TT TEXTBOOK TESTBANKS

Test Bank for Building Your Dream Guide To Starting Your Own Business 11th Good

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Building Your Dream 11ce Edition by Good Ch01

Correct answers are located in the second half of the document.

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) Researchers are unable to identify a set of common attributes, attitudes, and experiences among entrepreneurs that appear to lead to success.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy

2) There is considerable evidence which suggests that the "right stuff" needed to become a successful entrepreneur can be learned.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy

3) A combination of commitment, determination, perseverance, and total dedication is critical for success as an entrepreneur.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy

4) Successful entrepreneurs are more focused on their opportunities and goals than on structure and systems.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines

5) High energy, good health, and emotional stability are thought to be some of the "not so learnable" qualities of successful entrepreneurs.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

6) High intelligence and conceptual ability are two of the most "learnable" attributes of successful entrepreneurs.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

7) The true entrepreneur is a doer who gets things done by taking initiative today.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

8) The Managerial Skills Inventory questionnaire (on Connect) can be used to develop an inventory of your skills and capabilities in the areas of financial accounting, human resources, and ethics.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

9) The "typical entrepreneur" is most closely associated with the *Empire Builder* type of entrepreneur.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

10) Craftspeople are a type of entrepreneur that seek financial independence above anything else and the freedom to spend their time as they wish.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

11) According to Vesper, deal-to-dealers are small business owners which have had more than one venture, often in quite different lines of business.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

12) According to Vesper's typology, "Acquirers" are entrepreneurs that will often take over businesses that are in trouble and try to straighten them out or buy businesses that they can add value to in some way, perhaps before selling them off again.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

13) Many small business owners experience an immediate increase in the level of personal income they can earn.

⊙ true
⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

14) It is estimated that the principal reason for the failure of small firms is poor cash flow.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

15) Your personal balance sheet includes a summary of all your assets-what you own that has some cash value-and your liabilities or debts.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

16) Your credit rating is based on your income earning potential in a five-year period.

- ⊙ true
- ⊙ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

17) Equifax Canada Inc. is one of two consumer reporting agencies in Canada.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

18) Consumer credit agency information can dramatically affect your ability to obtain a personal loan or any other credit for personal or business purposes.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

19) A socially responsible organization behaves in such a way as to achieve a high level of financial performance, coupled with obvious efforts to act as good corporate citizens by supporting and giving back to the societies in which they operate.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

20) Social entrepreneurship refers to the discovery, evaluation, and exploitation of opportunities for financial profit.

⦾ true
⦾ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

21) The *Entrepreneurial Quiz* score is intended to predict potential entrepreneurial success. What does your score mean?

A) A low score means that your responses align with those of successful entrepreneurs.
B) A high score means that your responses align with those of successful entrepreneurs.
C) The score is an indicator of whether or not your new venture will succeed.
D) Scoring well is a guarantee of entrepreneurial success.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy

22) In addition to a high score on the *Entrepreneurial Quiz*, your venture is likely to succeed if you also demonstrate:

A) People skills
B) Technical savvy
C) Commitment, determination, and perseverance
D) Financial independence

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Medium

23) In a study of inductees into the *Babson University Academy of Distinguished Entrepreneurs*, the three attributes and behaviours cited as the principal reasons for entrepreneurial success are:

A) Openness to change, personal initiative, and perseverance.
B) A strong philosophical approach and strong financial capabilities.
C) Positive attitude, social savvy, and intellectual intelligence.
D) Emotional intelligence, social intelligence, mathematical intelligence.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

24) One of the common themes resulting from research into the common attributes such as initiative, perseverance and a positive outlook shared by successful entrepreneurs is that:

A) Those attributes can be learned.
B) Those attributes cannot be learned; an individual is either born with them or they are not.
C) Only education will give you the attributes needed to succeed as an entrepreneur.
D) There are no "common" set of attributes - each entrepreneurial success story is unique.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy

25) What are the three attributes and behaviours listed by Babson University that an aspiring entrepreneur can learn?

