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| 1. Jaclyn and her partner recognized an untapped market for in-home fitness training and developed a business servicing clients across Ontario. Which term best describes these partners?   |  |  |  | | --- | --- | --- | |  | a. | founders of business firms | |  | b. | shop foremen | |  | c. | directors of operations | |  | d. | salaried managers of larger corporations |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 2. What is an entrepreneur?   |  |  |  | | --- | --- | --- | |  | a. | a salaried manager in a large corporation | |  | b. | a financial manager in a small firm | |  | c. | an owner-manager who buys out the founder of a firm | |  | d. | an innovative manager with a willingness to accept risk |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 3. Jonathan’s business employs 70 people and generates sales of $400,000 selling medical supplies to dentists. What kind of business does Jonathan own?   |  |  |  | | --- | --- | --- | |  | a. | small business | |  | b. | micro-business | |  | c. | lifestyle business | |  | d. | high-potential business |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 4. Vanessa has started a cyber-security business to take advantage of new laws requiring all medical organizations to secure their data. This new industry is forecasted to generate several billion in sales per year. What type of business does Vanessa own?   |  |  |  | | --- | --- | --- | |  | a. | small business | |  | b. | micro business | |  | c. | lifestyle business | |  | d. | high-potential business |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 5. Regina is an employee but she would like to have more control over her life and directly reap the rewards for her hard work. She would like to start her own business. What would likely have the strongest influence on Regina becoming an entrepreneur?   |  |  |  | | --- | --- | --- | |  | a. | a satisfying lifestyle, independence, profit | |  | b. | a satisfying lifestyle, independence, love of country | |  | c. | a satisfying lifestyle, financial rewards, preserving the capitalistic system | |  | d. | a satisfying lifestyle, independence, love of country |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 6. Jaclyn, inspired by her children’s fondness for animals, developed a business bringing animals to children bedridden with diseases or injuries. What type of business person best describes Jaclyn?   |  |  |  | | --- | --- | --- | |  | a. | artisan | |  | b. | philanthropist | |  | c. | mompreneur | |  | d. | opportunistic entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 7. Reggie runs his landscaping company from April to October then closes it so he can travel the world to enjoy his love of skiing. Which entrepreneurial reward does Reggie value most?   |  |  |  | | --- | --- | --- | |  | a. | personal fulfillment | |  | b. | profit | |  | c. | independence | |  | d. | risk-taking |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 8. Kareem is finding it difficult to service his customers properly due to the wide variety tasks required to run his landscaping company. Which challenge is likely most difficult for Kareem?   |  |  |  | | --- | --- | --- | |  | a. | communicating with non–English speaking markets | |  | b. | making decisions about how to invest excess cash balances | |  | c. | navigating government regulations and paperwork | |  | d. | collecting payments from customers |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 9. Which cause for bankruptcy occurs most frequently?   |  |  |  | | --- | --- | --- | |  | a. | lack of competitive advantage | |  | b. | uncontrolled costs | |  | c. | inadequate research and development | |  | d. | poorly developed marketing strategies |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 10. Christine takes over the nursery business her aging parents started. Which term best describes Christine?   |  |  |  | | --- | --- | --- | |  | a. | franchisee | |  | b. | mompreneur | |  | c. | mover and shaker | |  | d. | second-stage entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 11. Joyce feels she is ready to start an interior decorating business. She has sufficient capital with her life savings and a small loan from her parents, but she is having some doubts about starting the business. What is the most likely cause for Joyce’s second thoughts?   |  |  |  | | --- | --- | --- | |  | a. | the routine and boring work | |  | b. | the requirement to pay a minimum wage to all employees | |  | c. | the need to participate in civic activities | |  | d. | the threat of business failure |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 12. Eleanor continues to work at her career business because of the joy she receives from helping young people find their true calling. What entrepreneurship reward does Eleanor value most?   |  |  |  | | --- | --- | --- | |  | a. | personal fulfillment | |  | b. | profit | |  | c. | independence | |  | d. | risk-taking |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 13. Theresa enjoys being an entrepreneur mostly because she organizes the business the way she wants. Which reward of entrepreneurship does Theresa cherish most?   |  |  |  | | --- | --- | --- | |  | a. | relationship-building | |  | b. | satisfying way of life | |  | c. | profits | |  | d. | independence |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 14. Skyler is a song-writer who created a business to sell her songs to the recording industry. Which term best describes Skyler?   |  |  |  | | --- | --- | --- | |  | a. | founder | |  | b. | general manager | |  | c. | franchisee | |  | d. | sales person |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 15. Rose runs a landscaping company primarily because she loves gardening. Which term best describes Rose’s business?   |  |  |  | | --- | --- | --- | |  | a. | high-potential venture | |  | b. | microbusiness | |  | c. | artisan business | |  | d. | lifestyle business |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 16. Ken’s insurance company continues to increase its profits even during a recent recession that caused several of his competitors to go bankrupt. Which term best describes Ken’s company?   |  |  |  | | --- | --- | --- | |  | a. | marginal firm | |  | b. | franchise | |  | c. | high-potential venture | |  | d. | attractive small firm |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 17. Christopher has developed a new process to triple the speed of a computer processor. He is getting a lot of offers for financial backing. Which term best describes Christopher’s opportunity?   |  |  |  | | --- | --- | --- | |  | a. | opportunistic company | |  | b. | attractive small firm | |  | c. | high-potential venture | |  | d. | microbusiness |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 18. Judy, a mother of five children, developed a fastener to keep sock pairs together in the laundry and sells her invention on the Internet. What is Judy?   |  |  |  | | --- | --- | --- | |  | a. | mompreneur | |  | b. | opportunistic entrepreneur | |  | c. | artisan entrepreneur | |  | d. | high-potential venture |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 19. Which of the following describes an opportunistic entrepreneur?   |  |  |  | | --- | --- | --- | |  | a. | delegates authority in order to grow | |  | b. | has a long-term time orientation | |  | c. | avoids risks at all costs | |  | d. | is paternalistic |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 20. What is an opportunistic entrepreneur expected to be?   |  |  |  | | --- | --- | --- | |  | a. | superstitious | |  | b. | reluctant to delegate authority | |  | c. | unwilling to plan for future growth | |  | d. | well educated |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 21. Who comprises an entrepreneurial team?   |  |  |  | | --- | --- | --- | |  | a. | individuals who work together in the same firm as entrepreneurs | |  | b. | the entrepreneur plus the firm’s banker, chartered accountant, and lawyer | |  | c. | a firm’s managers | |  | d. | government officials who provide counselling to aspiring entrepreneurs |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 22. Surjit, a marketing specialist, and Candice, an investment expert, create a company to sell financial planning services to the public. Which term best describes Surjit and Candice?   |  |  |  | | --- | --- | --- | |  | a. | corporation | |  | b. | partnership | |  | c. | joint venture | |  | d. | entrepreneurial team |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 23. Lea sells her handmade products to collectors. Sales could be higher, but she tries to do everything herself and manages people the way she manages her family. Which term best describes Lea?   |  |  |  | | --- | --- | --- | |  | a. | high-potential entrepreneur | |  | b. | lifestyle entrepreneur | |  | c. | opportunistic entrepreneur | |  | d. | artisan entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 24. Balwant has several ideas for a new business and is learning about becoming an entrepreneur. What will Balwant most likely be concerned about?   |  |  |  | | --- | --- | --- | |  | a. | acquiring financial resources | |  | b. | learning a new hobby | |  | c. | investing in a retirement program | |  | d. | spending time with friends |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 25. In what age category does research show the highest percentage of business start-ups?   |  |  |  | | --- | --- | --- | |  | a. | 18 to 24 | |  | b. | 25 to 30 | |  | c. | 31 to 49 | |  | d. | 50 and over |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 26. Patrick, tired of the politics at the company he works for, leaves to start his own accounting firm. Which term best describes Patrick?   |  |  |  | | --- | --- | --- | |  | a. | energizer | |  | b. | risk taker | |  | c. | financier | |  | d. | refugee |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 27. When Tracee started her business she had three goals in mind: serve her customers well, make a profit, and donate a portion of profits to environmental preservation causes.  Which term best describes Tracee?   |  |  |  | | --- | --- | --- | |  | a. | corporate refugee | |  | b. | social entrepreneur | |  | c. | immigrant entrepreneur | |  | d. | serial entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 28. Over the past decade Timothy has started seven companies, quickly made them profitable, and then sold them to other entrepreneurs. Which term best describes Timothy?   |  |  |  | | --- | --- | --- | |  | a. | corporate refugee | |  | b. | social entrepreneur | |  | c. | immigrant entrepreneur | |  | d. | serial entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 29. Ken Yip moved to Canada from Trinidad after getting financing for a company start-up with help from a program developed by the Minister of Citizenship. Which term best describes Ken?   |  |  |  | | --- | --- | --- | |  | a. | corporate refugee | |  | b. | social entrepreneur | |  | c. | immigrant entrepreneur | |  | d. | serial entrepreneur |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 30. Richard left a secure job with the government to start a manufacturing company even though he has a young family to take care. As a successful entrepreneur what level of risk does Richard accept?   |  |  |  | | --- | --- | --- | |  | a. | no risk | |  | b. | mild risk | |  | c. | moderate risk | |  | d. | extreme risk |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 31. An individual flees the bureaucratic environment of big firms by going into business for herself. What term best describes this individual?   |  |  |  | | --- | --- | --- | |  | a. | quitter | |  | b. | corporate refugee | |  | c. | foreign refugee | |  | d. | entrepreneurial team member |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 32. Associates attribute Kayla’s business success to her “never give up attitude”. Whether it is a problem in operations or selling to a reluctant customer, Kayla continues to work to solve the problem or close the sale. Which entrepreneurial success quality best describes Kayla?   |  |  |  | | --- | --- | --- | |  | a. | commitment and determination | |  | b. | opportunity obsession | |  | c. | tolerance for risk, ambiguity, and uncertainty | |  | d. | motivation to excel |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 33. Michelle continually looks for new products and markets to expand her business. Which entrepreneurial success quality best describes Michelle?   |  |  |  | | --- | --- | --- | |  | a. | commitment and determination | |  | b. | opportunity obsession | |  | c. | tolerance for risk, ambiguity, and uncertainty | |  | d. | motivation to excel |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 34. Before making any decisions, Kyle gathers good information to help navigate through what often seems a complicated web of problems, challenges, and opportunities. Which entrepreneurial success quality best describes Kyle?   |  |  |  | | --- | --- | --- | |  | a. | commitment and determination | |  | b. | opportunity obsession | |  | c. | tolerance for risk, ambiguity, and uncertainty | |  | d. | motivation to excel |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 35. Juanita had to close her business after three years. The clothing she purchased from overseas manufacturers never caught on in Canada as she thought it would. Which of the following best describes Juanita’s situation?   |  |  |  | | --- | --- | --- | |  | a. | overestimated what one can do | |  | b. | lacked an understanding of the market | |  | c. | hired mediocre people | |  | d. | failed to be a team player |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 36. Understanding his weakness in presentation skills, Dylan joined a Toastmasters program. He now successfully presents his business and products to buyers and his sales continually increase. Which entrepreneurial success quality best describes Dylan?   |  |  |  | | --- | --- | --- | |  | a. | commitment and determination | |  | b. | opportunity obsession | |  | c. | tolerance for risk, ambiguity, and uncertainty | |  | d. | motivation to excel |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 37. As of 2011 more than 3 million people were self-employed in Canada.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 38. An entrepreneurial opportunity is economically attractive, timely, and creates value.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 39. According to the textbook depiction of an entrepreneur, the definition of an entrepreneur is restricted to founders of business firms.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 40. The term entrepreneur as understood in this textbook excludes salaried managers of larger corporations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 41. Entrepreneurs are frequently thought to be individuals who discover market needs and launch new firms to meet those needs.