Package Title: Practice

Course Title: Boone, Contemporary Business, Third Canadian Edition

Chapter Number: 06

Shuffle: No

Question type: Multiple Choice

1) What makes an entrepreneur different from a small business owner?

a) motivation

b) innovation

c) time

d) desire to make the business grow

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

2) How are entrepreneurs different from managers?

a) Entrepreneurs combine their ideas with resources to create a business that fills a market need; managers direct the effort of others to achieve an organization’s goals.

b) Managers are more likely than entrepreneurs to use the resources of the organization to accomplish personal goals.

c) Entrepreneurs are more risk averse than managers.

d) Managers typically are more independent than entrepreneurs.

Answer: a

Difficulty: Hard

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

3) What is the overriding responsibility of an entrepreneur?

a) to manage people

b) to use the company resources to accomplish goals

c) to make as much money as possible

d) to be ethical and socially responsible

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

4) What kind of entrepreneur focuses on societal problems and their solutions?

a) crusading

b) classic

c) white knight

d) social

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

5) What kind of entrepreneur starts many businesses in succession?

a) classic entrepreneur

b) social entrepreneur

c) serial entrepreneur

d) intrapreneur

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

6) Which category of entrepreneurs would be most likely to start one business, run it, and then start and run additional businesses in succession?

a) classic entrepreneur

b) serial entrepreneur

c) intrapreneur

d) change agent

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

7) Shoshana Finn saw a niche in the fashion accessories market and designed unique products for it. What kind of entrepreneur is she?

a) classic

b) social

c) franchise

d) serial

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.1 Describe what is an entrepreneur and the different types of entrepreneurs.

Section Reference 1: What Is an Entrepreneur?

Bloom’s Taxonomy: Application

AACSB: Communication

8) A \_\_\_\_\_\_\_\_\_ is a person who starts a business to reduce work hours and create a more relaxed life.

a) social entrepreneur

b) serial entrepreneur

c) classic entrepreneur

d) lifestyle entrepreneur

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Bloom’s Taxonomy: Knowledge

AACSB: Communication

9) A lifestyle entrepreneur can expect

a) to work fewer hours.

b) to work with less intensity.

c) to gain flexibility with work hours.

d) to vacation often.

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Bloom”s Taxonomy: Comprehension

AACSB: Communication

10) Which of the following is **not** one of the reasons people become entrepreneurs?

a) the desire for job security

b) the desire for financial success

c) the desire to work fewer hours

d) the desire to be one’s own boss

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

11) Which of the following is **not** listed as a reason people generally become entrepreneurs?

a) insufficient rewards and recognition

b) dissatisfaction with the work

c) desires to escape unreasonable bosses

d) to have an opportunity to do a “greater good” for society

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

12) Which of the following is a specific goal of people who become entrepreneurs?

a) more leisure time

b) to retire early

c) to create a legacy

d) becoming rich

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Blooms Taxonomy: Comprehension

AACSB: Communication

13) Which of the following is **not** a benefit of working for a Fortune 500 company?

a) more leisure time

b) career advancement opportunities

c) job security

d) benefits

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.2 Explain why people choose to become entrepreneurs.

Section Reference 1: Reasons to Choose Entrepreneurship as a Career Path

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

14) What are the two most important considerations in choosing an idea for a business?

a) Finding something you love to do and are good at doing; determining if your idea satisfies a need in the marketplace.

b) Deciding if you have the resources to produce the good or service; estimating how much money you will be able to make.

c) Securing financing; hiring the right people.

d) Developing a business plan; leaving your full-time job so you have the time to devote to the new venture.

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

15) Which of the following is **not** a factor that supports and expands opportunities for entrepreneurs?

a) globalization

b) education

c) labour rates

d) information technology

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

16) Which country leads in the number of adults engaged in entrepreneurial activity?

a) Canada

b) Thailand

c) Belgium

d) China

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

17) Students who graduate from entrepreneurship programs:

a) are no more likely to be self-employed than those who graduate with management degrees.

b) are twice as likely to start their own business than those who graduate with management degrees.

c) are three times more likely to be self-employed than those who graduate with management degrees.

d) start their own businesses about 90 percent of the time.

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Comprehension

AACSB: Communication

18) How has technology affected small entrepreneurs?

a) Due to the high cost of technology, entrepreneurs cannot compete effectively with large corporations.

b) New companies avoid the information technology industry because it is already saturated.

c) Technology affects Internet-based companies only.

d) Technology has levelled the playing field to the point that small companies can compete with big companies like IBM.

Answer: d

Difficulty: Hard

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Application

AACSB: Analytic

19) Which of the following creates opportunities for new entrepreneurs in the Canada?

a) aging of the population

b) growth of ethnic groups

c) growth of two-income families

d) all of these

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Comprehension

AACSB: Communication

20) Which is the age group most likely to start a new business?

a) college students (18 – 22)

b) retired people (65+)

c) adults aged 25 – 49

d) adults aged 55 – 64

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

21) There has been a huge increase in the number of people who run home-based businesses. They are referred to as which of the following?

a) minipreneur

b) intrapreneur

c) micropreneurs

d) homepreneurs

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

22) India has experienced an increase in female entrepreneurs.

