

Stage 01

Assessing Your Potential for an Entrepreneurial Career

Multiple Choice Questions

1. The higher is your number of most desirable responses on the *Entrepreneurial Quiz* then:
- A. The less your responses agree with those of successful entrepreneurs.
 - B.** The more your responses agree with those of successful entrepreneurs.
 - C. The less likely you are to become a successful entrepreneur.
 - D. The more likely you are to abort your attempts at an entrepreneurial venture because of anxiety.

High levels of agreement indicate that you may have the "right stuff" to succeed in an entrepreneurial career.

Difficulty: Medium

Learning Objective: 01-01 Evaluate your potential for becoming an entrepreneur through self-assessment quizzes.

Topic: 01-01 The Entrepreneurial Personality

2. Despite scoring high on the *Entrepreneurial Quiz*, your venture is unlikely to succeed if you fail to demonstrate:
- A. People prowess
 - B. Technical savvy
 - C.** Commitment, determination, and perseverance
 - D. Financial independence

Anything less than total commitment to your venture, and considerable determination and perseverance, will likely result in failure, regardless of the degree to which you may possess other important attributes.

Difficulty: Medium

Learning Objective: 01-01 Evaluate your potential for becoming an entrepreneur through self-assessment quizzes.

Topic: 01-01 The Entrepreneurial Personality

3. In a study of inductees into the *Babson University Academy of Distinguished Entrepreneurs*, the three attributes and behaviours cited as the principal reasons for entrepreneurial success are:

- A. Openness to change, personal initiative, and perseverance.
- B. Commitment, dedication, and perseverance.
- C. Positive attitude, social savvy, and intellectual intelligence.
- D. Emotional intelligence, social intelligence, mathematical intelligence.

There are the three behaviours/attributes identified in this particular study. They are: Openness to change, personal initiative, and perseverance. Other research has uncovered different lists of common learnable attributes.

Difficulty: Easy

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

4. One of the common themes resulting from research into the common attributes shared by successful entrepreneurs is that:

- A. Those attributes can be learned.
- B. Those attributes cannot be learned, an individual is either born with them or they are not.
- C. Those attributes are always the same - confidence, determination, and perseverance are always at the top of the list.
- D. There are no "common" set of attributes - each entrepreneurial success story is unique.

While there is no single list, research indicates that many of the attributes are common and, more importantly, can be learned.

Difficulty: Easy

Learning Objective: 01-01 Evaluate your potential for becoming an entrepreneur through self-assessment quizzes.

Topic: 01-01 The Entrepreneurial Personality

5. Entrepreneurs are driven by an immense desire to achieve the goals they initially set for themselves and then to aim for even more challenging standards. This makes them:

- A. Profit-oriented
- B. Goal-oriented
- C. Success-oriented
- D. Challenge-oriented

Success orientation describes entrepreneurs who driven by the desire to achieve the goals they set for themselves and then to reach for more challenging goals in the future.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

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6. Successful entrepreneurs are _____ people; they want to start producing results immediately.

- A. Success-oriented
- B. Action-oriented**
- C. Goal-oriented
- D. Challenge-oriented

They like to take the initiative and get on with doing it, today.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

7. The best entrepreneurs have a keen sense of their own strengths and weaknesses and of the competitive environment in which they operate. This makes them _____ -oriented.

- A. Success
- B. Action
- C. Goal
- D. Reality**

They know when they are in trouble and have the strength to admit when they are wrong. This reality orientation allows them to avoid continuing on an ill-advised course of action.

Difficulty: Hard

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

8. Most entrepreneurs are found to be _____ listeners and _____ learners.

- A. Poor; quick
- B. Good; quick**
- C. Poor; slow
- D. Good; slow

Most entrepreneurs are found to be good listeners and quick learners.

