Test Bank for Launching New Ventures An Entrepreneurial Approach 8th Allen

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True / False

1. Entrepreneurship is a personal journey that begins in the mind of an individual.
   a. True
   b. False

ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.1 Profile
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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2. Research has enabled us to identify a stereotypical entrepreneur.
   a. True
   b. False

ANSWER: False
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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3. One false assumption about entrepreneurship is that it takes a lot of money to start a business.
   a. True
   b. False

ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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4. In an entrepreneurial endeavor, risk is correlated with reward—the greater the risk taken, the greater the reward expected.
   a. True
   b. False

ANSWER: False

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POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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5. If entrepreneurs haven't started their first business by the time they are 30, it is too late.
   a. True
   b. False
ANSWER: False
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.01.01 - LO: 01.01
KEYWORDS: Bloom's: Remember
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6. Usually it's not the idea but the execution plan that makes the business a success.
   a. True
   b. False
ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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7. Today, many enterprising people are turning to nonprofit types of ventures to realize their entrepreneurial dreams.
   a. True
   b. False
ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS: Bloom's: Understand

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8. In the United States, opportunity-driven entrepreneurship is far more prevalent than in efficiency-driven or factor-driven economies such as Brazil and Uganda, where entrepreneurship frequently happens out of necessity.

a. True
b. False

ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
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9. Entrepreneurs create opportunity first from unmet needs or unsolved problems in the market and only then do they gather the resources to exploit that opportunity.

a. True
b. False

ANSWER: True
POINTS: 1
REFERENCES: A-Head: 2.3 The Challenges and Opportunities of Entrepreneurship
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.03 - LO: 02.03
KEYWORDS: Bloom's: Understand
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10. Strong ties play an important role in the entrepreneurial process because entrepreneurs typically move forward faster with the help and support of strong ties who have a prior history with the entrepreneur.

a. True
b. False

ANSWER: False
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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Multiple Choice

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11. To test a business idea, an entrepreneur needs to get in front of customers. To grow a business, an entrepreneur needs
    a. money.
    b. independence.
    c. technology.
    d. a business plan.
    e. ideas.

ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
KEYWORDS: Bloom's: Understand
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12. The goal of most entrepreneurs and investors is to reduce the level of _____ in any venture.
    a. startup capital
    b. overhead
    c. competition
    d. risk
    e. bad decisions

ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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13. Most of the great businesses that have been successful for at least 50 years—companies such as Walt Disney, Sony, and Merck—did NOT start with a
    a. desire to make profitable returns.
    b. desire for independence.
    c. great idea.
    d. great team.
    e. great execution plan.

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01

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14. It is very difficult today to start a new company as a(n) _____ entrepreneur.
    a. undisciplined
    b. foreign
    c. older
    d. solo
    e. female
ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.1 Profile
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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15. A 2008 twin study by Nicolaou and Shane using 870 pairs of identical twins and 857 pairs of same-sex fraternal twins to study entrepreneurial activity found that entrepreneurs are
    a. 100 percent made.
    b. about 50 percent born and 50 percent made.
    c. 100 percent born.
    d. about 80 percent born and 20 percent made.
    e. about 40 percent born and 60 percent made.
ANSWER: e
POINTS: 1
REFERENCES: A-Head: 2.1 Profile
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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16. The Ewing Marion Kauffman Foundation reported that in 2015, the percentage of entrepreneurs aged _____ to _____ declined from 34.3 percent in 1996 to 25 percent in 2015.
    a. 20; 34
    b. 25; 55
    c. 18; 43
    d. 55; 64
    e. 65; 98
ANSWER: a
POINTS: 1

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REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
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17. Management guru Peter Drucker asserted, "The entrepreneurial mystique, it's not magic, it's not mysterious, and it has nothing to do with the genes. It is a _____."
    a. desire
    b. great idea
    c. great network
    d. discipline
    e. need for independence

ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
KEYWORDS: Bloom's: Remember
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18. All of the following are conditions under which entrepreneurs typically choose the startup process EXCEPT when
    a. industry barriers are low.
    b. there is a lot of uncertainty in the job market.
    c. market research concludes the time is right.
    d. investment capital is plentiful.
    e. the opportunity they seek to exploit involves a breakthrough technology.

