

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

Entrepreneurial thinking is partly a mental process of recognizing a signal and then deciding if the signal represents an opportunity for someone.

true

false

Entrepreneurial thinking partly is about reducing doubt as to whether an opportunity for someone is also an opportunity for them specifically, and/or processing feedback from action steps taken.

true

false

Entrepreneurial opportunities are those situations in which new goods, services, raw materials and organizing methods can be sold for financial or non-financial gain of the entrepreneur and/or other stakeholders.

true

false

Entrepreneurial action can be defined as times when entrepreneurs make do with resources at hand, applying those resources to new problems or opportunities.

true

false

The McMullen-Shepherd Model helps identify the common traits of successful entrepreneurs.

true

false

The McMullen-Shepherd Model explains how knowledge and motivation influence two stages of entrepreneurial action.

true

false

In the McMullen-Shepherd Model first-person opportunity beliefs come before third-person opportunity beliefs.

true

false

Sustainable entrepreneurship provides only environmental gains for others.

true

false

The entrepreneurial challenge often lies in making creative mental leaps based on superficial similarities.

true

false

Structural similarities exist when the underlying mechanisms of the technology resemble, or match, the underlying mechanisms of the market.

true

false

Bricolage is entrepreneurs making do by applying combinations of the resources at hand to new problems and opportunities.

true

false

The effectuation process starts with what one has and selects among possible outcomes.

true

false

The thought experiment "Curry in a Hurry" is an example of the effectuation process.

true

false

The casual process of thinking starts with what one has and selects among possible outcomes.

true

false

For entrepreneurial actions that preserve nature to be considered sustainable entrepreneurship, they must also develop gains for the entrepreneur, others, and/or society.

true

false

The question "What is this technology all about?" is a comprehension question.

true

false

Comprehension questions are designed to stimulate entrepreneurs to think about their own understanding of the nature of the environment.

true

false

Asking "How is this problem similar to problems I've already solved?" is an example of a connection task.

true

false

A reflection task would involve thinking about what strategies should be used to solve a problem.

true

false

Strategic tasks stimulate the entrepreneur to compare the current situation with previous similar situations.

true

false

Entrepreneurs' intentions are based on their perception of feasibility rather than someone else's impression of whether it is feasible.

true

false

Perceived desirability refers to the degree to which an individual has a favorable or unfavorable evaluation of the potential entrepreneurial outcomes.

true

false

An entrepreneur is rarely able to start a new business without some form of formal education.

true

false

Research indicates that male entrepreneurs tend to start their first significant venture in their middle 30s, while women entrepreneurs tend to do so in their early 30s.

true

false

Previous start-up experience is a good predictor of starting subsequent businesses.

true

false

Dissatisfaction with various aspects of one's job often motivates the launching of a new venture.

true

false

Most entrepreneurs indicate that their most significant venture was not their first one.

true

false

Role models are individuals who give psychological support to the entrepreneur especially during the start-up phase.

true

false

Role models can include family members as well as industry professionals.

true

false

In a social network there are two major properties, density and centrality.

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

Entrepreneurial Opportunities are defined as

new market entry through entrepreneur action.

the entrepreneur's mental processes in deciding whether or not to act on a potential opportunity.

a feasibility assessment.

situations in which new goods, services, raw materials and organizing methods can be sold at greater than their production cost.

In Stage One of the McMullen-Shepherd Model

the entrepreneur decides whether or not there is an opportunity for someone.

the entrepreneur consults experts in the market area of interest.

the entrepreneur decides whether the opportunity that exists is a match with their own knowledge and motivation.

the entrepreneur engages in bricolage.

In Stage Two of the McMullen-Shepherd Model

the entrepreneur deals with the business failure through counseling.

the entrepreneur decides whether or not there is an opportunity for him or her personally.

the entrepreneur goes through the causal process of thinking structurally.

the entrepreneur consults colleagues from previous jobs.

With regard to thinking structurally, superficial similarities

exist when the underlying mechanisms of the technology resemble (or match) the underlying mechanisms of the market.

exist when supply is less than demand.

exist when entrepreneurs engage in bricolage.

exist when the basic (relatively easy to observe) elements of the technology resemble the basic elements of the market.

The causal process of thinking

starts with a desired outcome and focuses on the possible means to generate that outcome.

starts with what one has and selects among possible outcomes.

involves bricolage.

starts with brainstorming by meeting with industry professionals.

When entrepreneurs make do by applying combinations of the resources at hand to new problems and opportunities, this is known as

sustainable entrepreneurship.

perceived desirability.

entrepreneurial intentions.

bricolage.

Questions designed to increase an entrepreneurs' understanding of the nature of the environment are known as

strategic questions.

connection tasks.

reflection tasks.

comprehension questions.