A) Improving the skills needed in the industry you want to enter
B) Understanding the demands being an entrepreneur will make on your life.
C) Your personal financial situation.
D) Responding positively to challenges, taking initiative and persevering.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Evaluate your potential of becoming a successful entrepreneur.
Topic : 01-01 Entrepreneurial potential
Difficulty : Medium

26) Effective entrepreneurs set challenging yet attainable goals that are:

A) Representative of their financial situation and constraints.
B) Reflective of what their mentor says they should do.
C) Consistent with their interests, values, and talents.
D) Based on market research and history.

Question Details
Accessibility : Keyboard Navigation
Topic : 01-01 Entrepreneurial potential
Difficulty : Easy
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines

27) Successful entrepreneurs are _______ people; they want to start producing results immediately.

A) Success-oriented
B) Action-oriented
C) Goal-oriented
D) Challenge-oriented

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

28) The best entrepreneurs can be honest with themselves and have a keen sense of their own strengths and weaknesses, and of the competitive environment in which they operate. This makes them _______ -oriented.

A) Success
B) Action
C) Goal
D) Reality

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours
Difficulty : Hard

29) Most entrepreneurs are found to be ____ listeners and _____ learners.

A) Poor; quick
B) Good; quick
C) Poor; slow
D) Good; slow

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

30) With regards to risk, entrepreneurs:

A) Are gamblers, as they are putting it all on the line daily.
B) Take calculated risks, where the chance of losing is neither too small nor so large as to be considered a gamble.
C) Never discuss the venture's risk with partners and investors. Risk level is a decision for the entrepreneur only.
D) Make high risk decisions daily, as that is the only way to win in the entrepreneurial business world.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

31) Entrepreneurs:

A) Hide and dismiss their mistakes. Letting investors know the downside of the business will cause too much uncertainty.
B) Do not like to look at their mistakes too closely as they know they will not make the same mistake twice.
C) Concede their errors and analyze their causes, so they may correct and learn from them.
D) Are known to blame others and the situation for their failures.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

32) The best management style for an entrepreneur to follow is a style:

A) That shows a strong need to control, influence and gain power over people.
B) Of micro-managing, so the entrepreneur can know every detail that is happening in the business.
C) That has the entrepreneur working alongside their team, fostering a creative and committed culture.
D) That reflects the power and influence of the entrepreneur.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

33) To build a solid team where everyone is recognized for their efforts, entrepreneurs:

A) Take all the credit for the team's success.
B) Prove that they can do it all themselves. They are the creators of the idea!
C) Make sure the team knows how hard the entrepreneur is working to keep the venture growing.
D) Inspire the people they attract by giving them responsibility and by sharing the credit for their accomplishments.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

34) According to the research of Robinson et al., attitudes are a combination of three reactions that represent the way we interact with the world around us. Those three reactions are:

A) Cognition, Affect, and Behaviour
B) Cognition, Intelligence, and Emotion
C) Empathy, Confusion, and Clarity
D) Passion, Avoidance, and Ignorance

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

35) Robinson et al. developed and tested the Entrepreneurial Attitude Orientation (EAO) scale intended to overcome some of the issues related to the personality theory approach. Attitude was defined as:

A) Our potential success as an entrepreneur.
B) The way we interact with the world around us.
C) How you will operate your business activities.
D) Your potential for funding and investment.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours
Difficulty : Hard

36) John Warrillow developed attitudinal profiles for three types of entrepreneurs. Which of the following entrepreneurial types prefer to identify themselves by their area of expertise first, and secondly as business owners?

A) Freedom Fighters
B) Craftspeople
C) Lifestyle Business
D) Empire Building

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

37) According to Warrillow, you can usually identify __________ by the fact that their companies grow by more than 30 percent annually.

A) Venture Capitalists
B) Freedom Fighters
C) Institutional Developers
D) Empire Builders

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

38) According to Vesper, who identified 8 entrepreneurial types, these entrepreneurs go on to build larger companies through hiring and delegation of authority:

A) Team builders
B) Pattern multipliers
C) Independent innovators
D) Deal-to-dealers

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

39) According to Vesper, who identified 8 entrepreneurial types, which type of entrepreneur takes advantage of the fact that unit costs tend to shrink as volume expands?