Difficulty: Hard

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

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9. The three types of reaction identified by Robinson et al. are:

- A.** Cognition, Affect, and Behaviour
- B. Cognition, Intelligence, and Emotion
- C. Empathy, Confusion, and Clarity
- D. Passion, Avoidance, and Ignorance

The EAO focuses specifically on "business" activities and considers what you think or believe about those activities (cognition), how you feel about those activities (affect), and how you might tend to behave regarding business activities (behaviour).

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

10. Which of the following did Robinson et al. define as the predisposition of the individual to respond in a generally favourable or unfavourable manner with respect to innovation?

- A. Character
- B. Personality
- C. Empathy
- D.** Attitude

Attitudes, represent the way we interact with the world around us.

Difficulty: Hard

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

11. All of the following are subscales in Robinson's EAO Model, *except*:

- A. Achievement in business
- B. Innovation in business
- C. Desire for personal control
- D.** Desire for retribution

The fourth subscale is your sense of self-worth or self-esteem relative to business affairs.

Difficulty: Hard

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

12. Which of the following entrepreneurial types prefer to identify themselves by their craft first, and as business owners only as an afterthought?

- A. Freedom Fighters
- B. Craftspeople**
- C. Lifestyle Business
- D. Empire Building

They say "I'm a plumber", for example, or mechanic, film maker, vet, farmer, or grocer, before they say "I'm a business owner."

Difficulty: Medium

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

13. You can usually identify _____ by the fact that their companies grow by more than 30 percent annually.

- A. Venture Capitalists
- B. Freedom Fighters
- C. Institutional Developers
- D. Empire Builders**

They are growth-oriented business owners who are motivated almost solely by achievement, usually measured in terms of company growth.

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

14. These entrepreneurs go on to build larger companies through hiring and delegation of authority.

- A. Team builders**
- B. Pattern multipliers
- C. Independent innovators
- D. Deal-to-dealers

Team builders are a sub type of entrepreneurs, which go on to build larger companies through hiring and delegation of authority (identified in Vesper's typology).

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

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15. Which type of entrepreneur takes advantage of the fact that unit costs tend to shrink as volume expands?

- A. Capital aggregators
- B. Economy-of-scale exploiters**
- C. Pattern multipliers
- D. Deal-to-dealers

This has been practiced principally by entrepreneurs in the discount retail merchandising business.

Difficulty: Medium

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

16. Arranging financing, handling credit, and budgeting are all considered skills under which broad entrepreneurial skill set?

- A. Managing people
- B. Managing inventory
- C. Managing capital
- D. Managing money**

See Table 1.1-Breakdown of entrepreneurial business skills.

Difficulty: Hard

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

17. Purchasing supplies and raw materials, controlling inventory, and managing the physical facilities are skills which fall under which of the following broad entrepreneurial skill sets?

- A. Directing sales and marketing operations
- B. Directing business operations**
- C. Managing people
- D. Setting up a business

See Table 1.1-Breakdown of Entrepreneurial Business Skills.

Difficulty: Hard

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

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18. You are able to acquire many of the skills needed prior to considering an entrepreneurial career through all of the following means, *except*:

- A. Job experience
- B. Vacationing**
- C. Organizational (or club) activities
- D. Managing a home

While ideas may be illuminated while on vacation, it is hardly the place you would go to learn how to budget or manage inventory.

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

19. The personal net worth required to start a business is generally thought to be in the range of:

- A. \$5,000-\$10,000
- B. \$20,000-\$50,000
- C. \$100,000-\$500,000
- D. Every business opportunity has its own unique capital requirements.**

Since every business opportunity has its own unique capital (money) requirements, there is no specific dollar value for the personal net worth necessary to start a business.

Difficulty: Easy

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

20. Your credit rating is based on:

- A. The value of your home equity.
- B. Your employment income only.
- C. Your prior history in borrowing and repaying money.**
- D. Your overall debt load, compared to your ability to generate income.

By regularly paying your bills, including credit cards, telephone bills, mortgages, lines of credit and similar debts, on time you are building your credit rating. Without a good credit rating few institutions will lend you money.

