - D.** guaranteed income

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Balderson - Chapter 02 #11

Difficulty: Medium

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

12. Which of the following are not primary causes of small business failure?

- A. incompetence and inexperience
- B. lack of financial capacity
- C. floods and tornados**
- D. lack of understanding financial information

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Balderson - Chapter 02 #12

Difficulty: Medium

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

13. In which situation would it be the most appropriate to utilize managerial skills?

- A. generating ideas
- B. maintaining control of operations**
- C. generating solutions to problems
- D. adding new products to the line

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Balderson - Chapter 02 #13

Difficulty: Medium

Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.

14. Which of the following is not an environmental characteristic conducive to small business success?

- A. good owner-manager rapport with employees
- B. high labour intensity
- C. industries that do not receive government assistance**
- D. markets requiring flexibility

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Balderson - Chapter 02 #14

Difficulty: Medium

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

15. Specific areas of managerial incompetence contributing to small business failure include

- A. budgeting
- B. receivables and payables management
- C. handling personnel
- D. all of the answers are correct**

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Balderson - Chapter 02 #15

Difficulty: Easy

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

16. Even though they own their own businesses, entrepreneurs must still answer to

- A. their boss
- B. neighbors
- C. customers and suppliers**
- D. no one

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Balderson - Chapter 02 #16

Difficulty: Difficult

Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.

17. How much longer do entrepreneurs work per week on average than paid employees.

- A. 30
- B. 20
- C. 6**
- D. the same

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #17

Difficulty: Easy

Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.

18. Small businesses tend to be

- A. labour intensive**
- B. capital intensive
- C. balanced between labour and capital intensity
- D. none of the answers are correct

Accessibility: Keyboard Navigation

Balderson - Chapter 02 #18

Difficulty: Medium

Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.

19. Entrepreneurial skills are required to

- A. maintain a business
- B. start a business**
- C. solidify existing operations
- D. sell the business

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Balderson - Chapter 02 #19

Difficulty: Easy

Learning Objective: 02-03 Explain the reasons some business succeed and others fail.

20. Managerial skills are required to

- A. expand product lines
- B. start a business
- C. develop new ideas
- D.** maintain a business

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Balderson - Chapter 02 #20

Difficulty: Easy

Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.

c2 Summary

<u>Category</u>	<u># of Questions</u>
Accessibility: Keyboard Navigation	20
Balderson - Chapter 02	20
Difficulty: Difficult	1
Difficulty: Easy	12
Difficulty: Medium	7
Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.	6
Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.	5
Learning Objective: 02-03 Explain the reasons some business succeed and others fail.	6
Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.	3