# Chapter 2

1. Bird (1989) describes different types of risk, what are these?
2. Financial risks
3. Relationship risks
4. **Economic, social, career development, psychological and health risks**
5. Career, health, and financial risks
6. Approximately, how many people are employed in SMEs in the UK?
7. 2 million
8. 18 million
9. **14.5 million**
10. 16million
11. The importance of entrepreneurship has always been fully acknowledged by academia?
12. True
13. **False**
14. What attributes might make someone more likely to become a successful entrepreneur?
15. The need for achievement and a high-tolerance for ambiguity
16. Willingness to bear risk and Self-efficacy
17. Internal locus of control
18. **All of the above**
19. Until recently, what did the theory of the firm ignore?
20. Advancing technology
21. **The role of the individual**
22. Social networks
23. Emerging sources of funding
24. What are the sources of entrepreneurial motivation?
25. Intrinsic
26. Extrinsic
27. Neither of the above
28. **Both intrinsic and extrinsic sources**
29. Gartner (1985) describes four ingredients of the value creation process as:
30. **The new venture, the organization they create, the environment surrounding the new venture, and the process by which the new venture is created**
31. Starting the new venture, satisfying stakeholders, securing long-term funding, and employing people
32. Starting the new venture, the organization they create, the environment surrounding the new venture, and planning the closure of the venture
33. Holding first-mover status in a market, developing a marketing plan, satisfying stakeholders, undertaking an audit.
34. Entrepreneurs emerged in tandem with the proliferation of the world-wide-web.
    1. True
    2. **False**
35. The three major schools of entrepreneurial tradition are:
    1. **Chicago, German and Austrian traditions**
    2. American, Australian and Canadian traditions
    3. Chinese and Japanese traditions
    4. British, French and German traditions
36. In what year was the role of the entrepreneur given credit in relation to economic theory?
    1. 1923
    2. 1883
    3. **1730**
    4. 1768

# Chapter 3

1. De Bono describes how many thinking hats?

a. One

b. Seven

**c. Six**

d. Twelve

2. What are the two dominant views of creativity?

a. Elite view, and creationist view

**b. Elite view, and developmental view**

c. Developmental view and the capitalist view

d. Artistic view and renaissance view

3. Innovation is the process of creating and developing an entirely new idea from scratch.

a. True

**b. False**

4. Innovation can be:

a. Disruptive

b. Sustaining

c. Nourishing

**d. Answer a and b**

5. Opportunity discovery can be enhanced with which of the following?

a. Prior knowledge

b. Work experience

c. Education and personal events

**d. All of the above**

6. Which of the following represent stages in creative problem solving?

**a. Preparation, incubation, insight, evaluation, elaboration**

b. Preparation, insight, evaluation, and elaboration

c. Preparation, evaluation and profit-making

d. None of the above

7. The blue hat stimulates the discussion.

**a. True**

b. False

8. Identifying business opportunities could be considered to be a linear process.

a. True

**b. False**

9. Shumpeter identifies five types of innovation as:

**a. A new process, a new market, a new supply chain, a new business/industry, and a new product**

b. A new process, emerging market, a new supply chain, logistical advance, and a new product

c. A new process, a new supply chain, a new product, revived market, a sustainable plan for growth

d. None of the above

10. According to Horovitz (1997), a true entrepreneur is someone who:

**a. Knows the right people, can form effective teams, move quickly and deliver on plans**

b. Is a good team player, has an analytical mind, and is highly intelligent

c. Enjoy social situations, is highly educated and from a wealthy background

d. Is a natural introvert, usually has few professional connections, and is of limited academic ability