Difficulty: Easy

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

Stage 01 - Assessing Your Potential for an Entrepreneurial Career

21. Agencies such as Equifax Canada Inc. assemble information about how you pay your bills and then enter this information into your credit file. An individual who is always late in paying their bills is given a rating of:

- A. R1
- B. R2
- C. R3
- D. R4**

Some of the ratings are: Bills are being paid on time (R1), or late (R4) or have not been paid and been placed with an agency for collection (R9).

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

22. Social entrepreneurship seeks:

- A. Social change**
- B. Financial profit
- C. Welfare management
- D. Social media business opportunities

This can be thought of as the discovery, evaluation and pursuit of opportunities for social change.

Difficulty: Easy

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

23. Well-known social entrepreneurs include all of the following, ***except***:

- A. Shannon Tessier and Zack Patterson
- B. Craig and Mark Kielburger
- C. Jeff Skoll
- D. Kenneth Lay**

Kenneth Lay was associated with the Enron scandal that ruined the lives of so many investors.

Difficulty: Medium

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

Stage 01 - Assessing Your Potential for an Entrepreneurial Career

24. Which of the following is **not** among the three questions to address when confronted with an ethical problem?

- A.** What will others think?
- B. Is it balanced?
- C. Is it legal?
- D. How will it make you feel about yourself?

What others think is not among the three questions.

Difficulty: Easy

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

25. A _____ should be a formal statement of a business's values concerning ethics and social issues.

- A. Code of behaviour
- B.** Code of ethics
- C. Mission statement
- D. Vision statement

A code of ethics commonly speaks to acceptable norms of behaviour within an organization.

Difficulty: Easy

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

26. A code of ethics should be guided by all of the following areas of concern, **except**:

- A. Citizenship
- B. Responsibility
- C. Integrity
- D.** Competition

The others include: honesty, respect, and trust.

Difficulty: Medium

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

27. All of the following are included in the triple bottom line assessment, *except*:

- A. Financial performance
- B. Global equality**
- C. Environmental impact
- D. Social well-being

Global equality is **not** included in the triple bottom line assessment.

Difficulty: Medium

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

True / False Questions

28. Researchers are unable to identify a set of common attributes, attitudes, and experiences among entrepreneurs that appear to lead to success.

FALSE

Research indicates that there is a common set of attributes, attitudes, and experiences among entrepreneurs that to lead to success.

Difficulty: Easy

Learning Objective: 01-01 Evaluate your potential for becoming an entrepreneur through self-assessment quizzes.

Topic: 01-01 The Entrepreneurial Personality

29. There is considerable evidence which suggests that the "right stuff" needed to become a successful entrepreneur can be learned.

TRUE

The basic thesis held by many members of the "people school" of entrepreneurship is: A person has to have the "right stuff" to become a successful entrepreneur. Evidence suggests that "right stuff" needed to become a successful entrepreneur can be learned.

Difficulty: Easy

Learning Objective: 01-01 Evaluate your potential for becoming an entrepreneur through self-assessment quizzes.

Topic: 01-01 The Entrepreneurial Personality

30. Most entrepreneurs are self-confident, and with this confidence comes a strong ego.

TRUE

This confidence implies a strong ego, however, it is a different kind of ego-an "I know I'm going to do well" type of attitude.

Difficulty: Easy

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

31. High energy, good health, and emotional stability are thought to be some of the "not so learnable" qualities of successful entrepreneurs.

TRUE

These attributes are those that many experts consider to be innate and, thus, not acquirable to any great degree.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

32. High intelligence and conceptual ability are two of the most "learnable" attributes of successful entrepreneurs.

FALSE

These are considered by experts to be largely "innate" and thus a part of the "no so learnable" qualities.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

33. The Managerial Skills Inventory questionnaire can be used to develop an inventory of your skills and capabilities in the areas of financial accounting, human resources, and ethics.