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS: Bloom's: Analyze
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19. According to the Small Business Administration, as of 2014, 52 percent of small businesses were
    a. portfolio-based.
    b. home-based.
    c. nonprofit making.
    d. serial ventures.

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e. corporate ventures.

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
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20. Sarah is an entrepreneur who owns a minority or majority stake in several ventures. Sarah is called a _____ entrepreneur.

a. portfolio
b. traditional
c. serial
d. homogeneous
e. linear

ANSWER: a
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS: Bloom's: Apply
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21. An entrepreneur who starts one business and then moves on to start another is called a(n) _____ entrepreneur.

a. portfolio
b. traditional
c. serial
d. heterogeneous
e. assorted

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
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22. Nonprofit, socially responsible businesses typically focus on _____ goals.

a. political

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b. religious
c. technological
d. long-term financial
e. noncharitable

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
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23. Robert began a business to help low-income people attain car loans at low-income rates. The business is exempted from taxation and attracts donations from car dealers. Robert started a _____ venture.

a. commercial
b. bureaucratic
c. competitive
d. corporate
e. nonprofit

ANSWER: e
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS: Bloom's: Apply
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24. Which of the following models is used to form corporate entrepreneurship, entrepreneurship that occurs inside an existing organization?

a. Opportunistic
b. Enabler
c. Advocate
d. Producer
e. All of these are correct.

ANSWER: e
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS: Bloom's: Analyze

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25. A(n) _____ company acts like an evangelist, assigning ownership of a project or new business creation and providing seed funding to test it.

a. philanthropic
b. advocate
c. nonprofit
d. motivated
e. enabler model

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.02 - LO: 02.02
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26. All of the following are important steps that an entrepreneur can take to increase his or her chances of success in entrepreneurship EXCEPT

a. learn to micromanage.
b. study an industry.
c. understand his or her preferences.
d. build a network.
e. acquire new skills.

ANSWER: a
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
KEYWORDS: Bloom's: Analyze
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27. Because entrepreneurs operate in a world of uncertainty, the ability to _____ is vital.

a. analyze a situation
b. stay in their comfort zone
c. extract superfluous information
d. disregard potential outcomes
e. reject uncertainty and ambiguity

ANSWER: a
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur

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QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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28. _____ is the exchange of information and resources among individuals, groups, or organizations whose common goals are to mutually benefit and create value for the members.

a. Business planning
b. Marketing
c. Mentoring
d. Networking
e. Critical thinking

ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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29. The _____ ties in a professional network are an entrepreneur's acquaintances and business contacts.

a. strong
b. weak
c. personal
d. kinship
e. familial

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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30. To prepare for success, an aspiring entrepreneur should find a(n) _____ who is leading the type of life that the entrepreneur envisions for the future and who can be a guide and sounding board as well as champion and gateway to people the entrepreneur would otherwise not have been able to meet.

a. network broker
b. mentor
c. investor

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d. silent partner
e. chief executive officer (CEO)

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
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HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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31. Which of the following serve as gateways to other networks and exert influence between groups or networks?
a. Network brokers
b. Angel investors
c. Production people
d. Opinion leaders
e. All of these are correct.

ANSWER: e
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
KEYWORDS: Bloom's: Analyze
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32. Which of the following is NOT a factor researchers have uncovered that serves as a barrier to people becoming self-employed as entrepreneurs?
a. Lack of confidence
b. Financial needs
c. Family issues
d. Time constraints
e. Lack of college degree

ANSWER: e
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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33. _____ is a critical part of the everyday life of an entrepreneur and is a skill that must be developed and exercised

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carefully.

a. Making effective decisions
b. Disregarding potential outcomes
c. Extracting superfluous information
d. Embracing stability and predictability
e. Delegating details

ANSWER: a
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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34. All of the following are identified as opportunities that come with choosing entrepreneurship as a career path EXCEPT

a. supporting the community.
b. making a difference.
c. becoming dependent.
d. creating wealth.
e. doing well while doing good.