# Chapter 4

1. What is the reported percentage of women-led businesses internationally?
   1. 50%
   2. **33%**
   3. 25%
2. How many thematic areas of research emerged from the Bruni et al. (2004) study of women entrepreneurs?
3. 7
4. 2
5. **5**
6. Which one of these resources is not reported as a challenge to women entrepreneurs?
7. Access to capital
8. Access to networks
9. **Access to family support**
10. Socio-cultural role of women
11. From the UK Small Business Survey (2014), approximately how many SMEs are led by ethnic minority groups?
12. 37,000
13. 137,000
14. **367,000**
15. 637,000
16. According to the Department for Communities and Local Government (2013), what percentage of the UK Government Start Up Loans scheme has been taken up by ethnic minority entrepreneurs?
17. 3.5%
18. **35%**
19. 65%
20. 85%
21. What are the two biggest challenges for graduate entrepreneurs?
22. **a lack of business skills and access to finance**
23. losing contact with their university network and forgetting what they learned
24. fending off multiple job offers and pleasing their parents
25. What is the main difference between disabled entrepreneurs and other diverse groups of entrepreneurs?
    1. their identifying characteristic (their impairment) can be temporary
    2. variances in their impairment has extreme impact on individual participation
    3. their identifying characteristic (their impairment) is identified as a limitation rather than a point of difference
    4. **all of the above**
26. Which of these is a barrier for disabled entrepreneurs entering self-employment?
    1. fear of failure
    2. too many businesses already in the market
    3. **loss of welfare benefits**
27. What are some of the challenges for grey entrepreneurs?
    * 1. **health issues, ageism and the role of technology**
      2. the ability to physically set up an office or retail space
      3. a lack of business skills and access to finance
28. According to UK Census data (2011), what percentage of the population reported themselves as gay, lesbian or bi-sexual?
29. 0.5%
30. **1.5%**
31. 5%
32. 15%

# Chapter 5

1. What is the third sector of the economy?
2. It is the sector of the economy concerned with making profit for individuals and shareholders.
3. **It is the sector of the economy populated by charities, associations and social enterprises, which is not for personal profit.**
4. It is the sector of the economy controlled by the government.
5. It is the sector of the economy equivalent to the black economy.
6. What is the social economy?
   1. **It is derived from at least the sector of the economy populated by charities, associations and social enterprises that provide some income from trading.**
   2. It is the sector of the economy where local people swop skills and abilities without the exchange of money.
   3. The social economy is populated by third sector firms that do not trade.
   4. The social economy is the sector of the economy where cash-in-hand jobs are not declared for tax purposes.
7. What is social enterprise?
8. Social enterprises are not for personal profit organisations that derive the majority of their income from the government.
9. Social enterprises are not for personal profit organisations that derive the majority of their income from grants and donations.
10. Social enterprises are for personal profit but have a social mission.
11. **Social enterprises are not for personal profit enterprises that derive a minimum of 25% to 50% of their income from trading.**
12. Which of the following best describes the position of social entrepreneurship within the within the economy?
13. Social entrepreneurship is restricted to the third sector.
14. Social entrepreneurship is restricted to the social economy.
15. **Social entrepreneurship can exist in any of the three sectors of the economy.**
16. Social entrepreneurship is mainly a public sector activity.
17. Which of the following is true of the Social Innovation School of thought on Social Entrepreneurship?
18. **Primacy of social mission**
19. That the organisation is 100% reliant on earned income
20. That the firm does not make a profit
21. The organisation distributes profit to shareholders
22. Which is the following is true of the earned income school of thought on social entrepreneurship?
23. The SE must derive 50% of income from trading.
24. **The SE must generate 100% of income from trading.**
25. The SE can take 50% of the firm’s turnover for personal use.
26. The organisation derives 50% of its funding from the government.
27. J. Gregory Dees is a proponent of which school of thinking on social entrepreneurship?
28. The earned income school
29. **The social innovation school**
30. A combination of the two
31. None of the above
32. Which of the following best describes social capital?
33. Social capital belongs to an individual and can be depleted through use.
34. Social capital exists between individuals and can be depleted through use.
35. **Social capital exists between individuals and cannot be depleted through use.**
36. None of the above
37. Providing an incontestable definition of social entrepreneurship is difficult because...
38. It is a pre-paradigmatic discipline.
39. There is uncertainly if it is a genuine practice.
40. It is hard to define.
41. **All of the above**

1. Social entrepreneurship is different to social enterprise because...
2. It is an individual rather than collective activity.
3. Social enterprises sometimes rely on a variety of income streams.
4. **Not all social enterprises are entrepreneurial.**
5. All of the above

