

Name _____

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

- 1) The higher your number of most desirable responses on the *Entrepreneurial Quiz* is, then: 1) _____
 - A) The more your responses agree with those of successful entrepreneurs.
 - B) The less your responses agree with those of successful entrepreneurs.
 - C) The more likely you are to abort your attempts at an entrepreneurial venture because of anxiety.
 - D) The less likely you are to become a successful entrepreneur.

 - 2) Despite scoring high on the *Entrepreneurial Quiz*, your venture is unlikely to succeed if you fail to demonstrate: 2) _____
 - A) Commitment, determination, and perseverance
 - B) People prowess
 - C) Technical savvy
 - D) Financial independence

 - 3) 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: 3) _____
 - A) Openness to change, personal initiative, and perseverance.
 - B) Commitment, dedication, and perseverance.
 - C) Emotional intelligence, social intelligence, mathematical intelligence.
 - D) Positive attitude, social savvy, and intellectual intelligence.

 - 4) One of the common themes resulting from research into the common attributes shared by successful entrepreneurs is that: 4) _____
 - A) Those attributes cannot be learned, an individual is either born with them or they are not.
 - B) Those attributes can be learned.
 - C) There are no "common" set of attributes – each entrepreneurial success story is unique.
 - D) Those attributes are always the same – confidence, determination, and perseverance are always at the top of the list.

 - 5) Entrepreneurs are driven by an immense desire to achieve the goals they initially set for themselves and then to aim for even more challenging standards. This makes them: 5) _____
 - A) Challenge-oriented
 - B) Success-oriented
 - C) Goal-oriented
 - D) Profit-oriented

 - 6) Successful entrepreneurs are _____ people; they want to start producing results immediately. 6) _____
 - A) Challenge-oriented
 - B) Success-oriented
 - C) Goal-oriented
 - D) Action-oriented

 - 7) The best entrepreneurs have a keen sense of their own strengths and weaknesses and of the competitive environment in which they operate. This makes them _____ -oriented. 7) _____
 - A) Reality
 - B) Success
 - C) Action
 - D) Goal

 - 8) Most entrepreneurs are found to be _____ listeners and _____ learners. 8) _____
 - A) Good; quick
 - B) Good; slow
 - C) Poor; slow
 - D) Poor; quick
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- 9) The three types of reaction identified by Robinson et al. are: 9) _____
A) Passion, Avoidance, and Ignorance B) Cognition, Intelligence, and Emotion
C) Empathy, Confusion, and Clarity D) Cognition, Affect, and Behaviour
- 10) Which of the following did Robinson et al. define as the predisposition of the individual to respond in a generally favourable or unfavourable manner with respect to innovation? 10) _____
A) Attitude B) Character C) Empathy D) Personality
- 11) All of the following are subscales in Robinson's EAO Model, *except*: 11) _____
A) Innovation in business B) Desire for retribution
C) Desire for personal control D) Achievement in business
- 12) Which of the following entrepreneurial types prefer to identify themselves by their craft first, and as business owners only as an afterthought? 12) _____
A) Craftspeople B) Lifestyle Business
C) Freedom Fighters D) Empire Building
- 13) You can usually identify _____ by the fact that their companies grow by more than 30 percent annually. 13) _____
A) Empire Builders B) Freedom Fighters
C) Institutional Developers D) Venture Capitalists
- 14) These entrepreneurs go on to build larger companies through hiring and delegation of authority. 14) _____
A) Team builders B) Independent innovators
C) Deal-to-dealers D) Pattern multipliers
- 15) Which type of entrepreneur takes advantage of the fact that unit costs tend to shrink as volume expands? 15) _____
A) Deal-to-dealers B) Capital aggregators
C) Pattern multipliers D) Economy-of-scale exploiters
- 16) Arranging financing, handling credit, and budgeting are all considered skills under which broad entrepreneurial skill set? 16) _____
A) Managing people B) Managing money
C) Managing inventory D) Managing capital
- 17) 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? 17) _____
A) Managing people B) Directing business operations
C) Setting up a business D) Directing sales and marketing operations
- 18) You are able to acquire many of the skills needed prior to considering an entrepreneurial career through all of the following means, *except*: 18) _____
A) Organizational (or club) activities B) Vacationing
C) Job experience D) Managing a home