Answer: True

Difficulty: Medium

Learning Objective 1: LO6.3 Discuss factors that support and expand opportunities for entrepreneurs.

Section Reference 1: The Environment for Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: Multiple Choice

23) The entrepreneurial personality includes which of the following most outstanding characteristic**?**

a) spirit

b) competitiveness

c) kindness

d) need to achieve

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

24) Entrepreneurs spend at least \_\_\_\_ hours a week on their new business.

a) 40

b) 70

c) 85

d) 25

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

25) Sam knows that economic conditions are out of his control. However, he still believes that his efforts can lead to success. He exhibits the entrepreneurial characteristic of the need to:

a) achieve.

b) be optimistic

c) have vision.

d) have a high energy level.

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Application

AACSB: Communication

26) How is tolerance for ambiguity different from a love of risk taking?

a) Ambiguity can be managed by staying close to customers and making adjustments as needed.

b) Risk taking is usually successful but ambiguity cannot be controlled.

c) A tolerance of ambiguity means that you will try again when others would give up.

d) Risk taking is a positive trait; ambiguity is negative.

Answer: a

Difficulty: Hard

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

27) Bill Gates’s and Paul Allen’s \_\_\_\_\_\_\_\_\_helped Microsoft become the world’s largest marketer of computer software.

a) vision

b) need to achieve

c) tolerance for failure

d) creativity

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Application

AACSB: Communication

28) When we look at the top entrepreneurs in the world, which of the following is a common trait?

a) creativity

b) dependability

c) reliability

d) flexibility

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.4 Identify the traits of successful entrepreneurs.

Section Reference 1: Characteristics of Entrepreneurs

Bloom’s Taxonomy: Knowledge

AACSB: Communication

29) Which of these is an advantage of buying an existing business?

a) Getting financing is easier.

b) Employees are already in place.

c) Permits and licenses have been obtained.

d) All of the above.

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

30) Which of the following is **least** important when buying an existing business?

a) Whether the business is currently profitable.

b) How stable the customer base is.

c) Whether you know the current owners personally.

d) What type of financing can be obtained to fund the purchase.

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Comprehension

AACSB: Communication

31) With rapidly changing markets, which of the following is a key component of a successful start-up?

a) flexibility

b) continuity

c) reliability

d) dependability

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Comprehension

AACSB: Communication

32) Which of the following is the **least** likely source of financing for new ventures?

a) venture capitalists

b) debt capital

c) equity capital

d) angel investors

Answer: a

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Analysis

AACSB: Communication

33) Wealthy individuals who invest directly in a new venture in exchange for an equity stake are referred to as which of the following?

a) venture capitalists

b) debt capital

c) equity capital

d) angel investors

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

34) Specific geographic areas set aside for economic renewal are referred to as which of the following?

a) venture capitalist zone

b) entrepreneurship districts

c) urban reserve

d) enterprise zones

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

35) Which form of financing needs to be repaid?

a) equity financing

b) debt financing

c) start-up capital

d) venture capital

Answer: b

Difficulty: Easy

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

36) The initial funding needed to launch a new venture comes from:

a) intrapreneurship.

b) seed programs.

c) pacing programs.

d) skunkworks projects.

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

37) \_\_\_\_\_\_\_\_\_\_ involves entrepreneurs exchanging a share of ownership in their business for money supplied by one or more investors.

a) Debt financing

b) Venture financing

c) Equity financing

d) Team financing

Answer: c

Difficulty: Medium

Learning Objective 1: LO6.5 Summarize the process of starting a new venture.

Section Reference 1: Starting a New Venture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

38) What is a pacing program?

a) A project initiated by an employee who then recruits resources within the company.

b) Borrowing a certain percentage of time from other assignments to explore new product ideas of the employee’s choosing.

c) Working off-site while still being employed by a corporation.

d) A company initiated project that focuses on a few products and technologies that might lead to rapid marketplace winners.

Answer: d

Difficulty: Medium

Learning Objective 1: LO6.6 Explain how organizations promote intrapreneurship.

Section Reference 1: Intrapreneurship

Bloom’s Taxonomy: Knowledge

AACSB: Communication

39) What percent of large firms now allocate funds toward intrapreneurship?

a) 10%

b) 30%

c) 55%

d) 65%

Answer: b

Difficulty: Medium

Learning Objective 1: LO6.6 Explain how organizations promote intrapreneurship.

Section Reference 1: Intrapreneurship

Bloom’s Taxonomy: Knowledge

AACSB: Communication

40) Bootlegging is a 3M effort to promote intrapreneurship by allowing

a) employees to borrow time from other projects to develop new products.

b) employees to take a sabbatical to work on new products.

c) employees to take frequent vacations to inspire new product ideas.

d) employees to copy competitors’ product ideas and claim credit.

Answer: a

Difficulty: Hard

Learning Objective 1: LO6.6 Explain how organizations promote intrapreneurship.

Section Reference 1: Intrapreneurship

Bloom’s Taxonomy: Comprehension

AACSB: Analytic