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 42. Statistics Canada, the Canada Revenue Agency, and the author of your textbook all use the same definition of a small business in Canada.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 43. Between 2002 and 2012, small business accounted for 78 percent of all new jobs created.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 44. Over 98 percent of small businesses have fewer than 100 employees.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 45. Small business employs about 7.7 million Canadians in the private sector.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 46. Entrepreneurs are extreme risk takers.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 47. Successful entrepreneurs are creative and self-reliant but seek help to adapt to changes.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 48. Entrepreneurs expect a return that will not only compensate them for the time and money they invest but also reward them well for other risks and initiative they take in operating their own businesses.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 49. Entrepreneurs can tolerate risk but they need an environment of certainty to be productive and produce profits.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 50. Most successful entrepreneurs rarely need to work hard or be persistent. Events and people always tend to just fall in place for them.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 51. Small business is most often financed by many investors which is one reason why they are so successful.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 52. |Most small businesses have between 150–200 employees.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 53. Three primary rewards of entrepreneurship are thought to be profit, independence, and a satisfying way of life.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 54. Entrepreneurship involves costs and drawbacks as well as rewards.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 55. Business bankruptcies declined between 2000 and 2010.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 56. Entrepreneurs experience the unpleasantness of emotional stress as well as the need to invest much of their own time and labour.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 57. The possibility of failure for entrepreneurs is only a distant threat.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 58. The study by Thornhill and Amit suggests that reasons for failure are different in each phase of the business life.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 59. Older firms often fail because they fail to adjust to competitive environments.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 60. Bankruptcies in Canada are an indication that the possibility of failure is very real.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 61. Entrepreneurship is marked by diversity.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 62. Entrepreneurs may be classified into three types: founders, general managers, and franchisees.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 63. Only those entrepreneurial firms that grow large can be called lifestyle businesses.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 64. A lifestyle business is defined as a business that fits the employees’ lifestyles and provides satisfaction to all employees.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 65. Microbusinesses provide only minimal profits to their owners.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 66. An attractive small firm is specifically any small firm that provides substantial profits to it owner.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 67. Many entrepreneurs value independence because it gives them more flexibility in their personal lives.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 68. Entrepreneurial independence translates into an easier life for the business owner.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 69. Artisan entrepreneurs’ education is limited to technical training and little business experience.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 70. A characteristic of artisan entrepreneurs is their strong communication skills.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 71. An opportunistic entrepreneur is a person who has no managerial or technical skills but rather starts the business relying on sheer luck.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 72. An entrepreneurial team works for the entrepreneur because they are more comfortable in a corporate setting and would rather not become entrepreneurs.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 73. The four primary routes to entrepreneurship are entering a family business, opening a franchised business, starting a new business, and buying an existing business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 74. A younger person may avoid entrepreneurship so they can build up a retirement program.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 75. An older person may avoid entrepreneurship as they have family, financial, and job commitments that make it appear too risky.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 76. Research shows that the highest percentage of start-ups is in the 25- to 35-year-old age group.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 77. There are no hard and fast rules concerning the right age for starting a business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 78. More recently the over 50 age group has accounted for 30 percent of all new start-ups*.*   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 79. Persons who leave their homeland and go into business for themselves in a new country have been described as immigrant entrepreneurs.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 80. A corporate refugee is a person who tried entrepreneurship, failed, and sought refuge in corporate employment.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 81. A social entrepreneur specializes in developing business around social media.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 82. A serial entrepreneur focuses on a single business to grow it into a multinational enterprise.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 83. Most successful entrepreneurs are described as being domineering managers.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 84. If we define a business as a commercial entity with at least one employee, there were approximately 1.08 million small businesses in Canada in 2013. Give three key reasons why small business is important in Canada.   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | ∙ | Over 98 percent of small businesses have fewer than 100 employees. | | ∙ | Small businesses with fewer than 100 employees contribute about 41 percent to Canada’s GDP. | | ∙ | Small businesses employ approximately 7.7 million Canadians or 69.7 percent of the total labour force in the private sector. | | ∙ | Between 2002 and 2012 over 100,000 jobs were created by small business, accounting for an average 78 percent of all new jobs created. | | ∙ | Small business is responsible for $87 billion in exports or about 23 percent of Canada’s total exports. | | |

