

## c2

*Student:* \_\_\_\_\_

1. The major causes of business failure include
  - A. manager does not have a business degree
  - B. incompetence and inexperience
  - C. type of small business
  - D. number of competitors
  
2. Which of the following is not an advantage of small business ownership?
  - A. independence
  - B. challenge
  - C. skill development
  - D. more free time
  
3. Personal characteristics of successful entrepreneurs include
  - A. business degree
  - B. risk taking
  - C. perseverance
  - D. risk taking and perseverance
  
4. Which of the following is not a characteristic of a successful small business?
  - A. high operating expenses
  - B. alertness to change
  - C. ability to attract and hold employees
  - D. thoroughness with operating details
  
5. Entrepreneurial traits include
  - A. developing strategy
  - B. team player
  - C. creativity
  - D. works through others

6. Managerial traits include

- A. creativity
- B. skills in several functional areas
- C. innovativeness
- D. risk taking

7. In which phase is entrepreneurship most important?

- A. startup process
- B. hiring of key employees
- C. maintaining a positive cash flow
- D. building a sufficient customer base

8. The entrepreneurial startup process begins with

- A. a visit to the banker for startup funds
- B. a visit to the library for more information on the business
- C. a visit to a business professor for advice
- D. an innovative idea that is refined as the idea is thought through

9. The ability to see, conceive, and create new and unique products, services is

- A. innovation
- B. risk taking
- C. product development
- D. locus of control

10. The primary reason most people start their own business is to

- A. build for their family
- B. earn large sums of money
- C. use their skills/abilities
- D. gain independence

11. The risks of self-employment include all but which of the following?

- A. income uncertainty
- B. more than 9 - 5 work hours
- C. the business takes over the life of the owner
- D. guaranteed income

12. Which of the following are not primary causes of small business failure?

- A. incompetence and inexperience
- B. lack of financial capacity
- C. floods and tornados
- D. lack of understanding financial information

13. In which situation would it be the most appropriate to utilize managerial skills?

- A. generating ideas
- B. maintaining control of operations
- C. generating solutions to problems
- D. adding new products to the line

14. Which of the following is not an environmental characteristic conducive to small business success?

- A. good owner-manager rapport with employees
- B. high labour intensity
- C. industries that do not receive government assistance
- D. markets requiring flexibility

15. Specific areas of managerial incompetence contributing to small business failure include

- A. budgeting
- B. receivables and payables management
- C. handling personnel
- D. all of the answers are correct

16. Even though they own their own businesses. entrepreneurs must still answer to

- A. their boss
- B. neighbors
- C. customers and suppliers
- D. no one

17. How much longer do entrepreneurs work per week on average than paid employees.

- A. 30
- B. 20
- C. 6
- D. the same

18. Small businesses tend to be

- A. labour intensive
- B. capital intensive
- C. balanced between labour and capital intensity
- D. none of the answers are correct

19. Entrepreneurial skills are required to

- A. maintain a business
- B. start a business
- C. solidify existing operations
- D. sell the business

20. Managerial skills are required to

- A. expand product lines
- B. start a business
- C. develop new ideas
- D. maintain a business

## c2 Key

1. The major causes of business failure include
- A. manager does not have a business degree
  - B. incompetence and inexperience**
  - C. type of small business
  - D. number of competitors

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #1*

*Difficulty: Easy*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*

2. Which of the following is not an advantage of small business ownership?
- A. independence
  - B. challenge
  - C. skill development
  - D. more free time**

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #2*

*Difficulty: Easy*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

3. Personal characteristics of successful entrepreneurs include
- A. business degree
  - B. risk taking
  - C. perseverance
  - D. risk taking and perseverance**

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #3*

*Difficulty: Easy*

*Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.*

4. Which of the following is not a characteristic of a successful small business?

- A. high operating expenses
- B. alertness to change
- C. ability to attract and hold employees
- D. thoroughness with operating details

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #4*

*Difficulty: Medium*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*

5. Entrepreneurial traits include

- A. developing strategy
- B. team player
- C. creativity
- D. works through others

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #5*

*Difficulty: Easy*

*Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.*

6. Managerial traits include

- A. creativity
- B. skills in several functional areas
- C. innovativeness
- D. risk taking

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #6*

*Difficulty: Easy*

*Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.*

7. In which phase is entrepreneurship most important?

- A. startup process
- B. hiring of key employees
- C. maintaining a positive cash flow
- D. building a sufficient customer base

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #7*

*Difficulty: Medium*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

8. The entrepreneurial startup process begins with
- A. a visit to the banker for startup funds
  - B. a visit to the library for more information on the business
  - C. a visit to a business professor for advice
  - D.** an innovative idea that is refined as the idea is thought through

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #8*

*Difficulty: Easy*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

9. The ability to see, conceive, and create new and unique products, services is
- A.** innovation
  - B. risk taking
  - C. product development
  - D. locus of control

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #9*

*Difficulty: Easy*

*Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.*

10. The primary reason most people start their own business is to
- A. build for their family
  - B. earn large sums of money
  - C. use their skills/abilities
  - D.** gain independence

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #10*

*Difficulty: Easy*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

11. The risks of self-employment include all but which of the following?
- A. income uncertainty
  - B. more than 9 - 5 work hours
  - C. the business takes over the life of the owner
  - D.** guaranteed income

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #11*

*Difficulty: Medium*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

12. Which of the following are not primary causes of small business failure?

- A. incompetence and inexperience
- B. lack of financial capacity
- C. floods and tornados**
- D. lack of understanding financial information

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #12*

*Difficulty: Medium*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*

13. In which situation would it be the most appropriate to utilize managerial skills?

- A. generating ideas
- B. maintaining control of operations**
- C. generating solutions to problems
- D. adding new products to the line

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #13*

*Difficulty: Medium*

*Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.*

14. Which of the following is not an environmental characteristic conducive to small business success?

- A. good owner-manager rapport with employees
- B. high labour intensity
- C. industries that do not receive government assistance**
- D. markets requiring flexibility

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #14*

*Difficulty: Medium*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*

15. Specific areas of managerial incompetence contributing to small business failure include

- A. budgeting
- B. receivables and payables management
- C. handling personnel
- D. all of the answers are correct**

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #15*

*Difficulty: Easy*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*



16. Even though they own their own businesses. entrepreneurs must still answer to

- A. their boss
- B. neighbors
- C. customers and suppliers**
- D. no one

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #16*

*Difficulty: Difficult*

*Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.*

17. How much longer do entrepreneurs work per week on average than paid employees.

- A. 30
- B. 20
- C. 6**
- D. the same

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #17*

*Difficulty: Easy*

*Learning Objective: 02-02 List the personal and organizational attributes of a successful small business owner.*

18. Small businesses tend to be

- A. labour intensive**
- B. capital intensive
- C. balanced between labour and capital intensity
- D. none of the answers are correct

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #18*

*Difficulty: Medium*

*Learning Objective: 02-01 Discuss the advantages and disadvantages of business ownership as a starting point in making the small business decision.*

19. Entrepreneurial skills are required to

- A. maintain a business
- B. start a business**
- C. solidify existing operations
- D. sell the business

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #19*

*Difficulty: Easy*

*Learning Objective: 02-03 Explain the reasons some business succeed and others fail.*

20. Managerial skills are required to

- A. expand product lines
- B. start a business
- C. develop new ideas
- D.** maintain a business

*Accessibility: Keyboard Navigation*

*Balderson - Chapter 02 #20*

*Difficulty: Easy*

*Learning Objective: 02-04 Identify the differences between an entrepreneur and a manager.*

## c2 Summary

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