# Chapter 6

1. What is corporate entrepreneurship?
2. A powerful solution to corporation staleness, lack of innovation and stagnated growth
3. Activities that enhance a corporation’s ability to innovate, take risk and seize opportunities
4. Development of new business within established corporations
5. **All of the above**
6. Why is corporate entrepreneurship important?
7. Defining the parameters of your market share
8. Understanding which market is profitable
9. **Ensuring the long-term sustainability of a corporation**
10. All of the above
11. Which of the following is not of the four models of corporate entrepreneurship?
12. The enabler
13. The opportunist
14. **The marketer**
15. The advocate
16. All of the following are true, except:
17. The enabler – corporation provides funding and management attention to prospective projects
18. The opportunist – corporation has no deliberate approach to corporate entrepreneurship
19. **The marketer – corporation establishes a full-service group**
20. The advocate – corporation evangelises for corporate entrepreneurship, but business units provide the primary funding
21. Which environmental turbulence has created a need for new management practices?
22. Human resources management
23. **Competitors**
24. Production
25. All of the above
26. Which of the following is not of the four schools of thought?
27. **Entrepreneurial behaviour**
28. Intrapreneurship
29. Corporate venturing
30. Bringing the market inside
31. What are the advantages of corporate venturing?
32. It is often highly motivating to the staff involved
33. It brings innovation and knowledge into the organisation from external sources
34. External sources of finance may be more easy to access
35. **All of the above**
36. What are the disadvantages of corporate venturing?
37. It facilitates the creation of operating units with their own cultures
38. **It requires investment normally in the form of equity, which can be risky**
39. The investing company will have complete control of the innovation
40. All of the above
41. What is intrapreneurship?
42. **A process whereby individuals inside corporations pursue opportunities independent of the resources they currently control**
43. A process to expand the scope of operations and investments
44. A process to facilitate the investment opportunities in profitable projects
45. All of the above
46. Which of the following is of the six types of corporate entrepreneurship outcomes?
47. New products or services
48. New markets
49. New internal processes
50. **All of the above**

# Chapter 7

1. It is estimated that family owned businesses comprise\_\_\_\_\_\_\_\_\_ all small firms across most countries.
2. Around 50%
3. **Around two thirds**
4. Over 70%
5. Less than 20%
6. The United Kingdom’s oldest family owned business is:
7. John Lewis partnership
8. Bosch Group
9. Marks and Spencer
10. **R.J. Balson and Sons**
11. Family businesses that survive to the third generation and beyond is:
12. **Relatively small**
13. Less than 30%
14. Around 24%
15. 14%
16. Which three dimensions are commonly used to help identify the differences between family businesses and other businesses?
17. **Ownership, management and board membership**
18. Corporate governance, company size and environmental context
19. Management, leadership and culture
20. Family relationships, company culture and succession planning
21. According to the Centre for Family Business at the University of St. Gallen, Switzerland, which continent contains the highest proportion of the largest family businesses in the world?
22. North America
23. Asia
24. **Europe**
25. South America
26. Which of the following situations commonly influences family relationships in family businesses?
27. Less qualified family members are promoted ahead of non-family members (nepotism)
28. Sibling rivalry amongst multiple family members working in the company
29. The owners inability to perform multiple roles effectively
30. **All of the above**
31. What aspects of a family business do professional managers commonly retain even if family ownership has decreased significantly?
32. Continue to hire and retain family members
33. **Family name and key individuals**
34. Physical assets and tangible assets like brand names
35. Products and nonfamily members
36. Which of the following cultural attributes endow family businesses with operating advantages?
37. “Sense of future”
38. Founder’s example inspires and motivates
39. Reputation
40. **All of the above**
41. Which of the following is not an approach for ensuring the transition of ownership between generations?
42. “Stop-gap manager”
43. **“Change agent”**
44. “Sibling partnership”
45. “The crown prince”
46. Which areas of family business are poorly researched?
47. **Gender and ethnicity**
48. Succession planning and ownership
49. Company culture and family relationships
50. Ownership and corporate governance

