**Homework Assignment**

**Course Number: 210211.10**

**Course Name: Entrepreneurship**

**Chapters 1-4**

**Part I: Introduction**

**PART II: DEVELOPING SUCCESSFUL BUSINESS IDEAS**

**Following are 33 questions each worth five points. Circle or highlight the answer you think most correct.**

**Chapter 1: Introduction**

1) One of the businesses owned by Kirsten Blowers, the entrepreneur profiled in the opening feature of Chapter 1, is Riffraff. Riffraff sells \_\_\_\_\_\_\_\_.

A) refurbished furniture

B) clothing

C) jewelry

D) books

E) t-shirts

2) Which of the following is an accurate characterization of interest in entrepreneurship?

A) There is minimal interest in entrepreneurship across the world.

B) There is minimal interest in entrepreneurship in North America and Europe, but significant interest in Asia and Australia.

C) There is significant interest in entrepreneurship in North America and Europe, but minimal interest in Asia and Australia.

D) While interest in entrepreneurship was once high, it is waning in popularity across the world.

E) There is tremendous interest in entrepreneurship across the world.

3) According to the Global Entrepreneurship Monitor (GEM) 2015-2016 survey, about \_\_\_\_\_\_\_\_ percent of adults in the United States are either starting a business or are running a business that has been in existence for less than 3 1/2 years.

A) 3.8

B) 5.5

C) 7.6

D) 9.0

E) 11.9

4) According to the Global Entrepreneurship Monitor (GEM) 2015-2016 study, the majority of people in high-income countries are drawn to entrepreneurship \_\_\_\_\_\_\_\_.

A) to take advantage of an attractive opportunity

B) due to lack of career prospects

C) as a result of government incentives

D) because an important role model was an entrepreneur

E) to gain prestige

5) Which of the following statements regarding survival rates of entrepreneurial firms in the United States is correct?

A) As high as 50 percent after four years

B) As high as 60 percent after four years

C) As high as 70 percent after four years

D) As high as 80 percent after four years

E) As high as 90 percent after four years

**Chapter 2 Recognizing Opportunities and Generating Ideas**

1) The three ways to identify an opportunity include \_\_\_\_\_\_\_\_.

A) observing trends, solving a problem, and finding gaps in the marketplace

B) studying industry trade journals, talking to consumers, and solving a problem

C) observing trends, conducting brainstorming sessions, and studying industry trade journals

D) observing trends, talking to consumers, and finding gaps in the marketplace

E) reading books, solving a problem, and findings gaps in the marketplace

2) GasBuddy is a company started to help consumers save money on gas. Which environmental trend is most likely to have provided the impetus for the creation of this company?

A) Regulatory changes

B) Political changes

C) Economic forces

D) Technological advances

E) Social forces

3) Economic forces impact the opportunities available to entrepreneurs. Which of the following alternatives reflects a set of economic forces that would be of interest to entrepreneurs?

A) Level of disposable income, new uses of old technologies, and new laws and regulations

B) New technologies, consumer spending patterns, and new laws

C) Housing starts, consumer spending patterns, and stability of interest rates

D) Social and cultural trends, level of interest rates, and what people think is "in"

E) New changes in political areas, new laws, and level of disposable income

4) Which of the following is **NOT** an example of a social force?

A) Changes in interest rates

B) Increasing participation in social networks

C) Increasing diversity of the workplace

D) Aging of the population

E) Continual migration of people from small towns and rural areas to cities

5) An increased focus on health and wellness has resulted in a number of new business ideas including healthier foods and beverages, yoga instruction and training centers, and nutrition consulting. An increased focus on health and wellness is an important \_\_\_\_\_\_\_\_ that is creating opportunities in many areas for entrepreneurial firms.

A) economic force

B) regulatory force

C) legal force

D) technological advances

E) social force

6) The increasing number of social networks on the Internet is attributed to a jump in the number of people who are wanting to connect with one another online. The increasing number of social networks is an important \_\_\_\_\_\_\_\_ trend.

A) political

B) economic

C) legal

D) social

E) demographic

**Chapter 3 Feasibility Analysis**

1) Owlet Baby Care, the company profiled in the opening feature of Chapter 3, produces a "smart sock" that can be used to monitor a baby via an app. The feature describes how Owlet Baby Care's founders accidentally validated their business idea when \_\_\_\_\_\_\_\_.

A) they went on Kickstarter to raise funds

B) they won a business plan competition

C) they were featured on CNBC's *Shark Tank*

D) parents began inquiring about the product after a video of a mockup of the product somehow got out

E) a big company made a pitch to acquire them

2) \_\_\_\_\_\_\_\_ is the process of determining whether a business idea is viable.

A) Feasibility analysis

B) Opportunity recognition

C) Viability analysis

D) Achievability analysis

E) Scenario analysis

3) \_\_\_\_\_\_\_\_ research is research that is collected by the person or persons completing the analysis. \_\_\_\_\_\_\_\_ research probes data that is already collected.

A) Primary, Derivative

B) Secondary, Primary

C) Primary, Secondary

D) Indirect, Direct

E) Direct, Indirect

4) Cynthia Jones recently surveyed 200 of her classmates to get a sense of the demand for a new software product she is working on. Collecting data via a survey you administer yourself is referred to as \_\_\_\_\_\_\_\_ research.