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.3 The Challenges and Opportunities of Entrepreneurship
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.03 - LO: 02.03
KEYWORDS: Bloom's: Analyze
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35. Although it is an entrepreneur's passion that launches a business and keeps it going through the early days when survival is often in doubt, a more _____ style of leadership is often required once the business has survived and has entered the growth mode.

a. autocratic
b. aggressive
c. pragmatic
d. authoritarian
e. transactional

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False

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LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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36. Although entrepreneurs should not be _____ as their business grows, they should be well aware of the status of critical numbers in their business, and they should make their presence known among employees on a regular basis.

a. risk-takers
b. dependent on others
c. overly aggressive
d. micromanagers
e. workaholics

ANSWER: d
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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37. One of the best ways to discover an opportunity is to study a(n) _____ in depth.

a. company
b. product
c. industry
d. business plan
e. market

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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38. Embracing _____ and _____ is essential to creating opportunity and to launching a new business.

a. networking; research
b. research; uncertainty
c. uncertainty; ambiguity
d. decision making; micromanaging
e. strategic alliances; networking

ANSWER: c
POINTS: 1

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REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
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39. An entrepreneur's _____ are the foundation for his or her business and are always reflected in the business and in how customers are treated.
a. ideas
b. networks
c. core values
d. resources
e. relationships

ANSWER: c
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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40. A(n) _____ is a group of companies that are engaged in a similar or related field.
a. organization
b. industry
c. foreign market
d. partnership
e. community

ANSWER: b
POINTS: 1
REFERENCES: A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ENTR.ALLN.20.02.04 - LO: 02.04
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Subjective Short Answer

41. Discuss some of the myths surrounding entrepreneurs.
ANSWER: Given the frequency with which entrepreneurs are discussed in the media, it is not surprising that stereotypes have developed around them. Not all of these stereotypes are flattering, and

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most are simply false. One false assumption about entrepreneurship is that it takes a lot of money to start a business. Nothing could be further from the truth.

Another myth is that it takes a great idea to start a business. In fact, most of the great businesses that have been successful for at least 50 years—companies such as Walt Disney, Sony, and Merck—did not start with a great idea. They started with a great team who simply wanted to create an enduring company. Usually it's not the idea but the execution plan that makes a business a success.

Students of entrepreneurship often hear that risk is correlated with reward—the greater the risk taken, the greater the reward expected. However, risk is a relative term, and the goal of most entrepreneurs and investors alike is to reduce the level of risk in any venture. In fact, investors expect entrepreneurs to do what it takes to reduce the risk for them such as testing the market, acquiring the first customer, and investing some of their own capital in the business.

Another myth is that a business plan is required for success. However, many entrepreneurs have started highly successful businesses without having a formal business plan in place—including recognizable companies such as Pizza Hut and Crate and Barrel that have survived for decades.

Many people believe that if they haven't started their first business by the time they are 30, it is too late. They think that the energy, drive, resources, and risk involved are suitable only for the young. Nothing could be further from the truth. Today the ages of entrepreneurs are fairly evenly distributed across all the decades.

People also believe that entrepreneurship cannot be taught. This myth is a corollary to "Entrepreneurs are born, not made." Both are wrong. There is a lot about entrepreneurship that can be taught, including specific skills and behaviors. People who don't naturally have the skills of a successful entrepreneur can certainly learn and apply them.

POINTS: 1
REFERENCES: A-Head: 2.1 Saying Goodbye to Stereotypes
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: ENTR.ALLN.20.02.01 - LO: 02.01
KEYWORDS: Bloom's: Analyze
DATE CREATED: 6/14/2018 11:37 AM
DATE MODIFIED: 10/1/2018 2:39 AM

42. Choose and describe two of the four broad categories of entrepreneurs that differ from the traditional path.

ANSWER: There are many paths to entrepreneurship. Four broad categories that differ from the traditional path include the home-based entrepreneur, the serial entrepreneur, the nonprofit entrepreneur, and the corporate entrepreneur. Students may choose any two of these categories to describe.

