Test Bank for New Venture Creation Entrepreneurship for the 21st Century 10th Spinelli

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Chapter 02

The Entrepreneurial Mind: Crafting a Personal Entrepreneurial Strategy

True / False Questions

1. The psychological motivation of entrepreneurial behavior states that the need for achievement is the need to build a relationship with others.

   True False

2. In the context of psychological motivation of entrepreneurial behavior, the need for power is the need to influence others to achieve a goal.

   True False

3. In the context of entrepreneurial behavior, the need for affiliation is the need to excel.

   True False

4. Entrepreneurs motivated purely by monetary reward typically build companies of substantial value.

   True False

5. All successful business people share characteristics of raw energy and intelligence.

   True False

6. The third volume of the Praeger Perspectives examines people and refers to a wide and diverse range of contextual factors that influence the entrepreneur and the entrepreneurial process.

   True False

7. Successful entrepreneurs possess a well-developed capacity to exert influence without formal power.

   True False

8. Entrepreneurs are self-starters who are internally driven by a strong desire to compete and attain challenging goals.

   True False

9. Research has shown that an entrepreneur is more driven by the conservation of resources, whereas a manager is more opportunity-driven.

   True False

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10. Studies show a strong connection between the presence of role models and the emergence of entrepreneurs.

    True False

11. Entrepreneurs are their own bosses and completely independent.

    True False

12. Successful entrepreneurs seek power and control over others.

    True False

Multiple Choice Questions

13. Which of the following is defined as the need for measurable personal accomplishment?

    A. The need for achievement
    B. The need for power
    C. The need for affiliation
    D. The need for attachment

14. Which of the following is the least characteristic motivational need of successful entrepreneurs?

    A. Achievement
    B. Control
    C. Power
    D. Affiliation

15. Which of the following volumes of the Praeger Perspectives proceeds through the life cycle of a new venture startup by tackling several key steps in the course of action?

    A. People
    B. Process
    C. Place
    D. Plan

16. Which of the following is not an entrepreneurial attribute?

    A. Being a calculated risk taker
    B. Being a perfectionist
    C. Being obsessed with value creation
    D. Being intensely curious in the face of risk

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17. In the context of creativity, self-reliance, and adaptability, which of the following attitudes of an entrepreneur is desirable?

A. Skepticism about conflicts and failure
B. Ability to be a lone wolf
C. Restlessness with the status quo
D. High need for status and power

18. In the *troika* of the foundation of a successful new venture, which of the following is an external environmental influence?

A. Value creation
B. Ethical behavior
C. Focus
D. Adaptability

19. Successful entrepreneurs consistently focus on:

A. seizing a market-based opportunity.
B. obtaining resources.
C. networking.
D. making money.

20. When compared to an entrepreneur, a manager is more:

A. resource-driven.
B. opportunity-driven.
C. creative.
D. innovative.

21. According to research, which of the following statements about entrepreneurs is false?

A. Many successful entrepreneurs are well educated.
B. Most successful entrepreneurs start companies in their early 20s.
C. Most successful entrepreneurs follow a pattern of apprenticeship.
D. Family firms spawn entrepreneurs.

22. According to research studies on the career paths of entrepreneurs and the self-employed, which of the following is the central factor for a successful venture creation?

A. Networking
B. The ability to marshal resources
C. Experience and know-how
D. The ability to attract and motivate an effective team

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23. According to an old maxim, how long will venture capitalists work with a startup before declaring the company a "lemon"?

A. Up to a year
B. About two and a half years
C. At least three years
D. Three to five years

24. Which of the following is the most important component of opportunity recognition?

A. Experimenting with new ideas
B. Exhibiting low tolerance toward change
C. Being risk aversive
D. Being a perfectionist

25. Which of the following statements demystifies the myth that entrepreneurs are gamblers?

A. Entrepreneurs consider an idea and an opportunity as the same.
B. Successful entrepreneurs try to influence the odds, often by getting others to share the risk.
C. Successful entrepreneurs are completely independent and their own bosses.
D. Entrepreneurs are driven by instant gratification through high salaries and perks.