A) Capital aggregators
B) Economy-of-scale exploiters
C) Pattern multipliers
D) Deal-to-dealers

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

40) According to Vesper, who identified 8 entrepreneurial types, which type of entrepreneur tends to have more than one business?

A) Deal-to-dealers
B) Capital aggregators
C) Acquirers
D) Solo, self-employed individual

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

41) According to Vesper, who identified 8 entrepreneurial types, which type of entrepreneur recognizes a successful business model and multiplies it to increase profits?

A) Pattern Multipliers
B) Deal-to-dealers
C) Capital aggregators
D) Acquirers

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

42) What business skill is an essential ingredient to entrepreneurial success?

A) Accounting skills
B) Communication skills
C) Managerial skills
D) Computer and technological skills

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

43) Table 1.1 lists the five (5) business skills required for success. Arranging financing, handling credit, and budgeting are all considered skills under which broad entrepreneurial skill set?

A) Managing people
B) Managing inventory
C) Managing capital
D) Managing money

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

44) Table 1.1 lists the five (5) business skills required for success. Purchasing supplies and raw materials, controlling inventory, and managing the physical facilities are skills which fall under which of the following broad entrepreneurial skill sets?

A) Directing sales and marketing operations
B) Directing business operations
C) Managing people
D) Setting up a business

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

45) What is the role of a business mentor for entrepreneurs?

A) A mentor is a person that offers business advice and is there when you need them.
B) A mentor will step in and run the business if needed
C) A mentor always has all the answers a growing entrepreneur needs.
D) A mentor is an entrepreneur also.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

46) The personal net worth required to start a business is generally thought to be in the range of:

A) $5,000-$10,000
B) $20,000-$50,000
C) $100,000-$500,000
D) An entrepreneur's personal financial credentials vary with the capital requirements of their new venture.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

47) Your credit rating is based on:

A) The value of your home equity.
B) Your employment income only.
C) Your prior history in borrowing and repaying money.
D) Your overall debt load, compared to your ability to generate income.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

48) Agencies such as Equifax Canada Inc. assemble information about how you pay your bills and then enter this information into your credit file. An individual who is always late in paying their bills is given a rating of:

A) R1
B) R2
C) R3
D) R4

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

49) Social entrepreneurship seeks:

A) A triple bottom line approach to all operations
B) Financial profit
C) Welfare management
D) Social media business opportunities

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

50) The 3 Ps of the triple bottom line are:

A) People, planet, and possibility
B) Profit, progress, and planet
C) People, planet, and profit
D) People, planning and possibility

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

51) Which of the following isnot among the three questions to address when confronted with an ethical problem?

A) What will others think?
B) Is it balanced?
C) Is it legal?
D) How will it make you feel about yourself?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

52) A ________ should be a formal statement of a business's values concerning ethics and social issues.

A) Code of behaviour
B) Code of ethics
C) Mission statement
D) Vision statement

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

53) A code of ethics should be guided by all of the following areas of concern, *except*:

A) Citizenship
B) Responsibility
C) Integrity
D) Competition

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

54) All of the following are included in the triple bottom line assessment, except:

A) Financial performance
B) Global equality
C) Environmental impact
D) Social well-being

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

55) What are the four key attributes shared by successful entrepreneurs that are believed to be the most critical to their success? Which two are critical to success?

Question Details
Accessibility : Keyboard Navigation
Topic : 01-01 Entrepreneurial potential
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines

56) Are entrepreneurs born or can you learn to be an entrepreneur? Does an entrepreneur naturally have certain qualities, or can the skills be developed? Explore and express your opinion based on the readings to date.

Question Details
Accessibility : Keyboard Navigation
Topic : 01-01 Entrepreneurial potential
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Difficulty : Hard

57) Successful entrepreneurs are competitive and are driven to succeed. Discuss the similarities in attributes and experience that leads many professional athletes become entrepreneurs.

Question Details
Accessibility : Keyboard Navigation
Topic : 01-01 Entrepreneurial potential
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Difficulty : Hard

58) List and describe the "not-so-learnable" traits of an entrepreneur.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

59) Most entrepreneurs are described as having a high-risk tolerance. Do you agree or disagree? Why?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours

60) What skills do successful entrepreneurs need to have to be able to influence their stakeholders easily without having formal power?