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| 85. Identify and explain three major types of rewards for entrepreneurs.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | ∙ | *Profit.* The desire to make money is a factor in most ventures, but it is thought to be less significant than independence as an overall driving force. However, it can provide powerful motivation. 45.3 percent of Canadians interested in starting their own business want to achieve a higher income and standard of living. | | ∙ | *Independence.* Independence involves a desire to be one’s own boss and to avoid having others tell one what to do. | | ∙ | *Personal satisfaction.*  Entrepreneurs enjoy the satisfaction from owning their own business and receive personal fulfillment from starting from the group up and working with the firm’s product and services. | | |

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| 86. Identify three types of drawbacks for entrepreneurs.   |  |  | | --- | --- | | *ANSWER:* | Starting your own business often demands hard work, long hours, and much emotional energy. Many describe it as exciting but very demanding. | |

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| 87. Describe three drawbacks that could face an entrepreneur in a new start-up.   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | Although the potential for responses is wide open, responses should explain any three of the following:   |  |  | | --- | --- | | ∙ | hard work | | ∙ | long hours | | ∙ | emotional energy | | ∙ | personal stress | | ∙ | possibility of business failure | | ∙ | no guarantee of success | | ∙ | must assume a variety of risks | | ∙ | finances and paperwork | | ∙ | finding new customers and markets | | ∙ | securing financing | | ∙ | finding a competitive advantage | | |