FALSE

The Managerial Skills Inventory questionnaire can be used to develop an inventory of your skills and capabilities **in each of the five areas of management outlined in this stage**. For each management area, the questionnaire lists some corresponding skills.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

34. The "typical entrepreneur" is most closely associated with the *Empire Builder* type of entrepreneur.

TRUE

The empire building is the one most generally associated in popular imagination as the "typical entrepreneur" - always busy with the next project, an insatiable thirst for growth and wealth, aiming to take over or revolutionize markets and industries.

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

35. Craftspeople are a type of entrepreneur that seek financial independence above anything else and the freedom to spend their time as they wish.

FALSE

Craftspeople derive their sense of self-worth from their mastery of a craft or trade. They are more interested in developing their skills than in growing their revenue and generally work alone or employ one other person, often a spouse.

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

36. Deal-to-dealers are small business owners which have had more than one venture, often in quite different lines of business.

TRUE

Vesper identified a considerable number of entrepreneurial types. Of them, deal-to-dealers are small business owners have had more than one venture, often in quite different lines of business.

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

37. According to Vesper's typology, "Acquirers" are entrepreneurs that will often take over businesses that are in trouble and try to straighten them out or buy businesses that they can add value to in some way, perhaps before selling them off again.

TRUE

Acquirers are a type of entrepreneur that will buy a "going-concern", or struggling business.

Difficulty: Hard

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

38. Many small business owners experience an immediate increase in the level of personal income they can earn.

FALSE

From a personal standpoint, you might also want to reconsider becoming a small business owner if you cannot afford a temporary or perhaps even a prolonged reduction in your personal income.

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

39. It is estimated that the principal reason for the failure of small firms is poor cash flow.

FALSE

It is estimated that the principal reason for the failure of small firms is poor management.

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

40. Training employees, motivating people, and evaluating workers fall under the "directing business operations" skill set.

FALSE

These skills fall under the "managing people" skill set. See Table 1.1 for a complete breakdown of entrepreneurial business skills.

Difficulty: Easy

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

41. Your personal balance sheet includes a summary of all your assets-what you own that has some cash value-and your liabilities or debts.

TRUE

Preparing a personal balance sheet is a relatively simple process.

Difficulty: Easy

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

42. Your credit rating is based on your income earning potential in a five year period.

FALSE

Your rating is based on your prior history in borrowing and repaying money.

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

43. Equifax Canada Inc. is a venture capital firm headquartered in western Canada.

FALSE

Equifax Canada Inc. is one of two consumer reporting agencies in Canada.

Difficulty: Easy

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

44. Craig and Mark Kielburger are well known for the role they played in the Ponzi scheme and eventual collapse of Enron.

FALSE

Craig and Mark Kielburger are well known social entrepreneurs who founded the Free the Children organization.

Difficulty: Medium

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

45. A socially responsible organization behaves in such a way as to achieve a high level of financial performance, coupled with obvious efforts to act as good citizens and give something back to the societies in which they exist.

TRUE

Companies today are expected to go beyond just being "ethical" in their dealings with customers, employees, and other stakeholders.

Difficulty: Hard

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

46. Social entrepreneurship refers to the discovery, evaluation, and exploitation of opportunities for financial profit.

FALSE

This description refers to "economic" entrepreneurship.

Difficulty: Easy

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

Short Answer Questions

47. Of the many attributes shared by successful entrepreneurs, which of those is believed to be the most critical to their success? Explain.

More than any other single factor, a combination of perseverance and total dedication is critical. In many cases, these qualities have won out against odds considered impossible to overcome. Determination and commitment can compensate for other weaknesses you may have.

