

**Test Bank for Canadian Entrepreneurship
And Small Business Management CDN
12th Balderson**

Canadian Entrepreneurship And Small Business Management Edition 12 by Balderson

CORRECT ANSWERS ARE LOCATED IN THE 2ND HALF OF THIS DOC.

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

- 1) Which of the following is NOT an advantage of small business ownership?
 - A) Enjoyment
 - B) Limited financial rewards
 - C) Challenge
 - D) Skill Development
- 2) All of the following are disadvantages of small businesses except:
 - A) skill development
 - B) high levels of stress
 - C) limited financial rewards
 - D) people conflict
- 3) Which is not an advantage of small business ownership?
 - A) Independence
 - B) Challenge
 - C) Skill development
 - D) More free time
- 4) The risks of self-employment include all of these EXCEPT
 - A) income uncertainty.
 - B) work more than 9-5 schedule.
 - C) the business takes over the life of the owner.
 - D) guaranteed income.
- 5) The primary reason most people start their own business is to
 - A) build security for their family.
 - B) earn large sums of money.
 - C) use their skills/abilities.
 - D) gain independence.
- 6) Personal characteristics of successful entrepreneurs include
 - A) having a business degree.
 - B) risk taking and access to financial resources.
 - C) stubbornness.
 - D) risk taking and perseverance.

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- 7) Entrepreneurial traits include
- A) risk adverse.
 - B) being a team player.
 - C) self-confidence.
 - D) works through others.
- 8) Successful entrepreneurs are sensitive to _____ in society arising from the ways consumers experience products and to potential opportunities that result from these trends.
- A) old trends
 - B) new trends
 - C) static ways of thinking
 - D) uninteresting trends
- 9) A recent significant trend is that the greatest growth of small business start-ups come from those who have
- A) family money.
 - B) both young and old.
 - C) internet programming skills.
 - D) interesting names.
- 10) Entrepreneurs are also becoming increasingly diverse with _____ percent of new businesses being formed by recent visible-minority new Canadians.
- A) 10
 - B) 40
 - C) 25
 - D) 70
- 11) Quite often, entrepreneurs tend to be
- A) lawyers of family owned businesses.
 - B) children of parents that owned their own businesses.
 - C) not well educated.
 - D) limited to people between 30 and 50 years of age.
- 12) Profit Magazine found that owners of small- and medium-sized businesses on average worked
- A) 65 hours per week.
 - B) 54 hours per week.
 - C) 46 hours per week.
 - D) 40 hours per week.

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- 13) Which of these is NOT a primary cause of small business failure?
- A) Incompetence and inexperience
 - B) Lack of financial capacity
 - C) Management shows weakness by asking for help
 - D) Lack of understanding financial information
- 14) Which of the following is NOT a major causes of business failure?
- A) External shocks.
 - B) Owners dealing with problems quickly.
 - C) Downturn in the economy.
 - D) Lack of management experience.
- 15) Which successful characteristic relates to the small business being flexible and being able to be proactive with their planning?
- A) Alertness to change
 - B) Staying close to the customer
 - C) Ability to obtain needed capital
 - D) Effective handling of government laws
- 16) Which is NOT a characteristic of a successful small business?
- A) High operating expenses
 - B) Alertness to change
 - C) Ability to attract and hold competent employees
 - D) Thoroughness with operating details
- 17) Which is not an external shock that can negatively affect small business success?
- A) Changes in the economy
 - B) Loss of suppliers
 - C) Poorly planned expansion
 - D) Changes in interest or currency rates
- 18) Which of these is NOT a specific area of managerial problems that contributes to small business failure?
- A) Failing to control costs
 - B) Growing too quickly
 - C) Planning poorly for expansion
 - D) Excessive controls on management expenses

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- 19) Entrepreneurial skills are required to
- A) maintain a business.
 - B) start or expand a business.
 - C) solidify existing operations.
 - D) sell the business.
- 20) Those who start their own businesses are known as founders. If the founder has expertise in the technical or operations side of the business they are known as a _____ entrepreneur
- A) artisan
 - B) promoter
 - C) trendy
 - D) smart
- 21) Managerial small business skills traits include
- A) creativity.
 - B) skills in several functional areas.
 - C) innovativeness.
 - D) risk-taking.
- 22) In which situation would it be the most appropriate to utilize managerial skills?
- A) Generating ideas
 - B) Maintaining control of operations
 - C) Generating solutions to problems
 - D) Adding new products to the line
- 23) Managerial skills are required in all the following areas except:
- A) network development.
 - B) team work development.
 - C) develop new ideas.
 - D) personnel.
- 24) Which of these is NOT an entrepreneurial trait?
- A) Flexibility
 - B) Innovativeness
 - C) Team player
 - D) Independence

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- 25) Which is not one of the Ten Commandments for intrapreneur success?
- A) Share credit wisely
 - B) Come to work each day willing to be fired
 - C) Ask for resources before asking for advice
 - D) Honour your sponsor
- 26) The primary motives of an intrapreneur are
- A) independence, ability to advance, and gain corporate rewards.
 - B) promotion and other traditional corporate rewards such as office, staff, and power.
 - C) independence, opportunity to create, and money.
 - D) recognition, staff, and promotion.
- 27) Many large organizations realize that to remain competitive, they need to encourage
- A) entrepreneurial activity.
 - B) intrapreneurial activity.
 - C) risk-taking activity.
 - D) confidence-building activity.
- 28) The decision-making style of an intrapreneur is
- A) usually agree with those in upper management positions.
 - B) disagree with upper management decisions.
 - C) able to get others to agree to help achieve a dream.
 - D) follow dream with decisions.
- 29) The time orientation of an entrepreneur is
- A) short term-meeting quotas and budgets, weekly, monthly, quarterly, and the annual planning horizon.
 - B) medium term (two to four years)-depending on the urgency to meet self-imposed and corporate timetable.
 - C) long term (15-20 year plan)-to ensure continued growth of business.
 - D) survival and achieving a 5-10 year growth of the business.

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Answer Key

Test name: Chapter 02

- 1) B
- 2) A
- 3) D
- 4) D
- 5) D
- 6) D
- 7) C
- 8) B
- 9) B
- 10) C
- 11) B
- 12) B
- 13) C
- 14) B
- 15) A
- 16) A
- 17) C
- 18) D
- 19) B
- 20) A
- 21) B
- 22) B
- 23) C
- 24) C
- 25) C
- 26) A
- 27) B
- 28) C
- 29) D

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