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| 88. Describe two causes of business failures among younger firms in the start-up or post-start-up phases.   |  |  | | --- | --- | | *ANSWER:* | Extensive research conducted by Stewart Thornhill and Raphael Amit suggests that failure among younger firms in the start-up or post-start-up phases is attributable to lack of managerial and financial abilities. | |

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| 89. The textbook identified six major causes of bankruptcy. Identify three of these causes.   |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | ∙ | inadequate research and development | | ∙ | lack of competitive advantage | | ∙ | uncontrolled costs | | ∙ | poorly developed marketing strategies | | ∙ | poor market timing | | ∙ | succumb to competitor activities | | |

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| 90. A major trend in lifestyle businesses is “mompreneurs.” Describe the characteristics of this type of business.   |  |  | | --- | --- | | *ANSWER:* | A mompreneur is a woman who starts a business because she’s been inspired by being a mother, and typically wants more control over her life. An example of a successful mompreneur-type business is Pippalily baby slings, started by Toronto mother Victoria Turner in 2008, offering functional yet fashionable baby slings and other baby accessories through her online store (pippalily.com) as well as in 75 stores across Canada. | |

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| 91. Differentiate between founders and general managers.   |  |  | | --- | --- | | *ANSWER:* | A founder is an entrepreneur who brings a new or improved product to the market and a general manager directs the continuing operations of established firms. The student should expound upon these notions, as in the textbook. | |

