

	<u>Question</u>	<u>Answer</u>	<u>Chapter</u>
1	1. Which of the following is not a characteristic of entrepreneurs:		1 Process
	a. Self-starters		
	b. Lethargic		
	c. Optimists		
	d. Perserverant		
2	Building ventures around new technology requires specialist knowledge in all of the following except:		1 Process
	a. social science		
	b. language arts		
	c. economics		
	d. markets		
3	One negative aspect of entrepreneurs, according to research, is that they are not open to change and they hang on to old plans even when they are not working contributing to escalation of commitment.	T/F	1 Process
4	A "Better Mouse Trap" is one of the keys to a successful small business	T/F	1 Process
5	Unfortunately, North America has one of the lowest percentages of people with Internet access	T/F	2 Innovation
6	The first step for any entrepreneur is to generate an idea for a new business.	T/F	2 Innovation
7	Incremental innovation means that:		2 Innovation
	a. A start-up company grows slowly.		
	b. Improvements are made on existing products and services.		
	c. Innovation is only applied to the way that things are made.		
	d. It is the safest strategy for a start-up to follow.		
8	The evaluation screening for patent protection includes all of the following except:		2 Innovation
	a. If the fee for a patent search and application affordable?		
	b. Is the service, product, or idea unique to get a head start on the competition?		
	c. Is the field changing so slowly that the innovation will be valuable for at least 5 years?		
	d. Has an attorney discussed the options and recommended that a patent be pursued?		
9	Going public is a cheap process.	T/F	13 Exit

10	Why do most family businesses not survive through the second generation?		13 Exit
	a. Goals and objectives are rarely the same		
	b. Second generation is lazy		
	c. Second generation usually cashes in		
	d. Most business survive through the second generation		
11	A business model provides a framework in which entrepreneurs can examine their business plans and explore alternative ways for their companies to function and grow profitably while building barriers to ward off competitors.	T/F	3 Bus Models
12	Capturing data on customer requirements and using it to create unique services or products can be a powerful way of adding value and keeping out competitors.	T/F	3 Bus Models
13	Which of the following factors are not important when designing a business model?		3 Bus Models
	a. Understanding customers' values		
	b. Having Venture Capital Investment		
	c. Analyzing current and potential customers		
	d. Clearly identifying the markets that you will enter.		
14	Social networks are:		3 Bus Models
	a. Club members.		
	b. Not-for-profit organizations.		
	c. Missionaries.		
	d. Online communities sharing common interests.		
15	We live in a global economy where changes occur _____.		3 Bus Models
	a. slowly		
	b. primarily within borders of economy		
	c. rapidly		
	d. with governmental intervention only		
16	One of the most attractive features of sole proprietorships is how fast and simple it is to begin operations.	T/F	6 Setup
17	In choosing a form of ownership, entrepreneurs must remember that there is no single "best" form	T/F	6 Setup
18	The ownership of a corporation lies in the stockholders and is evidenced by stock certificates issued to the shareholder.	T/F	6 Setup
19	The main purpose of writing a business plan is to test the viability of the business idea and set a path for the entrepreneur to follow.	T/F	5 Plan
20	Writing a business plan guarantees that problems do not come up.	T/F	5 Plan

21	The marketing and sales strategy section of the business plan describes how the business will implement the marketing plan to achieve expected sales performance.	T/F 5 Plan
22	Which of the following is not one of the ways that the business plan will determine if the business has a chance of becoming successful? a. Decrease the likelihood of the venture's success. b. Test the feasibility of the business concept. c. Attract bank loans and investors. d. Improve your business planning process to become more manageable and effective.	5 Plan
23	A good plan is more important than a "better mousetrap"?	T/F 5 Plan
24	A garage start-up is a myth in today's world.	T/F 9 Funding
25	Credit cards can be used as a source of funding for a new adventure.	T/F 9 Funding
26	Most states have programs that provide financial assistance or incentives to small businesses.	T/F 9 Funding
27	Virtual companies are sometimes referred to as: a. Micro-Equity. b. Lean start-ups. c. Bootstrapping. d. Angels.	9 Funding
28	Which of the following is not federally supported sources of small company funding? a. The SBIR program b. SBA loans c. EPA programs d. The STTR program	9 Funding