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Identify the attitudes and behaviours that will help you turn your busines
Topic : 01-03 Attitudes and behaviours
Difficulty : Hard

61) List and briefly describe the three entrepreneurial archetypes developed by John Warrillow.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Analyze the type of entrepreneur that you want to be.
Topic : 01-07 Personal Self-Assessment

62) In addition to the proper background, attitude, and lifestyle, what else should be considered in assessing your potential for becoming a successful entrepreneur?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

63) What is the role of a mentor, for the entrepreneur? Why would an entrepreneur want to identify an individual who could be a mentor?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

64) Outline the five steps in preparing a personal balance sheet.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 Develop the skills needed to manage and operate a successful business.
Topic : 01-08 Managerial Skills Inventory

65) Define social entrepreneurship. Describe in detail what is meant by the ‘triple bottom line'.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

66) Why are companies becoming more socially responsible? List the reasons why businesses should be concerned and act.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

67) Why do organizations need a Code of Ethics? Outline the three key questions in Blanchard and Peale's Ethics Check to help you sort out dilemmas by examining the situation at several different levels.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Understand, analyze, and evaluate the importance of social entrepreneurshi
Topic : 01-18 Are You Ready for an Entrepreneurial Career?

Building Your Dream 11ce Edition by Good Ch01

Answer Key

Test name: 001

1) FALSE
Research indicates that there is a common set of attributes, attitudes, and experiences among entrepreneurs that to lead to success.

2) TRUE
The basic thesis held by many members of the "people school" of entrepreneurship is: A person has to have the "right stuff" to become a successful entrepreneur. Evidence suggests that "right stuff" needed to become a successful entrepreneur can be learned.

3) TRUE
Commitment, determination, and perseverance can compensate for other weaknesses you may have. It requires a substantial commitment and courage to walk away from a well-paying job with benefits, a pension plan, profit-sharing, and other perks, to go out and start a business on your own.

4) TRUE
Successful entrepreneurs are more focused on their opportunities and goals than on structure and systems. They start with the opportunity and let their understanding of it guide these other important issues. Entrepreneurs are able to sense areas of unmet needs and their potential for filling these gaps.

5) TRUE
These attributes are those that many experts consider to be innate and, thus, not acquirable to any great degree.

6) FALSE

These are considered by experts to be largely "innate" and thus a part of the "not so learnable" qualities.

7) TRUE
True entrepreneurs are action-oriented decisive people; they want to start producing results immediately. They take the initiative, make decisions, and get it on with doing it—today. The true entrepreneur is a doer who gets things done—not a dreamer.

8) FALSE
The Managerial Skills Inventory questionnaire can be used to develop an inventory of your skills and capabilities in each of the five areas of management outlined in this stage. For each management area, the questionnaire lists some corresponding skills.

9) TRUE
The empire building is the one most generally associated in popular imagination as the "typical entrepreneur" - always busy with the next project, an insatiable thirst for growth and wealth, aiming to take over or revolutionize markets and industries.

10) FALSE
Craftspeople derive their sense of self-worth from their mastery of a craft or trade. They are more interested in developing their skills than in growing their revenue and generally work alone or employ one other person, often a spouse.

11) TRUE
Vesper identified a considerable number of entrepreneurial types. Of them, deal-to-dealers are small business owners have had more than one venture, often in quite different lines of business.

12) TRUE

Acquirers are a type of entrepreneur that will buy a "going-concern" or struggling business.

13) FALSE
From a personal standpoint, you might also want to reconsider becoming a small business owner if you cannot afford a temporary or perhaps even a prolonged reduction in your personal income.

14) FALSE
It is estimated that the principal reason for the failure of small firms is poor management.

15) TRUE
Preparing a personal balance sheet is a relatively simple process.

16) FALSE
Your rating is based on your prior history in borrowing and repaying money.

17) TRUE
Equifax Canada Inc. is one of two consumer reporting agencies in Canada.

18) TRUE
This information can dramatically affect your ability to obtain a personal loan or any other credit for personal or business purposes.

19) TRUE
Companies today are expected to go beyond just being "ethical" in their dealings with customers, employees, and other stakeholders.

