

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. Resume
 - b. Executive Summary
 - 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. $\text{Assets} - \text{Liabilities} = \text{Net Worth}$
 - b. $\text{Assets} + \text{Liabilities} = \text{Net Worth}$
 - c. $\text{Assets} + \text{What You Own} = \text{Net Worth}$
 - d. $\text{Liabilities} - \text{Assets} = \text{Net Worth}$

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. equity capital
 - b. venture capital
 - c. debt 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?
- perfect competition
 - monopolistic competition
 - oligopoly
 - monopoly

Competency: Marketing management

- 6) Which one of the following functions of management would apply when grouping tasks into departments?
- organizing
 - planning
 - implementing
 - controlling

Competency: Personnel management

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

Competency: Taxes

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