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| 92. Describe the characteristics of a microbusiness.   |  |  | | --- | --- | | *ANSWER:* | The least profitable types of firms, including many service firms such as dry cleaners, beauty shops, and appliance repair shops, provide only very modest returns to their owners. They are called microbusinesses, and their distinguishing feature is their limited ability to generate significant profits. Entrepreneurs who devote personal effort to such ventures receive a profit that does little more than compensate them for their time. Many businesses of this type are also called lifestyle businesses because they permit an owner to follow a desired pattern of living, even though they provide only modest returns. Businesses of this type do not attract investors. | |

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| 93. Differentiate between attractive small firms and high-potential (gazelle) firms.   |  |  | | --- | --- | | *ANSWER:* | Attractive small firms offer substantial profit (e.g., $100,000 to $300,000 annually), are solid and healthy firms, and can provide rewarding careers and create financial wealth for the owners High-potential ventures are those like Google, which can grow at blinding speed and make their founders wealthy by being sold or going public. Of course, they also include less spectacular successes that still earn very high profits. | |

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| 94. Explain the difference between artisan and opportunistic entrepreneurs.   |  |  | | --- | --- | | *ANSWER:* | Artisan entrepreneurs typically have only technical training and lack both good communication skills and managerial training. Opportunistic entrepreneurs, on the other hand, are more broadly educated supplementing their technical education with business education. They adopt a relatively sophisticated approach to management, including careful record keeping and budgeting, precise bidding, and systematic marketing research. | |

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| 95. Explain four routes to entrepreneurship.   |  |  | | --- | --- | | *ANSWER:* | Entering a family business, opening a franchised business, starting a new business, buying an existing business | |

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| 96. Describe why small business has become a strong consideration for many younger entrepreneurs.   |  |  | | --- | --- | | *ANSWER:* | A challenging and volatile job market is making entrepreneurship more attractive to young workers. Students should expand upon this while reflecting on their own observations and outlook on the job market. | |

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| 97. Why are older Canadians attracted to starting their own business?   |  |  | | --- | --- | | *ANSWER:* | Older Canadians are more likely to start their own business because they have extensive work experience to draw from, valuable business contacts, access to greater financial resources, and can benefit from the affordability and availability of technology. | |

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| 98. Describe the concept of a corporate refugee.   |  |  | | --- | --- | | *ANSWER:* | Individuals who flee the bureaucratic environment of big or medium-sized firms by going into business for themselves are referred to as corporate refugees and are a unique group of entrepreneurs present in Canada today. Students should describe the reasons why these individuals flee from corporations they work for. | |

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| 99. What are social entrepreneurs and serial entrepreneurs what motivates them?   |  |  | | --- | --- | | *ANSWER:* | An entrepreneur that is focused on trying to use entrepreneurial principles to help address issues and problems present in today’s society can be referred to as a social entrepreneur. These entrepreneurs are described as having a triple bottom line with focus on people, profits, and the planet. A serial entrepreneur is someone who possesses all the characteristics of an entrepreneur; however, he or she is not tied to one business concept. The serial entrepreneur will start a business, get it up and running, and then divest him or herself of the business and move on to the next. | |

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| 100. Identify and explain three of the six characteristics of successful entrepreneurs as researched by Jeffry Timmons and Stephen Spinelli.   |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | ∙ | *Commitment and determination*. Such entrepreneurs are tenacious, decisive, and persistent in problem solving. | | ∙ | *Leadership*. Such entrepreneurs are self-starters and team builders, and focus on honesty in their business relationships. | | ∙ | *Opportunity obsession*. Such entrepreneurs are aware of market and customer needs. | | ∙ | *Tolerance of risk, ambiguity, and uncertainty*. Such entrepreneurs are risk takers, risk minimizers, and uncertainty tolerators. | | ∙ | *Creativity, self-reliance, and adaptability*. Such entrepreneurs are open-minded, flexible, uncomfortable with the status quo, and quick learners. | | ∙ | *Motivation to excel*. Such entrepreneurs are goal oriented and aware of their weaknesses and strengths. | | |