|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Entrepreneurs are aggressive catalysts for change within the marketplace.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2. The terms *entrepreneur* and *small-business owner* are never used interchangeably.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 3. Entrepreneurs are the major source of innovation and job creation in any economy.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. Entrepreneurship is more than the mere creation of a business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. During the past ten years, new business incorporations averaged nearly 400,000 per year.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 6. A sizeable body of research has developed that supports the individual frameworks through the schools of thought may be particularly valuable to advancing the field of entrepreneurship.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 7. The entrepreneurial spirit is unique to America and Western  Europe.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. A “gazelle” is a business establishment with at least five percent sales growth every year for 25 years.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. Gazelles produce half the innovations per employee that larger firms typically do.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. New and smaller firms obtain more patents per sale than do larger firms.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 11. Gazelles produced 5 million jobs despite the continual downsizing in major corporations over the last decade.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 12. New and smaller firms are responsible for 95 percent of all radical innovations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. Gazelles are almost always high tech.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. Gazelles do not always get venture capital funding.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. Three characteristics of an entrepreneur are personal initiative, management skills, and a desire for autonomy.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. Large firms, as opposed to entrepreneurs, are the aggressive catalyst for change in the world of business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 17. The word entrepreneur is derived from the Spanish word *entreprendre,* meaning “to undertake.”   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. There is no single definition of an entrepreneur.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 19. Recognition of entrepreneurs dates back to the French economist Robert Ronstadt.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20. Entrepreneurs are the major source of innovation and job creation in the economy.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 21. According to Robert C. Ronstadt, entrepreneurship is the process of creating incremental wealth.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. Most entrepreneurs are inventors.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. An entrepreneur needs neither a lot of money nor luck.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. Prepared entrepreneurs who seize opportunities when they arise often appear to be lucky.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 25. Entrepreneurs are *not* extreme risk takers.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. Entrepreneurs always start their business at a young age.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. Characteristics of entrepreneurs can neither be taught nor learned.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28. Entrepreneurs are born not made.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. Entrepreneurs are doers not thinkers.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. Entrepreneurs must fit the “profile.”   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. Entrepreneurs are often very methodical people who plan their moves very carefully.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. The “corridor principle” states that entrepreneurs often get stuck on one idea.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 33. Entrepreneurs are often known as calculated risk takers, as opposed to “gamblers.”   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. The macro view of entrepreneurship includes external processes that are sometimes beyond the control of the entrepreneur.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. The displacement school of thought focuses on the negative side of group phenomena.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 36. The strategic formulation school of thought emphasizes the planning process in successful venture development.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 37. In the environmental school of thought, legal issues surrounding the natural environment are primary.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. The financial/capital entrepreneurial school of thought focuses on the potential profit of the business idea.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. Political, cultural, and economic displacement are all part of the displacement school of entrepreneurial thought.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. “Great chef” strategies focus on unique people.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. Entrepreneurship involves an interdisciplinary approach.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. The Dynamic States Approach is a more of a process-oriented view that incorporates an array of the group, the environment, and the organization.