


1 ■ ■ — Entrepreneur is a French word that originally meant:
■ ■ —

- Someone who owns a business *Incorrect*
 - Someone who undertakes any project that entails risk *(True Answer)Prior to the 17th century, the meaning of the word applied to many aspects of life.*
 - Someone who runs a business *Incorrect*
 - Someone who makes financial gains in business *Incorrect*
 - Someone who owns, runs, and makes financial gains in business *Incorrect*
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2 ■ ■ — Which of the following is not a tangible product?
■ ■ —

- Dining room set *Incorrect*
 - A pound of chicken *Incorrect*
 - A new car *Incorrect*
 - Computer repair *(True Answer)Correct*
 - Windows for your home *Incorrect*
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3  If you opened a restaurant, would you be providing a tangible product or an intangible service? Explain your answer.

- Both. The food that is consumed by the customer is a tangible product. The service provided by wait staff, the quality and speed of the delivery of food, the friendliness of all staff, the atmosphere of the dining room, and all the things that are part of the experience of dining at a particular restaurant are intangible in nature.
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4 ■ ■ Resources are something entrepreneurs use to produce a final product that is less valuable.

- True
 - False *(True Answer)We use resources to create a product that is more valuable.*
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5 ■ ■ — Which of the following is not an economic question listed in the text?
■ ■ —

- What should be produced? *Incorrect*
- How much will it cost to be produced? *(True Answer)Correct*
- When will it be produced? *Incorrect*

- Who will produce it? *Incorrect*
 - Who gets to have what is produced? *Incorrect*
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6 ■ ■ One attribute of capitalism is that free market forces determine prices.

- True (*True Answer*)
 - False
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7 ■ ■ Voluntary exchange is a transaction between two parties who agree to trade money for a product or service.

- True (*True Answer*)
 - False
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8 ■ — ■ — How does the public reward entrepreneurs who use resources efficiently to satisfy consumer needs?

- With profit (*True Answer*) *Sales and customer support are usually shown through business profits.*
 - With awards *Incorrect*
 - With praise *Incorrect*
 - With applause *Incorrect*
 - With a pat on the back *Incorrect*
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9 ■ — ■ — The free market system is also called capitalism and is characterized by all of the following attributes except:

- Individuals and companies may compete for their own economic gains. *Incorrect*
 - Private property ownership and wealth are permissible. *Incorrect*
 - Free market forces determine prices. *Incorrect*
 - Government is expected to help regulate the market. (*True Answer*) *Correct*
 - All of the above are attributes. *Incorrect*
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10 ■ — ■ — All of the following are components of control over compensation except:

- Salary *Incorrect*
- Wage *Incorrect*
- Dividend *Incorrect*
- Commission *Incorrect*
- All of the above are components of control over

compensation. *(True Answer)Correct*

11 ■ ■ The Millennial Generation's definition of success is less individualized than the traditional concept of success.


- True
 - False *(True Answer)It is more individualized.*
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12 ■ — ■ — Which of the following is not a question to ask yourself when considering your long-term vision.

- At what age will you retire? *Incorrect*
 - Who will take over then? *Incorrect*
 - Do you plan to grow the business to a certain size or level of maturity and then sell it? *Incorrect*
 - All of the above *Incorrect*
 - None of the above *(True Answer)Correct*
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13 ■ — ■ — Based on the idea of cost and benefits, which of the following activities is most beneficial?

- Playing video games *Incorrect*
 - Watching a PBS special about nature *Incorrect*
 - Seeing a speaker you admire and want to mentor you *(True Answer)Correct*
 - Going to a movie with your favorite actor/actress *Incorrect*
 - Hanging out with friends *Incorrect*
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14  What would be some of the costs and benefits of becoming an entrepreneur? How would they affect your life?

- A number of costs and benefits from the text should be listed and applied to the student's life. An understanding of the concepts and application to the learner are the two factors necessary to answer the question successfully.
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15 ■ ■ About one in five new businesses fails in the first eight years.

- True *(True Answer)*
 - False
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16 ■ — ■ — According to the text, which of the following is not a benefit of becoming an entrepreneur?

- Independence *Incorrect*