- *The Home-Based Entrepreneur*. Technology has made it possible to do business from virtually anywhere, so entrepreneurs don't have to work in traditional office spaces to start or run businesses. Moreover, home-based business owners can tap into more resources than ever before from their desktops or mobile devices to locate help for any problem they may be facing. Many entrepreneurs with aspirations to grow their businesses start from home to save on overhead and reduce the risk of startup.

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Once the concept has proved itself, they often move out to acquire facilities and other resources that will support the growth of the company and the addition of employees.

- *The Serial or Portfolio Entrepreneur*. An entrepreneur who starts one business and then moves on to start another is called a serial entrepreneur. Often these entrepreneurs start another business that builds on the experience from the first venture or builds on a specific expertise that an entrepreneur possesses or has acquired through a previous venture. An entrepreneur who owns a minority or majority stake in several ventures is called a portfolio entrepreneur. Portfolio entrepreneurs often create a lot of churn in their portfolios as they seek out new business opportunities that link to their existing businesses. They tend to be constantly on the hunt for new opportunities.
- *The Nonprofit Entrepreneur*. Nonprofit, socially responsible businesses typically focus on educational, religious, or charitable goals. They generally seek tax-exempt status so that they can attract donations from companies and individuals who believe in their mission. Contrary to popular belief, nonprofit businesses can and should make a profit, but that profit must stay within the company rather than be distributed to the owners.
- *The Corporate Entrepreneur*. Entrepreneurship can also occur inside an existing organization. Known as corporate entrepreneurship, this phenomenon is now regularly studied by the research community; and increasingly, large organizations are finding it necessary to provide for entrepreneurial activity to remain competitive. Corporate ventures are distinct from other types of projects that large firms take on. For one thing, they generally involve innovation and activities that are typically new to the company so the risk of failure is high. There is also a high degree of uncertainty around such projects, so they are often managed separately from core business activities. Those who choose the corporate entrepreneurship path will need to align with key decision makers in the organization; work with only the best, most motivated people; and do any job needed to make the project work.

POINTS:	1
REFERENCES:	A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS:	Bloom's: Analyze
DATE CREATED:	6/14/2018 11:37 AM
DATE MODIFIED:	11/19/2019 2:46 PM

43. Discuss several models that companies can choose from to stimulate the entrepreneurial environment required for innovation to occur.

ANSWER: Recognizing that it is nearly impossible to reengineer and redesign an entire organization to be more entrepreneurial, many companies have chosen from several models to simulate the entrepreneurial environment required for innovation to occur:

- *Opportunistic Model*. Most companies start their efforts to be more entrepreneurial with an opportunistic model. They wait for project champions to engage and suggest new business opportunities. Then they decide if they want to move forward and provide some support.
- *Enabler Model*. Google is an example of an enabler model company that sprinkles resources throughout the organization to encourage innovation and entrepreneurship at all levels while establishing clear criteria for the selection of opportunities to

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pursue.

- *Advocate Model*. An advocate company acts like an evangelist, assigning ownership of a project or new business creation and providing modest seed funding to test it. DuPont, a global conglomerate, uses this approach to generate new sources of growth for the company.
- *Producer Model*. Some companies like IBM and Cargill establish formal organizations with dedicated funds and significant autonomy. This approach used to be called a skunkworks, dubbed so by Lockheed Martin when it originated the idea years ago to develop its stealth fighter jet.

POINTS:	1
REFERENCES:	A-Head: 2.2 Paths to Entrepreneurship
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.02 - LO: 02.02
KEYWORDS:	Bloom's: Analyze
DATE CREATED:	6/14/2018 11:37 AM
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44. Discuss some of the challenges associated with choosing entrepreneurship as a career path.

