Package Title: Clickers

Course Title: Boone, Kurtz, Khan, Canzer, Contemporary Business, Third Canadian Edition

Chapter Number: 06

Question type: Multiple Choice

1) Which one of the following statements concerning *venture capitalists* is incorrect?

a) They invest in early stage, high potential growth companies

b) Usually back companies in high technology industries

c) They are willing to accept low rates of return for a share of the company

d) They want to invest in companies that have a combination of innovative technology, a potential for rapid growth, and a strong management team

Answer: c

2) 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

3) Which one of the following is **not** an advantage in buying an existing business?

a) There is less risk than starting a new business

b) Employees are already in place

c) The operations and management are set in their ways

d) Relationships with suppliers are already established

Answer: c

4) An entrepreneur who starts a business, runs it, then starts and runs more businesses, one after another, is referred to as a:

a) Classic entrepreneur

b) Social entrepreneur

c) Venture capitalist

d) Serial entrepreneur

Answer: d

5) 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

6) 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

7) Entrepreneurs believe that they control their own futures. This means they have:

a) An internal locus of control

b) An external locus of control

c) A low tolerance for ambiguity

d) A high level of creativity

Answer: a

8) 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

9) An entrepreneur who sees a societal problem and uses business principles to develop new solutions is described as a:

a) Serial entrepreneur

b) Social entrepreneur

c) Classic entrepreneur

d) Management entrepreneur

Answer: b

10) Bill Gates 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

11) Of the four factors cited that support and expand opportunities for entrepreneurs, which one represents the most significant advance?

a) Education

b) Globalization

c) Information technology

d) Demographic and economic trends

Answer: c

12) Seed capital refers to the funds needed to launch a company. The highest percentage of start-ups are:

a) Self-financed

b) Financed through loans from chartered banks

c) Financed through government loans

d) Financed through tax-deductible gifts from business associates

Answer: a

13) When an entrepreneur takes a loan from a friend or family member to start his or her company, the type of financing being undertaken is:

a) Equity

b) Debt

c) Venture

d) Self

Answer: b

14) Wealthy individuals who invest money directly in mostly new ventures in exchange for an equity share are referred to as:

a) Venture capitalists

b) Angel investors

c) Intrapreneurs

d) Entrepreneurs

Answer: b

15) The promotion of innovation within an existing organization is referred to as:

a) Entrepreneurship

b) Intrapreneurship

c) Extrapreneurship

d) Interpreneurship

Answer: b