- 30) Most entrepreneurs are self-confident, and with this confidence comes a strong ego. 30) _____
- 31) High energy, good health, and emotional stability are thought to be some of the "not so learnable" qualities of successful entrepreneurs. 31) _____
- 32) High intelligence and conceptual ability are two of the most "learnable" attributes of successful entrepreneurs. 32) _____
- 33) The Managerial Sills Inventory questionnaire can be used to develop an inventory of your skills and capabilities in the areas of financial accounting, human resources, and ethics. 33) _____
- 34) The "typical entrepreneur" is most closely associated with the *Empire Builder* type of entrepreneur. 34) _____
- 35) Craftspeople are a type of entrepreneur that seek financial independence above anything else and the freedom to spend their time as they wish. 35) _____
- 36) Deal-to-dealers are small business owners which have had more than one venture, often in quite different lines of business. 36) _____
- 37) 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. 37) _____
- 38) Many small business owners experience an immediate increase in the level of personal income they can earn. 38) _____
- 39) It is estimated that the principal reason for the failure of small firms is poor cash flow. 39) _____
- 40) Training employees, motivating people, and evaluating workers fall under the "directing business operations" skill set. 40) _____
- 41) Your personal balance sheet includes a summary of all your assets—what you own that has some cash value—and your liabilities or debts. 41) _____
- 42) Your credit rating is based on your income earning potential in a five year period. 42) _____
- 43) Equifax Canada Inc. is a venture capital firm headquartered in western Canada. 43) _____
- 44) Craig and Mark Kielburger are well known for the role they played in the Ponzi scheme and eventual collapse of Enron. 44) _____
- 45) 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 citizens and give something back to the societies in which they exist. 45) _____
- 46) Social entrepreneurship refers to the discovery, evaluation, and exploitation of opportunities for financial profit. 46) _____
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ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 47) Of the many attributes shared by successful entrepreneurs, which of those is believed to be the most critical to their success? Explain.
- 48) List and describe the "not-so-learnable" traits of an entrepreneur.
- 49) Most entrepreneurs are described as having a high risk tolerance. Do you agree or disagree? Why?
- 50) List and briefly describe the three entrepreneurial archetypes developed by John Warrillow.
- 51) In addition to the proper background, attitude, and lifestyle, what else should be considered in assessing your potential for becoming a successful entrepreneur?
- 52) Outline the five steps in preparing a personal balance sheet.
- 53) Summarize the basis for the argument that companies should give back to the communities in which they live.
- 54) List the reasons why businesses should be concerned with being more socially responsible.
- 55) 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.

Answer Key

Testname: UNTITLED1

- 1) A
- 2) A
- 3) A
- 4) B
- 5) B
- 6) D
- 7) A
- 8) A
- 9) D
- 10) A
- 11) B
- 12) A
- 13) A
- 14) A
- 15) D
- 16) B
- 17) B
- 18) B
- 19) D
- 20) A
- 21) C
- 22) A
- 23) B
- 24) D
- 25) D
- 26) A
- 27) B
- 28) FALSE
- 29) TRUE
- 30) TRUE
- 31) TRUE
- 32) FALSE
- 33) FALSE
- 34) TRUE
- 35) FALSE
- 36) TRUE
- 37) TRUE
- 38) FALSE
- 39) FALSE
- 40) FALSE
- 41) TRUE
- 42) FALSE
- 43) FALSE
- 44) FALSE
- 45) TRUE
- 46) FALSE
- 47) 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.~~_____

Answer Key

Testname: UNTITLED1

- 48) The not-so-learnable traits are those which experts consider to be innate. 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.
- 49) 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.
- 50) 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.
- 51) 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.
- 52) 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."
- 53) 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
- 54) 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.
- 55) 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?