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 43. Entrepreneurs are best characterized as:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | aggressive catalysts for change | b. | good managers | |  | c. | hard to get along with | d. | not fitting in to an ordinary workplace |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 44. In the second decade of the new millennium, the number of businesses in the United States soared to more than 28 million. At what rate is this number still growing annually?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | 15% | b. | 2% | |  | c. | 50% | d. | 6% |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. Entrepreneurs will always be   |  |  |  | | --- | --- | --- | |  | a. | a key factor in the stability of the small business sector | |  | b. | hindered by lack of funding | |  | c. | the major source of job creation and innovation in any economy | |  | d. | a little quirky |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 46. In the evolutionary process of economic growth, \_\_\_\_\_\_\_\_\_ plays the crucial and indispensable role of providing the “social glue” that binds together both high-tech and “Main Street” activities.   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | entrepreneurship | b. | supply and demand | |  | c. | the Internet | d. | management |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 47. Entrepreneurs and gazelles have been credited with making disproportionate contributions to all but which of the following?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | innovation | b. | job creation | |  | c. | economic renewal | d. | unemployment |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. Which of the following statements best describes a “gazelle?”   |  |  |  | | --- | --- | --- | |  | a. | a business with at least 20 percent growth every year | |  | b. | a business with no sales growth | |  | c. | a business that has acquired numerous firms | |  | d. | an inventor who turned business person |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 49. Gazelles have been responsible for which of the following:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | some job growth | b. | 55 percent of innovations | |  | c. | 30 percent of all radical innovations | d. | most job turnover |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 50. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the economic basis for all entrepreneurial activity.   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | Individuality | b. | Capitalism | |  | c. | Voodoo economics | d. | Free enterprise |  |  |  | | --- | --- | | *ANSWER:* | d | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. The word entrepreneur is derived from the French *entreprendre*, which is translated as   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | to apprehend. | b. | to undertake. | |  | c. | to compete. | d. | to enter and dare. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. Which Framework is *not* considered one of the six "Framework of Frameworks" approach?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | integrative | b. | collaborative | |  | c. | process | d. | life cycle |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. Which of the following characteristics is most important to an entrepreneur?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | management skills | b. | neatness | |  | c. | friendliness | d. | having a nice office |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. The study of entrepreneurship is   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | based on the field of management. | b. | based on the field of accounting. | |  | c. | based on the field of sociology. | d. | interdisciplinary. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 55. Which economist first associated the “risk bearing” activity in the economy with the entrepreneur?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | Peter F. Drucker | b. | Robert C. Ronstadt | |  | c. | Jean Baptiste Say | d. | Richard Cantillon |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. Which is *not* one of the chief characteristics of an entrepreneur?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | personal initiative | b. | ability to consolidate resources | |  | c. | risk taking | d. | desire for control of people |  |  |  | | --- | --- | | *ANSWER:* | d | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. Entrepreneurial traits include which of the following?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | salesmanship | b. | initiative | |  | c. | wealth | d. | edginess |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. Robert C. Ronstadt put together a summary definition of entrepreneur that included which of the following key phrases?   |  |  |  | | --- | --- | --- | |  | a. | the acceptance of risk of failure | |  | b. | the dynamic process of creating incremental wealth | |  | c. | the advantage of economic endowments | |  | d. | the phenomenon of leadership |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 59. With which of the following concepts is entrepreneurship considered synonymous?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | free enterprise | b. | socialism | |  | c. | multimillion dollar enterprises | d. | partnership |  |  |  | | --- | --- | | *ANSWER:* | a | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. Which is a true statement about entrepreneurs?   |  |  |  | | --- | --- | --- | |  | a. | Entrepreneurs are doers and thinkers. | |  | b. | All you need is money to be an entrepreneur. | |  | c. | Ignorance is bliss for an entrepreneur. | |  | d. | Inheriting a business is the best way to become an entrepreneur. |  |  |  | | --- | --- | | *ANSWER:* | a | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. Being an entrepreneur who is presented with "being in the right place at the right time" is associated with which myth?   |  |  |  | | --- | --- | --- | |  | a. | Entrepreneurship Is Unstructured and Chaotic | |  | b. | Most Entrepreneurial Initiatives Fail | |  | c. | Entrepreneurs Are Extreme Risk Takers | |  | d. | All Entrepreneurs Need Is Luck |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 62. The “corridor principle” is best described by which of the following statements?   |  |  |  | | --- | --- | --- | |  | a. | If at first you don’t succeed, try, try, again. | |  | b. | Being in the right place at the right time. | |  | c. | With every new venture launched, new and unintended opportunities arise. | |  | d. | Luck happens when preparation meets opportunity. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 63. Which of the following traits is *not* that of an entrepreneur?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | drive | b. | shyness | |  | c. | willingness to take risks | d. | human relations skills |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 64. Which of the following is *not* a common myth about entrepreneurs?   |  |  |  | | --- | --- | --- | |  | a. | Entrepreneurs are academic and social misfits. | |  | b. | Entrepreneurs are doers, not thinkers. | |  | c. | Entrepreneurs today are considered heroes. | |  | d. | All you need is money to be an entrepreneur. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 65. Which statement is *not* true?   |  |  |  | | --- | --- | --- | |  | a. | Luck happens when preparation meets opportunity. | |  | b. | Entrepreneurs fare poorly in today’s hypercompetitive market. | |  | c. | Failure due to lack of proper financing often is an indicator of other problems. | |  | d. | It takes more than just money to be a successful entrepreneur. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 66. Most entrepreneurs should be categorized as   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | inventors. | b. | innovators. | |  | c. | lucky. | d. | wealthy. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 67. Which of the following statements is true?   |  |  |  | | --- | --- | --- | |  | a. | Entrepreneurship is the ability to create and build a vision from practically nothing. | |  | b. | Entrepreneurship is pure luck. | |  | c. | Entrepreneurship is simply obtaining financing and starting a business. | |  | d. | Entrepreneurship has nothing to do with creating incremental wealth. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 68. Which of the following economists wrote about entrepreneurship and its impact on economic development?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | Richard Dailey | b. | Joseph Schumpeter | |  | c. | Paul Samuelson | d. | Robert McConnell |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 69. Entrepreneurship has become synonymous or closely linked with:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | failure | b. | socialism and monopolies | |  | c. | multimillion dollar enterprises | d. | free enterprise and capitalism |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 70. Michael Gerber, the author of *The E-Myth,* contends that   |  |  |  | | --- | --- | --- | |  | a. | the entire field of study in entrepreneurship is a myth. | |  | b. | there is no such thing as entrepreneurship. | |  | c. | today’s business owners are not true entrepreneurs. | |  | d. | everybody in business is an entrepreneur. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 71. Michael Gerber, the author of *The E-Myth,* explains that the failure of most small businesses is due to   |  |  |  | | --- | --- | --- | |  | a. | owners being more technical than entrepreneurial. | |  | b. | owners being more managerial than technical. | |  | c. | owners being more entrepreneurial than managerial. | |  | d. | owners being more entrepreneurial than technical. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 72. Entrepreneurs always   |  |  |  | | --- | --- | --- | |  | a. | start their business at a young age. | |  | b. | quit school and devote themselves to being an entrepreneur. | |  | c. | use credit cards to start their own businesses. | |  | d. | generate ideas and plan for their implementation. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 73. When referring to “luck” and an entrepreneur, which of the following statements is an appropriate adage?   |  |  |  | | --- | --- | --- | |  | a. | Always wait for luck to happen. | |  | b. | Luck happens when preparation meets opportunity. | |  | c. | Luck happens to everyone. | |  | d. | Luck is the key to entrepreneurship. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 74. The statement, “with every new venture launched, new and unintended opportunities often arise,” would be associated with   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | the entrepreneurial principle. | b. | the opportunity principle. | |  | c. | the corridor principle. | d. | the Dilbert principle. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 75. Entrepreneurs themselves perceive the concept of risk in which of the following ways?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | calculated risk taking | b. | gambling risk | |  | c. | distorted risk taking | d. | social risk |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 76. In the study of contemporary entrepreneurship, what one concept reoccurs?