26. Which of the following is a reality and not a persistent myth about entrepreneurs?

A. Entrepreneurs are born, not made.
B. Entrepreneurs are gamblers.
C. Solo entrepreneurs limit their own potential for growth.
D. Entrepreneurs should be young, energetic, and in their 20s.

27. Which of the following is a myth about successful entrepreneurs?

A. They are driven by the need for achievement.
B. They are driven by the need to control others.
C. They have the ability to exert influence.
D. They have the ability to be patient even in adverse situations.

28. According to venture investors, what is the realistic time frame for growing a high potential business to the point where a capital gain can be realized?

A. 1-3 years
B. 2-5 years
C. 5-7 years
D. 7-8 years

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29. Successful entrepreneurs are driven by:

A. the quest for power for its own sake.
B. a personal need for authority expressed by control over others.
C. the quest for achievement and results.
D. a need to seek money as an end in itself.

Fill in the Blank Questions

30. The need for _____ is the need to excel and the need for measurable personal accomplishment.

_____

31. The need to build a relationship with others is known as the need for ___.

_____

32. The first volume of the Praeger Perspectives deals with _____ and takes a broad view of entrepreneurship as a form of human action, pulling together the current research with respect to cognitive, economic, social, and institutional factors that influence entrepreneurial behavior.

_____

33. An entrepreneur who displays a high energy level and a sense of urgency is known as a ___.

_____

34. Based on the entrepreneurial leadership paradigm, when the competencies of others are sought and used, it is referred to as ___.

_____

35. Entrepreneurs who are internally driven by a strong desire to compete and attain challenging goals are typically known as ___.

_____

36. Although the skills of a manager and an entrepreneur overlap in the area of solid management skills, a manager is more driven by the conservation of resources, while the entrepreneur is more ___.

_____

37. Numerous studies show a strong connection between the presence of _____ and the emergence of successful entrepreneurs.

_____

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38. Successful entrepreneurs are not gamblers; they take ___.

_____

39. Most successful entrepreneurs have had a _____ to help them achieve their dreams and goals, both implicitly and explicitly.

_____

Short Answer Questions

40. Write a short note on the Praeger Perspectives.

41. In the context of the seven dominant themes of desirable and acquirable attitudes and behavior of entrepreneurs, briefly describe the role of creativity, self-reliance, and adaptability.

Essay Questions

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42. Discuss any two myths and realities about entrepreneurs.

43. Describe at least three important aspects of courage in entrepreneurship.

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Chapter 02 The Entrepreneurial Mind: Crafting a Personal Entrepreneurial Strategy Answer Key

True / False Questions

1. *(p. 29)* The psychological motivation of entrepreneurial behavior states that the need for achievement is the need to build a relationship with others.

FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

2. *(p. 29)* In the context of psychological motivation of entrepreneurial behavior, the need for power is the need to influence others to achieve a goal.

TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
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3. *(p. 29)* In the context of entrepreneurial behavior, the need for affiliation is the need to excel.

FALSE

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Level of Difficulty: 1 Easy

4. *(p. 29)* Entrepreneurs motivated purely by monetary reward typically build companies of substantial value.

FALSE

Accessibility: Keyboard Navigation
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Level of Difficulty: 1 Easy

5. *(p. 30)* All successful business people share characteristics of raw energy and intelligence.

TRUE

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Level of Difficulty: 1 Easy

6. *(p. 31)* The third volume of the Praeger Perspectives examines people and refers to a wide and diverse range of contextual factors that influence the entrepreneur and the entrepreneurial process.

FALSE

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Blooms: Remember
Level of Difficulty: 1 Easy

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7. *(p. 33)* Successful entrepreneurs possess a well-developed capacity to exert influence without formal power.

TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

8. *(p. 34)* Entrepreneurs are self-starters who are internally driven by a strong desire to compete and attain challenging goals.

TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

9. *(p. 35)* Research has shown that an entrepreneur is more driven by the conservation of resources, whereas a manager is more opportunity-driven.

FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

10. *(p. 36)* Studies show a strong connection between the presence of role models and the emergence of entrepreneurs.

TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

11. *(p. 37)* Entrepreneurs are their own bosses and completely independent.

FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

12. *(p. 38)* Successful entrepreneurs seek power and control over others.

FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

Multiple Choice Questions

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13. Which of the following is defined as the need for measurable personal accomplishment?
(p. 29)

A. The need for achievement
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C. The need for affiliation
D. The need for attachment

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Blooms: Remember
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14. Which of the following is the least characteristic motivational need of successful entrepreneurs?
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Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

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Accessibility: Keyboard Navigation
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18. *(p. 33)* In the *troika* of the foundation of a successful new venture, which of the following is an external environmental influence?

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Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

19. *(p. 33)* Successful entrepreneurs consistently focus on:

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B. obtaining resources.
C. networking.
D. making money.

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

20. *(p. 35)* When compared to an entrepreneur, a manager is more:

A. resource-driven.
B. opportunity-driven.
C. creative.
D. innovative.

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Blooms: Remember
Level of Difficulty: 1 Easy

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21. According to research, which of the following statements about entrepreneurs is false?
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Blooms: Understand
Level of Difficulty: 2 Medium

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B. The ability to marshal resources
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D. The ability to attract and motivate an effective team

Accessibility: Keyboard Navigation
Blooms: Remember
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B. About two and a half years
C. At least three years
D. Three to five years

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 2 Medium

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(p. 36)

A. Experimenting with new ideas
B. Exhibiting low tolerance toward change
C. Being risk aversive
D. Being a perfectionist

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Level of Difficulty: 1 Easy

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25. Which of the following statements demystifies the myth that entrepreneurs are gamblers?
(p. 37)

A. Entrepreneurs consider an idea and an opportunity as the same.
B. Successful entrepreneurs try to influence the odds, often by getting others to share the risk.
C. Successful entrepreneurs are completely independent and their own bosses.
D. Entrepreneurs are driven by instant gratification through high salaries and perks.

Accessibility: Keyboard Navigation
Blooms: Understand
Level of Difficulty: 2 Medium

26. Which of the following is a reality and not a persistent myth about entrepreneurs?
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D. Entrepreneurs should be young, energetic, and in their 20s.

Accessibility: Keyboard Navigation
Blooms: Remember
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Accessibility: Keyboard Navigation
Blooms: Understand
Level of Difficulty: 2 Medium

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29. Successful entrepreneurs are driven by:
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B. a personal need for authority expressed by control over others.
C. the quest for achievement and results.
D. a need to seek money as an end in itself.

Accessibility: Keyboard Navigation
Blooms: Remember
Level of Difficulty: 1 Easy

Fill in the Blank Questions

30. The need for _____ is the need to excel and the need for measurable personal accomplishment.
(p. 29)

achievement

Blooms: Remember
Level of Difficulty: 1 Easy

31. The need to build a relationship with others is known as the need for ___.
(p. 29)

affiliation

Blooms: Remember
Level of Difficulty: 1 Easy

32. The first volume of the Praeger Perspectives deals with _____ and takes a broad view of entrepreneurship as a form of human action, pulling together the current research with respect to cognitive, economic, social, and institutional factors that influence entrepreneurial behavior.
(p. 30)

people

Blooms: Remember
Level of Difficulty: 1 Easy

33. An entrepreneur who displays a high energy level and a sense of urgency is known as a ___.
(p. 34)

pacemaker

Blooms: Remember
Level of Difficulty: 1 Easy

34. Based on the entrepreneurial leadership paradigm, when the competencies of others are sought and used, it is referred to as ___.
(p. 34)

mentoring

Blooms: Remember
Level of Difficulty: 1 Easy

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35. *(p. 34)* Entrepreneurs who are internally driven by a strong desire to compete and attain challenging goals are typically known as ___.