ANSWER:	Some of the challenges associated with choosing entrepreneurship as a career path include finding the right business opportunity, needing to work for long hours without pay, facing uncertainty and high risk, making major decisions that often affect other people's lives, relying on other people for expertise and resources, having no previous experience on which to rely, facing failure at some point, finding the right people to grow the business, raising capital and other resources, and dealing with a sense of isolation and disillusionment.
POINTS:	1
REFERENCES:	A-Head: 2.3 The Challenges and Opportunities of Entrepreneurship
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.03 - LO: 02.03
KEYWORDS:	Bloom's: Analyze
DATE CREATED:	6/14/2018 11:37 AM
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45. Discuss the tasks that will help increase an entrepreneur's chances of success in entrepreneurship.

ANSWER:	Some of the important tasks that will help increase an entrepreneur's chances of success in entrepreneurship include finding a mentor, building a professional network, learning about entrepreneurs, understanding personality and business preferences, improving or acquiring critical skills, and studying an industry.
POINTS:	1
REFERENCES:	A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.04 - LO: 02.04

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KEYWORDS:	Bloom's: Analyze
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46. What are some of the sources for learning about entrepreneurs? Which is the most important source?

ANSWER:	One of the best ways to prepare for entrepreneurship is to learn as much about it as possible by reading magazine articles, books, blogs, and newspapers, and—most importantly—by talking to entrepreneurs. University entrepreneur programs, local chambers of commerce, small business development corporations, and industry events are also great sources for meeting entrepreneurs.
POINTS:	1
REFERENCES:	A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.04 - LO: 02.04
KEYWORDS:	Bloom's: Understand
DATE CREATED:	6/14/2018 11:37 AM
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47. How can an entrepreneur efficiently build a large and meaningful network?

ANSWER:	Entrepreneurs can build a large and meaningful network by connecting with network brokers who serve as gateways to other networks. These brokers, or opinion leaders, exert influence between groups or networks.
POINTS:	1
REFERENCES:	A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.04 - LO: 02.04
KEYWORDS:	Bloom's: Understand
DATE CREATED:	6/14/2018 11:37 AM
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48. What are strong and weak ties? What role do they play in the entrepreneurial process?

ANSWER:	Strong ties are your close friends and family members whom you know well, whereas weak ties are your acquaintances and business contacts. These weak ties play an important role in the entrepreneurial process because entrepreneurs typically move forward faster with the help and support of weak ties who are not biased by a prior history with the entrepreneur. That is why entrepreneurs rely on their weak ties for objective advice.
POINTS:	1
REFERENCES:	A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.04 - LO: 02.04
KEYWORDS:	Bloom's: Understand

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49. Discuss why assembling the right team is so important in entrepreneurship.

ANSWER:	Assembling the right team can, more often than not, make the difference between success and failure. It is very difficult today to start a new company as a solo entrepreneur; mostly because any single person rarely has all the knowledge and skills required to move quickly and make the decisions that will lead to success, so assembling a great team is more critical than many entrepreneurs believe.
POINTS:	1
REFERENCES:	A-Head: 2.1 Profile
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.01 - LO: 02.01
KEYWORDS:	Bloom's: Analyze
DATE CREATED:	6/14/2018 11:37 AM
DATE MODIFIED:	10/1/2018 2:39 AM

50. What are some of the critical thinking and communication skills that an entrepreneur needs to hone to be effective at starting and growing his or her business?

ANSWER:	Analysis and critical thinking skills that an entrepreneur needs include calculated risk taking, embracing uncertainty and ambiguity, opportunity creation, organizational and time management, and resource gathering. Written and oral communication skills that an entrepreneur needs include storytelling, vision, persuasion and negotiation, decision making, and leadership and people management.
POINTS:	1
REFERENCES:	A-Head: 2.4 Preparing to Become an Entrepreneur
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	ENTR.ALLN.20.02.04 - LO: 02.04
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