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | No one understands the field. | b. | Folklore dominates the studies. | |  | c. | There is no theoretical base. | d. | Entrepreneurship is interdisciplinary. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 77. The macro view of entrepreneurship presents factors exhibiting a strong   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | internal locus of control. | b. | external locus of control. | |  | c. | environmental locus of control. | d. | contemporary locus of control. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 78. Entrepreneurs are accurately described in which way?   |  |  |  | | --- | --- | --- | |  | a. | as gamblers | |  | b. | as risk takers | |  | c. | as calculated risk takers | |  | d. | as risk averse |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 79. Which of the following is *not* considered in the Framework of Frameworks Approach?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | integrative | b. | collaborative | |  | c. | process | d. | life cycle |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 80. Which of the following schools of thought is *not* a micro view school of thought?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | the entrepreneurial trait school of thought | b. | the venture opportunity school of thought | |  | c. | the strategic formulation school of thought | d. | the inherited business school of thought |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 81. The macro view can be broken down into which three areas?   |  |  |  | | --- | --- | --- | |  | a. | environmental, financial/capital, and displacement | |  | b. | entrepreneurial trait, opportunity, and strategic | |  | c. | displacement, trait, and financial | |  | d. | entrepreneurial trait, financial/capital, and displacement |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 82. The displacement school of thought can be divided into which three groups?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | political, cultural, environmental | b. | cultural, environmental, and financial | |  | c. | environmental, financial, and economic | d. | economic, cultural, and political |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 83. The micro view is divided into which three theories?   |  |  |  | | --- | --- | --- | |  | a. | entrepreneurial, financial, displacement | |  | b. | venture opportunity theory, entrepreneurial, strategic | |  | c. | strategic, environmental, and opportunity | |  | d. | environmental, financial, and displacement |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 84. Which of the following is *not* a form of displacement in the displacement school of thought?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | political | b. | racial | |  | c. | economical | d. | cultural |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 85. Which of the following does *not* apply to the strategic formulation school of thought?   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | unique people | b. | unique places | |  | c. | unique markets | d. | unique products |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 86. Water well strategies refer to   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | unique resources. | b. | unique products. | |  | c. | unique markets. | d. | unique products. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 87. Mountain gap strategies refer to   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | unique resources. | b. | unique locations. | |  | c. | unique resources. | d. | unique markets. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 88. The process approach to entrepreneurship seeks to   |  |  |  | | --- | --- | --- | |  | a. | explain the process of obtaining patents. | |  | b. | model the various factors that characterize the entrepreneurial process. | |  | c. | explain intrapreneurship. | |  | d. | explain the process of obtaining venture capital. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 89. The dynamic states model depicts ventures as   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | a. | being dependent on their environment for survival. | b. | being independent of their environment. | |  | c. | being dependent on their managerial talent. | d. | being independent of their managerial talent. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 90. Describe entrepreneurs and entrepreneurship in today’s marketplace.   |  |  | | --- | --- | | *ANSWER:* | ​  Entrepreneurs are today’s heroes and who are individuals who recognize opportunities where others see chaos, or confusion. They are aggressive catalysts for change within the marketplace. They have been compared to Olympic athletes challenging themselves to break new barriers, to long distance runners dealing with the agony of the miles, to symphony orchestra conductors who balance the different skills and sounds into a cohesive whole, or to top-gun pilots who continually push the envelope of speed and daring. They start and create jobs at a breathtaking pace.  ​  Entrepreneurship is an integrated concept that permeates an individual’s business in an innovative manner. It is this perspective that has revolutionized the way business is conducted at every level and in every country. The revolution has begun in an economic sense, and the entrepreneurial perspective is the dominant force. | |