20) FALSE
This description refers to "economic" entrepreneurship.

21) B

High levels of agreement indicate that you may have the "right stuff" to succeed in an entrepreneurial career.

22) C
Anything less than total commitment to your venture, and considerable determination and perseverance, will likely result in failure, regardless of the degree to which you may possess other important attributes.

23) A
There are the three behaviours/attributes identified in this particular study. They are: Openness to change, personal initiative, and perseverance. Other research has uncovered different lists of common learnable attributes.

24) A
While there is no single list, research indicates that many of the attributes are common and, more importantly, can be learned.

25) D
In a study of inductees into the Babson University Academy of Distinguished Entrepreneurs (babson.edu), only three attributes and behaviours were mentioned by most as the principal reasons for their success, and the good news is that they are all attributes that an aspiring entrepreneur can learn:

1. Responding positively to all challenges and learning from mistakes
2. Taking personal initiative
3. Having great perseverance.

26) C

Effective entrepreneurs set challenging yet attainable goals that are consistent with their interests, values, and talents. The belief in the reality of their goals is a primary factor in their ability to achieve and exceed their goals. Having goals and a laser focus helps these individuals set priorities and performance measures to ensure they attain these goals.

27) B
They like to take the initiative and get on with doing it, today. True entrepreneurs are action-oriented decisive people; they want to start producing results immediately.

28) D
They know what they do not know, and have the confidence to seek advice and help in the areas that they have no expertise in. This reality orientation allows them to avoid making mistakes that can send them on ill-advised courses of action.

29) B
Most entrepreneurs are found to be good listeners and quick learners.

30) B
Despite the myth that suggests entrepreneurs are gamblers, quite the opposite is true. Effective entrepreneurs have been found, in general, to prefer taking moderate, calculated risks, where the chances of losing are neither so small as to be a sure thing nor so large as to be a considerable gamble. Like a parachutist, they are willing to take some measurable and predetermined risk.

31) C

Rather than hide from or dismiss their mistakes, entrepreneurs concede their errors and analyze the causes. They come to terms with their mistakes, learn from them, correct them, and use them to prevent their recurrence. Successful entrepreneurs know that they have to take responsibility for either the success or the failure of their business. They do not play the blame game when things go wrong—instead, they build on and celebrate successes with their team, and learn from their failures.

32) C
When a strong need to control, influence, and gain power over other people characterizes the entrepreneur, more often than not the business gets into trouble. A micro-management style makes it very difficult to attract and keep creative people who are oriented toward achievement, responsibility, and results. Successful entrepreneurs work in the trenches daily with their teams to foster a creative culture that is committed to their customers and building the business.

33) D
Entrepreneurs who create and build successful businesses are not isolated or super-independent. They do not feel they have to receive all of the credit for their success, nor do they feel they have to prove they did it all by themselves. Just the opposite situation actually tends to be true. Not only do they recognize that it is virtually impossible to build a substantial business alone, they are skilled team builders. They inspire the people they attract to their venture by giving them responsibility and by sharing the credit for their accomplishments. This leadership style of building a solid team where everyone is recognized for their efforts is a key attribute of many successful corporate managers as well.

34) A

Attitudes, therefore, represent the way we interact with the world around us. Their research also recognized that people relate to the world through three types of reactions:

• Cognition: This includes mental activities such as knowledge, thoughts, beliefs, and opinions.
• Affect: This includes emotions associated with thoughts, actions, or objects in our environment.
• Behaviour: This is the way we respond to conditions in our environment, including habits and intentions.

35) B
The predisposition of the individual to respond in a generally favourable or unfavourable manner with respect to the object of the attitude.

36) B
Craftspeople tend to say "I'm a plumber", for example, or mechanic, film maker, vet, farmer, or grocer, before they say "I'm a business owner."

37) D
They are growth-oriented business owners who are motivated almost solely by achievement, usually measured in terms of company growth.

38) A
Team builders are a sub type of entrepreneurs, which go on to build larger companies through hiring and delegation of authority (identified in Vesper's typology).

39) B
This has been practiced principally by entrepreneurs in the discount retail merchandising business.

