

Sample multiple choice questions

1. Reto Retomann is in the very early stages of putting together a business startup, and is thinking about writing a business plan to request funds to conduct a feasibility analysis and write a more complete business plan. According to the textbook and the lecture, what type of business plan should Reto write at this point?

- A. full business plan
- B. tactical business plan
- C. summary business plan
- D. operational business plan
- E. strategic business plan

2. According to the textbook and the lecture, the five competitive forces included in five-forces model determine _____.

- A. the average rate of new business starts in an industry
- B. the average growth rate for the firms in an industry
- C. the average sales for the firms in an industry
- D. the average rate of return for the firms in an industry
- E. the average failure rate for the firms in an industry

3. According to the textbook and the lecture, in general, industries are more attractive when:

- A. the threat of each of the five-forces is low
- B. the majority of the threats are high
- C. the majority of the threats are low
- D. the threat of each of the forces is neutral—neither low nor high
- E. the threat of each of the five-forces is high

4. The position of a firm along a conceptual continuum that ranges from highly conservative to highly entrepreneurial is referred to as its:

- A. innovative intensity
- B. entrepreneurial intensity
- C. entrepreneurial concentration
- D. innovative/entrepreneurial absorption
- E. innovative strength

5. Established firms with an entrepreneurial emphasis are:

- A. innovative, risk averse, and take a “wait and see” posture
- B. take a “wait and see” posture, are innovative, and are risk taking
- C. proactive, innovative, and risk taking
- D. proactive, not innovative, and risk taking
- E. take a “wait and see” posture, are not innovative, and are risk averse

6. An opportunity has four essential qualities: it is

- A. showy, robust, timely, and practical
- B. practical, realistic, timely, and attractive
- C. technologically sophisticated, durable, practical, and timely
- D. attractive, durable, timely, and anchored in a product, service, or business that creates or adds value for its buyer or end user
- E. showy, sensible, timely, and anchored in a product, service, or business that creates or adds value for its buyer or end user

7. Mary Porter is thinking about starting an e-commerce firm that would cater to soccer, fencing, and volleyball enthusiasts. Mary has been warned, however, that before she proceeds she should make sure that now is a realistic time to enter this market. In other words, Mary is being advised to make sure that the _____ is open to start the firm she is contemplating.

- A. portal of opportunity
- B. doorway of opportunity
- C. opportunity entryway
- D. idea entryway
- E. window of opportunity

8. Mike Fields has just finished writing a business plan for a startup in the sporting goods industry. He has now reached the point where he needs to develop a plan for how his firm will compete, use its resources, structure its relationships, interface with customers, and create value to sustain itself on the basis of the profits it earns. Mike needs to establish his firm's:

- A. tactical plan
- B. feasibility plan
- C. business model
- D. business template
- E. operating plan

9. Which of the following is not one of the purposes of a business model?

- A. serves as an ongoing extension of feasibility analysis
- B. serves as a template for conducting industry analysis
- C. focuses attention on how all the elements of a business fit together
- D. describes why the network of participants needed to make a business idea viable is willing to work together
- E. articulates a company's core logic to all stakeholders

10. A _____ is a formal statement of an organization's values on certain ethical and social issues.

- A. code of morals
- B. code of principles
- C. code of conduct
- D. code of performance
- E. code of behavior

35 multiple in total in the exam!