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| 91. ​Describe the “framework of frameworks” approach to entrepreneurship.   |  |  | | --- | --- | | *ANSWER:* | ​  Much like the “multiple lens” approach that characterizes general management, the theories based on combinations can delve into some of the particular aspects of entrepreneurship with greater granularity. It can be noted that in regards to entrepreneurial decision-making; “there are numerous opportunities for multilevel research to make a substantial contribution to the field of entrepreneurship.”  This approach allows for the profession to move forward identifying the static and dynamic elements of new theories, typologies, or frameworks that could be important and distinguishing for growth of knowledge bases in the fields. | |

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| 92. Define a “gazelle” and discuss some ways that gazelles impact the economy.   |  |  | | --- | --- | | *ANSWER:* | New and smaller firms create the most jobs in the U.S. economy. The facts speak for themselves. The vast majority of these job-creating companies are fast-growing businesses.  David Birch of Cognetics, Inc. has named these firms “gazelles.” A gazelle, by Birch’s definition, is a business establishment with at least 20 percent sales growth every year for five years starting with a base of at least $100,000.  The ‘gazelle factor’ may be the most important finding in economic growth. Consider that, despite the continual downsizing in major corporations over the last decade, gazelles produced 5 million jobs and brought net employment growth to 4.2 million jobs. More recently, gazelles (which currently number about 358,000, or 4 percent of ongoing companies) generated practically as many jobs (10.7 million) as the entire U.S economy (11.1 million) during the same period. | |

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| 93. What are the three specific types of displacement? Briefly describe each.   |  |  | | --- | --- | | *ANSWER:* | ​  Political displacement—Caused by factors ranging from an entire political regime that rejects free enterprise (international government) to government regulations and policies that limit or redirect certain industries.  Cultural displacement—Deals with social groups precluded from professional fields. Ethnic background, religion, race, and sex are examples of factors that figure in the minority experience.  Economic displacement—Concerned with the economic variations of recession and depression. Job loss, capital shrinkage, or simply “bad times” can create foundation for entrepreneurial pursuits. | |

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| 94. What are the schools of thought that use the macro view of entrepreneurship?   |  |  | | --- | --- | | *ANSWER:* | ​  The macro view of entrepreneurship presents a broad array of factors. These include external factors, which sometimes cannot be controlled.  In the macro view, the environmental school of thought deals with external factors that affect the possible lifestyle of the entrepreneur.  Also under macro, the financial/capital school looks for seed and growth capital to develop the entrepreneur. The displacement school is the final macro view. It holds that the group affects or eliminates certain factors that project the individual into an entrepreneurial venture. | |

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| 95. Describe the evolution of entrepreneurship, list the persons who wrote about it, and describe their impact on economic development.   |  |  | | --- | --- | | *ANSWER:* | ​​  Although there is no single definition of entrepreneur, we can see from the social and economic forces that existed long before the new millennium that the entrepreneurial spirit has driven many of humanity’s achievements. Humanity’s progress—from caves to campuses—has been explained many ways. Central to virtually all of these theories has been the role of the “agent of change,” the force that initiates and implements material progress. Today we recognize that the agent of change in human history has been the entrepreneur.  Entrepreneurship was first recognized by Richard Cantillon in eighteenth-century France. He described an entrepreneur as someone who bears the risks of business. During the same time period, the Industrial Revolution was taking form in England, and the entrepreneur was seen taking risks and transforming resources into products. Entrepreneurship has long been associated with economic development. Many definitions of entrepreneurship prior to 1950 came from economists such as Cantillon, Jean Baptiste Say (1803), and Joseph Schumpeter (1934). In the twentieth century, entrepreneurship has been associated with free enterprise and capitalism. Entrepreneurs generally are seen as people who provide creative and innovative ideas for businesses and help them grow and become profitable. Now, entrepreneurship is regarded as “pioneer ship” on the frontier of business. | |

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| 96. Provide a comprehensive definition of entrepreneurship.   |  |  | | --- | --- | | *ANSWER:* | ​  Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources.  OR  Entrepreneurship is ability to create and build a vision from practically nothing: fundamentally it is a human, creative act. It is the application of energy to initiating and building an enterprise or organization, rather than just watching or analyzing. This vision requires a willingness to take calculated risks—both personal and financial—and then to do everything possible to reduce the chances of failure. Entrepreneurship also includes the ability to build an entrepreneurial or venture team to complement your own skills and talents. It is the knack for sensing an opportunity where others see chaos, contradiction, and confusion. It is possessing the know-how to find, marshal, and control resources (often owned by others). | |