40) A

These small-business owners have had more than one venture, often in quite different lines of business.

41) A
This group includes entrepreneurs who spot an effective business pattern and multiply it to realize profits on the multiple units. Becoming a franchisor is one effective way of multiplying business patterns for a profit.

42) C
Possessing the necessary managerial skills is an essential ingredient to succeeding in any entrepreneurial venture. It is estimated that the principal reason for the failure of many small businesses is poor management.

43) D
See Table 1.1-Breakdown of entrepreneurial business skills.

44) B
See Table 1.1-Breakdown of Entrepreneurial Business Skills.

45) A
It can be hard for a single individual to wear all these hats at once. Partnerships or the use of outside technical or general business assistance can be an excellent supplement for any deficiencies in characteristics and skills a small-business owner may have. Thus, it often becomes essential to identify an individual, or individuals, who can be mentors for you and help you when needed.

46) D
Since every business opportunity has its own unique capital (money) requirements, there is no specific dollar value for the personal net worth necessary to start a business.

47) C
By regularly paying your bills, including credit cards, telephone bills, mortgages, lines of credit and similar debts, on time you are building your credit rating. Without a good credit rating few institutions will lend you money.

48) D
Some of the ratings are: Bills are being paid on time (R1), or late (R4) or have not been paid and been placed with an agency for collection (R9).

49) A
Social entrepreneurs, on the other hand, are concerned with maximizing the triple bottom line, which is their impact on people (social), the planet (environment), and profit (economic).

50) C
Social entrepreneurs, on the other hand, are concerned with maximizing the triple bottom line, which is their impact on people (social), the planet (environment), and profit (economic).

51) A
What others think is not among the three questions.

52) B
A code of ethics commonly speaks to acceptable norms of behaviour within an organization.

53) D
The others include honesty, respect, and trust.

54) B
Global equality is not included in the triple bottom line assessment.

55) More than any other single factor, a combination of perseverance and total dedication is critical. In many cases, these qualities have won out against odds considered impossible to overcome. Determination and commitment can compensate for other weaknesses you may have.

56) While most writers in the field of entrepreneurship agree that there is no single profile, no specific set of characteristics, that defines a successful entrepreneur, there do appear to be some common abilities and attitudes. There is considerable evidence that a great deal of the ability and right stuff needed to become a successful entrepreneur can be learned. Also, there are entrepreneurial attributes such as energy, creativity, intelligence, and the ability to see a better future that are innate and cannot be learned. Studies have shown that entrepreneurs are a combination of natural attributes and learned skills.

57) The competitive nature of successful entrepreneurs is what drives them to always want to succeed and outperform their own previous best results. Many professional athletes become very successful entrepreneurs because they have the competitive drive, commitment to success, and desire to get better every time they go to work. They never go to work to lose, they enter every competition to win, and if they do not win they assess what they need to do to get better next time and have more success. Unlike most people, entrepreneurs do not allow themselves to be concerned with failure. They are success-oriented individuals who figure out what they have to do to succeed after a failure.

58) The not-so-learnable traits are those which experts consider to be innate are: 1. High energy, good health, and emotional stability; 2. Creativity and an innovative nature; 3. High intelligence and conceptual ability; 4. The ability to see a better future and a capacity to inspire others to see it.

59) Despite the myth that suggests entrepreneurs are gamblers, quite the opposite is true. Effective entrepreneurs have been found, in general, to prefer taking moderate, calculated risks, where the chances of losing are neither so small as to be a sure thing nor so large as to be a considerable gamble.

60) They are skilled at team building, and they know when to persuade, when to make a concession, and how to win. To run a successful business, entrepreneurs must learn to work well with many different stakeholders that may have conflicting interests or agendas. Stakeholders include customers, suppliers, shareholders, financial backers, partners, employees, and any others inside or outside the company who may have interest in the running and success of the business.