An entrepreneur considering if what they are doing makes sense is an example of

a strategic question.

a connection task.

a reflection task.

a comprehension question.

_____ are designed to stimulate thought about entrepreneurs' understanding and feelings as they progress through the entrepreneurial process.

Strategic questions

Connection tasks

Reflection tasks

Comprehension questions

Individuals have stronger intentions to act when taking action is perceived to be _____ and desirable.

elusive

feasible

flexible

risky

Which among the following aspects most affects an entrepreneur's perception of feasibility?

locus of control

learning style

perceived desirability

self-efficacy

On the education background, entrepreneurs

are less educated than the general population.

cite an educational need in the areas of finance, strategic planning, marketing, and management.

who lack a formal education, fail to create new businesses and exploit discovered opportunities.

cite formal education to be indispensable in starting a new business.

All of the following statements are true of sustainable entrepreneurship *except*

entrepreneurs with a positive attitude toward the natural environment never disengage these values to exploit an opportunity.

it is not just the natural environment that needs sustained; communities also need to be preserved.

environmental gains include reduced air pollution, improved air quality, and enhanced living conditions.

social gains include improved child survival rates, longer life expectancy, and equal opportunity.

Density, in regards to a social network, refers to

- the extensiveness of ties between two individuals.
- the total number of individuals in the network.
- the distance of connection between the entrepreneur and contact.
- the fact that most networks are informal and not well organized.

The moral support network is different from the professional support network in that

- a professional support network includes finding a mentor.
- moral support is less important than professional support.
- only the "cheering squad" provides moral support.
- a moral support network comprises only of personal contacts.

While there are many components in a professional-support network, _____ are particularly good with insight on both trends and competitors.

mentors

trade associations

business associates

suppliers

Which group in a professional network helps keep a new venture competitive?

clients or buyers

mentors

trade associations

suppliers

ESSAY. Write your answer in the space provided or on a separate sheet of paper.
Explain the McMullen-Shepherd Model.

Briefly define superficial similarities and structural similarities. Why is structural thinking important for an entrepreneur? Can entrepreneurs learn how to think structurally?

Describe the difference between the causal process and the effectuation process.

Identify and define the four types of questions/tasks related to increasing cognitive ability.

Describe sustainable entrepreneurship and give a few examples of economic, environmental, and social gains it can generate for others.

Answer Key

Test name: Ch1_Entrepreneurship_12e

TRUE

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Essay

1. Model explains how knowledge and motivation influence two stages leading to entrepreneurial action.
2. Stage One is when the potential entrepreneur realizes an opportunity exists for someone.
3. Stage Two is when the potential entrepreneur decides whether or not the opportunity is right for them personally in terms of their skill, knowledge and motivation.

Essay

1. Superficial similarities exist when the basic (relatively easy to observe) elements of the technology resemble (match) the basic (relatively easy to observe) elements of the market.
2. Structural similarities exist when the underlying mechanisms of the technology resemble (or match) the underlying mechanisms of the market. The entrepreneurial challenge often lies in making creative mental leaps based on structural similarities. Individuals who can see or create structural matches between a technology and a target market, especially in the presence of superficial mismatches, are more likely to identify entrepreneurial opportunities that are difficult for others to identify. Knowledge specific to a technology and/or a market can facilitate this ability and the good news is that this skill can also be enhanced through practice and training.

Essay

Effectuation is process that starts with what one has (who they are, what they know, and whom they know) and selects among possible outcomes. Basically identifying resources and THEN finding an opportunity to fit whereas the casual process starts with a desired outcome and focuses on the means (what resources are needed) to generate that outcome.

Essay

1. Comprehension questions are designed to increase entrepreneurs' understanding of the nature of the environment
2. Connection tasks are designed to stimulate entrepreneurs to think about the current situation in terms of similarities to and differences from situations previously faced and solved
3. Strategic Tasks are designed to stimulate entrepreneurs to think about which strategies are appropriate for solving the problem (and why) or pursuing the opportunity (and how)
4. Reflection tasks are designed to stimulate entrepreneurs to think about their understanding and feelings as they progress through the entrepreneurial process.

Essay

Sustainable entrepreneurship focuses on preserving nature, life support, and community (sustainability) in the pursuit of perceived opportunities to bring future products, processes, and services into existence for gain (entrepreneurial action) there gain is broadly construed to include economic and noneconomic benefits to individuals, the economy, and society (development).

Economic gains for others include employment opportunities, improved access to quality/valuable goods, and revenues for the government. Environmental gains generated for others include reduced air pollution, improved air quality, improved drinking water quality, and other enhanced living conditions. The social gains include improved child survival rates, longer life expectancy, superior education, equal opportunity, and so on.