A) direct

B) derivative

C) primary

D) secondary

E) initial

5) Talking to industry experts, obtaining feedback from prospective customers, and administering surveys are examples of \_\_\_\_\_\_\_\_ research.

A) primary

B) secondary

C) derivative

D) principal

E) fundamental

6) Trade journals, industry-related publications, government statistics, and competitors' Web sites are examples of \_\_\_\_\_\_\_\_ research.

A) secondary

B) action

C) principal

D) legacy

E) vertical

7) Jennifer Burroughs is thinking about starting a firm in the upscale women's fashion industry. To get a full appreciation of the competitive nature of the industry, and how she might position her products, Jennifer has spent considerable time looking at industry-related publications, Hoover's Online, and ABI-Inform, which is a database that provides access to articles covering a wide-variety of business and industry related issues. Jennifer is conducting \_\_\_\_\_\_\_\_ research.

A) primary

B) secondary

C) action

D) temporary

E) purposeful

8) Which of the following is **NOT** one of the four areas of feasibility analysis discussed in the textbook?

A) Product/service feasibility

B) Financial feasibility

C) Societal feasibility

D) Organizational feasibility

E) Industry/market feasibility

9) \_\_\_\_\_\_\_\_ feasibility is an assessment of the overall appeal of the product or service being proposed.

A) Consumer

B) Industry/market segment

C) Industry/market

D) Product/service

E) Purchaser/end-user

10) The two components of product/service feasibility analysis are product/service \_\_\_\_\_\_\_\_ and product/service \_\_\_\_\_\_\_\_.

A) value; affordability

B) demand; timeliness

C) timeliness; value

D) durability; value

E) desirability; demand

11) Does it make sense? Is it reasonable? Is it something consumers will get excited about? Does it take advantage of an environmental trend, solve a problem, or fill a gap in the marketplace? These are the types of questions asked during the \_\_\_\_\_\_\_\_ feasibility component of a complete feasibility analysis.

A) financial

B) industry/target market

C) organizational

D) concept

E) product/service

**Chapter 4 Developing an Effective Business Model**

1) IndieU is the focus of the opening feature of Chapter 4. Connecting college students with new indie artists and putting it in the students' hands to stage unforgettable college experiences that showcase fresh music is IndieU's \_\_\_\_\_\_\_\_.

A) revenue model

B) cost model

C) business plan

D) financial plan

E) unique value proposition

2) A \_\_\_\_\_\_\_\_ is a firm's plan or recipe for how it creates, delivers, and captures value for its stakeholders.

A) commercialization plan

B) business model

C) business plan

D) launch plan

E) tactical model

3) The Savvy Entrepreneurial Firm feature in Chapter 4 focuses on the ways in which CoachUp creates, delivers and captures value for its stakeholders. According to the feature, CoachUp would be a business that would be difficult to copy. According to the feature, it would be difficult to copy because \_\_\_\_\_\_\_\_.

A) it has raised $9.4 million, has 13,000 coaches in its platform, and tens of thousands of athletes who have used its service

B) it has a highly-functional Web site and has a talented management team

C) it has a savvy marketing plan

D) it has raised $9.4 million and has a talented management team

E) it has an excellent Internet domain name and has a first-mover advantage

4) Which of the following is the proper sequence for when a firm should develop a business model?

A) Preparation of the business model, initial validation of the business idea, opportunity recognition

B) Initial validation of the business idea, establishing a growth plan, preparation of the business model

C) Initial validation of the business idea, preparation of the business model, fleshing out the operational details of the firm

D) Opportunity recognition, fleshing out the operational details of the firm, preparation of the business model

E) Opportunity recognition, preparation of the business model, establishing a growth plan for the firm

5) In regard to business models, which of the following statements is incorrect?

A) There is a standard business model that most firms follow.

B) A firm's business model is inherently dependent on the collection of resources it controls and the capabilities it possesses.

C) It is dangerous for a company to assume that it can be successful by simply copying the business model of another firm.

D) A firm's business model is its plan or diagram for how it competes.

E) It is often difficult to determine what another firm's business model is.

6) The Partnering for Success feature in Chapter 4 focused on Web-based platforms, including Upwork and Guru, that make it easy to identify and hire experienced \_\_\_\_\_\_\_\_.

A) part time employees

B) freelancers

C) interns

D) virtual assistants

E) full-time employees

7) \_\_\_\_\_\_\_\_ refers to the number of subscribers that a subscription-based business loses each month.

A) Agitate

B) Churn

C) Erosion

D) Attrition

E) Stir

8) The two general categories of business models are \_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_.

A) normal; unique

B) standard; disruptive

C) ordinary; revolutionary

D) customary; unique

E) ordinary; disruptive

9) \_\_\_\_\_\_\_\_ business models depict existing plans or recipes firms can use to determine how they will create, deliver, and capture value for their stakeholders.

A) Revolutionary

B) Normal

C) Customary

D) Disruptive

E) Standard

10) Brandon Jones has crafted a business model for his firm that is based on an existing plan or template for how firms in his industry create, deliver and capture value for their shareholders. Brandon has crafted a \_\_\_\_\_\_\_\_ business model.

A) standard

B) disruptive

C) customary

D) normal

E) temporary

11) Which of the following statements about business models is incorrect?

A) There are two general types of business models.

B) There is no perfect business model.

C) Most of the standard business models have been in place for some time.

D) A firm's business model is confined to its own boundaries.

E) Firms should guard themselves against thinking that one particular business model is a "home run" regardless of circumstances.