Difficulty: Easy

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

48. List and describe the "not-so-learnable" traits of an entrepreneur.

The not-so-learnable traits are those which experts consider to be innate. 1. High energy, good health, and emotional stability; 2. Creativity and an innovative nature; 3. High intelligence and conceptual ability; 4. The ability to see a better future and a capacity to inspire others to see it.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

49. Most entrepreneurs are described as having a high risk tolerance. Do you agree or disagree? Why?

Despite the myth that suggests entrepreneurs are gamblers, quite the opposite is true. Effective entrepreneurs have been found, in general, to prefer taking moderate, calculated risks, where the chances of losing are neither so small as to be a sure thing nor so large as to be a considerable gamble.

Difficulty: Medium

Learning Objective: 01-02 Identify the attitudes and behaviours that will help turn your business dream into a reality.

Topic: 01-03 Attitudes and Behaviours

50. List and briefly describe the three entrepreneurial archetypes developed by John Warrillow.

Craftspeople don't think of themselves as entrepreneurs, they still have the resources and confidence to operate independently. They are more interested in developing their skills than growing their revenue and generally work alone or employ one other person, often a spouse. Freedom Fighters/Lifestyle Business seek financial independence above anything else and the freedom to spend their time as they wish. Their prime motivator isn't growth, but simply being in business for themselves. Empire Building refers to entrepreneurs who represent the 10 percent of growth-oriented business owners who are motivated almost solely by achievement, usually measured in terms of company growth. The empire building is the one most generally associated in popular imagination as the "typical entrepreneur"-always busy with the next project, an insatiable thirst for growth and wealth, aiming to take over or revolutionize markets and industries.

Difficulty: Easy

Learning Objective: 01-03 Analyze the three different types of entrepreneurs.

Topic: 01-08 What Kind of Entrepreneur Are You Likely to Be?

51. In addition to the proper background, attitude, and lifestyle, what else should be considered in assessing your potential for becoming a successful entrepreneur?

Possessing the necessary managerial skills is an essential ingredient to succeeding in any small venture. It is estimated that the principal reason for the failure of small firms is poor management. Businesses, whether large or small, have to perform in a number of diverse functions to operate successfully. An entrepreneur, because of the limited amount of resources (human and financial) at his or her disposal, faces a particularly difficult time. The business skills required by an entrepreneur (or some other member of the organization) can be broken down by function, as shown in Table 1.1.

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

52. Outline the five steps in preparing a personal balance sheet.

Step 1: Estimate the current market value of all your "assets"-the items you own that have cash value-and list them.

Step 2: Add up the value of these assets.

Step 3: List all your debts, also known as "liabilities."

Step 4: Add up your liabilities.

Step 5: Deduct your total liabilities from your total assets to find your "net worth."

Difficulty: Medium

Learning Objective: 01-04 Describe the skills needed by small-business owners.

Topic: 01-09 Evaluating Your Business Skills

53. Summarize the basis for the argument that companies should give back to the communities in which they live.

First, all firms make use of society's basic infrastructure-land, plants, animals, and so on-to earn a profit. Second, companies should reimburse society for the negative consequences their activities might create-noise, smell, traffic congestion, and toxic emissions

Difficulty: Hard

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

54. List the reasons why businesses should be concerned with being more socially responsible.

Cost savings due to more efficient operations
Development of a more positive organizational image and reputation
Creation of a clearly identifiable market niche with consumers who are interested in health and the environment, social justice, and sustainable living
Being forced to become more innovative to accommodate these values within the company's organizational strategy.

Difficulty: Hard

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship

55. Outline the three key questions in Blanchard and Peale's *Ethics Check* to help you sort out dilemmas by examining the situation at several different levels.

1. *Is it legal?*

Will you be violating either civil law or your organization's code of ethics?

2. *Is it balanced?*

Is it fair to all concerned in the short term as well as the long term? Does it promote win-win relationships?

3. *How will it make you feel about yourself?*

Will it make you proud?

Would you feel good if your decision was published in the newspaper?

Would you feel good if your family knew about it?

Difficulty: Hard

Learning Objective: 01-05 Explain the importance of social entrepreneurship, ethics, and being socially responsible in business.

Topic: 01-19 The Concept of Social Entrepreneurship