self-starters

Blooms: Remember
Level of Difficulty: 1 Easy

36. *(p. 35)* Although the skills of a manager and an entrepreneur overlap in the area of solid management skills, a manager is more driven by the conservation of resources, while the entrepreneur is more ___.

opportunity-driven

Blooms: Remember
Level of Difficulty: 1 Easy

37. *(p. 36)* Numerous studies show a strong connection between the presence of _____ and the emergence of successful entrepreneurs.

role models

Blooms: Remember
Level of Difficulty: 1 Easy

38. *(p. 37)* Successful entrepreneurs are not gamblers; they take ___.

calculated risks

Blooms: Remember
Level of Difficulty: 1 Easy

39. *(p. 39)* Most successful entrepreneurs have had a _____ to help them achieve their dreams and goals, both implicitly and explicitly.

personal strategy

Blooms: Remember
Level of Difficulty: 1 Easy

Short Answer Questions

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40. *(p. 30-31)* Write a short note on the Praeger Perspectives.

The Praeger Perspectives is a three volume series from 2007 that researched entrepreneurship from three perspectives: people, process, and place. This study brings together insights into the field of entrepreneurship by some of the leading scholars in the world. The first volume, *people*, takes a broad view of entrepreneurship as a form of human action, pulling together the current -research with respect to cognitive, economic, social, and institutional factors that influence entrepreneurial behavior. The second volume, *process*, proceeds through the life cycle of a new venture startup by tackling several key steps in the process: idea, opportunity, team building, resource acquisition, growth management, and entering global markets. The third volume in the series examines *place*, which refers to a wide and diverse range of contextual factors that influence the entrepreneur and the entrepreneurial process.

Blooms: Remember
Level of Difficulty: 1 Easy

41. *(p. 34)* In the context of the seven dominant themes of desirable and acquirable attitudes and behavior of entrepreneurs, briefly describe the role of creativity, self-reliance, and adaptability.

High levels of uncertainty and rapid change characterizing new ventures require organizations that can respond quickly. The most successful entrepreneurial teams have the ability to focus on a goal with outstanding execution, while being flexible enough to shift when the market and circumstances require it. At the same time, entrepreneurs are not afraid of failing; rather, they are more intent on succeeding.

Blooms: Remember
Level of Difficulty: 1 Easy

Essay Questions

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42. Discuss any two myths and realities about entrepreneurs.
(p. 37)

Myth 1—Entrepreneurs are born, not made.

Reality—While entrepreneurs are born with certain native intelligence, a flair for creating, and energy, these talents by themselves are like unmolded clay or an unpainted canvas. The making of an entrepreneur occurs by accumulating the relevant skills, know-how, experiences, and contacts over a period of years and includes large doses of self-development. The creative capacity to envision and then pursue an opportunity is a direct descendant of at least 10 or more years of experience that lead to pattern recognition.

Myth 2—Anyone can start a business.

Reality—Entrepreneurs who recognize the difference between an idea and an opportunity, and who think big enough, start businesses that have a better chance of succeeding. Luck, to the extent it is involved, requires good preparation. The easiest part is starting. What is hardest is surviving, sustaining, and building a venture so its founders can realize a harvest. Perhaps only one in 10 to 20 new businesses that survive five years or more results in a capital gain for the founders.

Blooms: Understand
Level of Difficulty: 2 Medium

43. Describe at least three important aspects of courage in entrepreneurship.
(p. 33)

Courage has at least three important aspects in entrepreneurship. The first aspect is moral strength and principles. This refers to the character and the personal integrity to know right from wrong, and the will and commitment to act accordingly. The second aspect of courage is being a fearless experimenter. Fearless experimentation suggests restlessness with convention and a rejection of the status quo. This relentless experimentation is enhanced by a third aspect of courage, which is a lack of fear of failing at the experiment and a lack of fear of conflicts that may arise. In other words, there is a mental toughness that is quite impervious to fears but is not ignorant or oblivious to possible consequences.

Blooms: Understand
Level of Difficulty: 2 Medium

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