Entrepreneurship

1) What document should you prepare to include with your business plan that will tell the reader about your qualifications to run the business?
    a. Executive Summary
    b. Resume
    c. Mission Statement
    d. Cover Letter

    Competency: Business plan

2) Which one of the following would **not** be a good characteristic for an entrepreneur?
    a. follower
    b. leader
    c. self-motivated
    d. visionary

    Competency: Business plan

3) What is the formula for calculating net worth?
    a. Assets – Liabilities = Net Worth
    b. Assets + Liabilities = Net Worth
    c. Assets + What You Own = Net Worth
    d. Liabilities – Assets = Net Worth

    Competency: Financial management

4) Your cousin, Andy, is willing to invest $20,000 in your business for a 15 percent share of ownership in your business. What type of capital investment is this?
    a. debt capital
    b. venture capital
    c. equity capital
    d. secured capital

    Competency: Initial capital and credit

5) If you were going to start a small retail store selling gift items, which type of market structure would you most likely be entering?
   a. oligopoly
   b. monopolistic competition
   c. perfect competition
   d. monopoly

   Competency: Marketing management

6) Which one of the following functions of management would apply when grouping tasks into departments?
   a. organizing
   b. planning
   c. implementing
   d. controlling

   Competency: Personnel management

7) Who determines the amount of sales tax that must be charged on a sale?
   a. Chamber of Commerce
   b. federal government
   c. business owner
   d. city, county, and/or state governments

   Competency: Taxes

8) Which one of the following is **not** a factor to consider when analyzing the economic climate that controls your business?
   a. new competition
   b. demographic changes
   c. prices your charge
   d. condition of national economy

   Competency: Community/business relations

9) In what type of economy does the government determine what, how, and for whom products and services are produced?
   a. traditional economy
   b. market economy
   c. command economy
   d. mixed economy

   Competency: Government regulations

10) Which law bans unfair or deceptive actions or practices by businesses that may cause an unfair competitive advantage?
   a. Wheeler-Lea Act
   b. Sherman Act
   c. Clayton Act
   d. Robinson-Patman Act

   Competency: Legal issues

ANSWER KEY

1. B
2. A
3. A
4. C
5. C
6. A
7. D
8. C
9. C
10. A