61) Craftspeople don't think of themselves as entrepreneurs, they still have the resources and confidence to operate independently. They are more interested in developing their skills than growing their revenue and generally work alone or employ one other person, often a spouse. Freedom Fighters/Lifestyle Business seek financial independence above anything else and the freedom to spend their time as they wish. Their prime motivator isn't growth, but simply being in business for themselves. Empire Building refers to entrepreneurs who represent the 10 percent of growth-oriented business owners who are motivated almost solely by achievement, usually measured in terms of company growth. The empire building is the one most generally associated in popular imagination as the "typical entrepreneur"-always busy with the next project, an insatiable thirst for growth and wealth, aiming to take over or revolutionize markets and industries.

62) Possessing the necessary managerial skills is an essential ingredient to succeeding in any small venture. It is estimated that the principal reason for the failure of small firms is poor management. Businesses, whether large or small, have to perform in a number of diverse functions to operate successfully. An entrepreneur, because of the limited amount of resources (human and financial) at his or her disposal, faces a particularly difficult time.
The business skills required by an entrepreneur (or some other member of the organization) can be broken down by function, as shown in Table 1.1.

63) Perhaps the best experience, however, is working with a successful entrepreneur as your mentor. When working with mentors you will gain invaluable knowledge and learn skills that you will need to become a successful business owner.
It can be hard for a single individual to wear all these hats at once. Partnerships or the use of outside technical or general business assistance can be an excellent supplement for any deficiencies in characteristics and skills a small-business owner may have. Thus, it often becomes essential to identify an individual, or individuals, who can be mentors for you and help you when needed. These mentors that can provide you help could come from the following sources:

1. A partner or other family members
2. High school teachers and post-secondary professors
3. Previous employers and co-workers
4. Mentorship programs within local business development organizations
5. High school or post-secondary classmates
6. Regular idea exchange meetings or networking with other entrepreneurs

64) Step 1: Estimate the current market value of all your "assets"-the items you own that have cash value-and list them.
Step 2: Add up the value of these assets.
Step 3: List all your debts, also known as "liabilities."
Step 4: Add up your liabilities.
Step 5: Deduct your total liabilities from your total assets to find your "net worth."

65) This can be thought of as the discovery, evaluation, and pursuit of opportunities for social change and profit. While both types of entrepreneurs are visionaries, economic entrepreneurs tend to be primarily concerned with the maximization of profits. Social entrepreneurs, on the other hand, are concerned with maximizing the triple bottom line, which is their impact on people (social), the planet (environment), and profit (economic).
Entrepreneurs engaged in for-profit organizations, as opposed to social or not-for-profit organizations, must share the basic values of the free-enterprise system: private ownership, profits, capital gains, and growth. These dominant economic values need not exclude social or other values.
Many successful entrepreneurs today are interested in driving the triple bottom line of people, planet, and profit—it is not just about profit anymore—and that is social entrepreneurship.

66) Rather than focusing on the company's financial performance as reflected in its income statement, the success of organizations in being socially responsible is commonly measured against a *triple bottom line* assessment of financial performance, environmental impact, and social well-being. The idea is to make a positive contribution to the environment and society in a financially responsible way.

First, all firms make use of society's basic infrastructure—land, plants, animals, and so on—to earn a profit. Second, companies should reimburse society for the negative consequences their activities might create—noise, smell, traffic congestion, and toxic emissions. Just as individuals have a moral duty to contribute to the community they live in, companies are also obliged to contribute to their community through corporate volunteering, charitable donations, sponsoring community and cultural events, providing school equipment, funding university buildings and libraries, and so forth. This is based on the belief that there is an integral link between the strength of the community and the strength of the company.

Cost savings due to more efficient operations

Development of a more positive organizational image and reputation

Creation of a clearly identifiable market niche with consumers who are interested in health and the environment, social justice, and sustainable living

Being forced to become more innovative to accommodate these values within the company's organizational strategy.

67) Many organizations, however, prefer to develop their own codes of ethics or conduct. These documents often lay out in considerable detail how the company's management and employees are expected to behave in particular situations and what the company feels is the right thing to do in such circumstances.

1. Is it legal?
Will you be violating either civil law or your organization's code of ethics?
2. Is it balanced?
Is it fair to all concerned in the short term as well as the long term? Does it promote win-win relationships?
3. How will it make you feel about yourself?
Will it make you proud?
Would you feel good if your decision was published in the newspaper?
Would you feel good if your family knew about it?