# Chapter 8

1. If trait research had been successful, we would \_\_\_\_\_\_\_\_\_\_\_\_\_\_, whereas if behavioural studies were correct, we would \_\_\_\_\_\_\_\_\_\_\_.
2. teach people certain traits; teach people certain behaviours
3. change jobs to suit people; change people to suit jobs
4. only hire women; hire either men or women
5. **select the right person for the job; train leaders**
6. Blake and Mouton’s Managerial Grid has all of the following management styles except:
7. Team
8. **Democratic**
9. Authority-obedience
10. Country club
11. Impoverished
12. In leadership trait theory what is a trait?
13. A list of the key things that a leader should do to be great.
14. The list of key behaviours a leader exhibits.
15. A list of the things that make leaders different to everyone else.
16. **A list of key characteristics that makes a leader great.**
17. For the Ohio State leadership studies the perfect leader:
18. **Combines a focus on the task and the employee**
19. Inspires workers to aim higher and achieve more
20. Focuses on the task and getting things done.
21. Is concerned about the small details and how to increase productivity
22. Contingency theory is based on the assumption that the ideal leader:
23. Provides clear instructions to the followers so that they know what they are doing.
24. **Shapes their leadership style depending on the situation.**
25. Knows what their strengths are and makes the most out of them.
26. Spends time with their followers and therefore listens and responds to their needs.
27. A leader high in initiating structure would be characterized as doing which of the following?
28. focusing on performance evaluation
29. **assigning group members to particular tasks**
30. treating all subordinates as equal
31. helping subordinates with personal problems
32. **A transactional leader is one who:**
33. Is the ideal form of leadership
34. Inspires people and has strong interactions with them
35. **Does deals with people in order to get them to do things the leader wants**
36. Works for long-term goals of the organization
37. Which of the following is not a characteristic of a transformational leader?
38. communicates high expectations
39. inspires exertion of extra effort for goal achievement
40. **treats all employees collectively as one**
41. provides vision and sense of mission
42. The graphic portrayal of a two-dimensional view of leadership style by Blake and Mouton is known as the:
43. autocratic-democratic continuum.
44. Transactional-transformational styles
45. **managerial grid.**
46. None of the above
47. What is the new form of leadership:
48. **Entrepreneurial Leadership**
49. Managerial Leadership
50. Corporate Leadership
51. Philanthropic Leadership

# Chapter 9

1. Firms in small countries internalize at or soon after inception mostly because:
2. Advance in international communication and information technology
3. Technological change in production and transportation
4. Integration of world’s financial market
5. **Limited size of domestic markets**
6. Different from International Business, International Entrepreneurship does not study:
7. “the process of an entrepreneur conducting business activities across national boundaries”
8. **Well established multinational companies’ strategy**
9. Early internationalised firms being born global firms and
10. International new ventures
11. Building international entrepreneurial capability for growth, firm needs (what is an incorrect answer?)
12. Articulating a global purpose.
13. **Employ local employees only**
14. Institutional Bridging: Preference and Capacity for cross-cultural Collaboration
15. Strategic Alliances building
16. International New Ventures are not:
17. **Local firms**
18. Multinational trader
19. Geographically focused start-ups
20. Global start-ups
21. In recognizing the business opportunities, active search required
    1. Imagination
    2. Experience and knowledge of the founders
    3. The ability to connect the dots
    4. **Superior research skills and ability to scan the environment**
22. International entrepreneurs are typically characterised as:
    * + - 1. **Cross cultural background with global vision**
          2. Resilient
          3. Ambitious
          4. Determined
23. Firms who operate in multiple markets and focus on specific regions where needs are specialised are:

a. Global start-ups

b. Export/Import start-ups

c. Multinational traders

**d. Geographically focused start-ups**

8. International Entrepreneurship study

1. is a branch of International Business
2. **concerns a business organisation that from inception, seeks to derive significant competitive advantage from the use of resources and the sale outputs in multiple countries**
3. is branch of Strategic Management
4. concerns firms who want to go abroad after being well established in the domestic markets

**9.** Institutional Bridging is the ability to

1. To bridge an institutional difference between countries
2. To close the cultural gap between countries
3. to replicate a previously known business model in a new market
4. **to translate business concepts and opportunities to adapt into different national contexts**

10. Which is NOT a characteristic of an international entrepreneur?

1. International experiences
2. Innovative mindset, entrepreneurial orientation
3. **International reputation**
4. International marketing capabilities

# Chapter 10

1. What percentage of UK businesses fail in their first year of operation:
2. 50%
3. 60%
4. 45%
5. **20%.**
6. What is an appropriate definition of business failure:
7. **End of a business venture due to not meeting financial needs**
8. Failing to live up to expectations
9. Not setting adequate business objectives
10. Discovering a gap in the market
11. Which two can be classed as voluntary forms of exit:
12. Administration and Sell
13. **Sell and Liquidation**
14. Bankruptcy and Liquidation
15. Administration and Bankruptcy
16. What is the main reason for business closure:
17. Bankruptcy and Liquidations
18. Financial failures
19. No longer fulfilling owners objectives
20. **Selling on the venture**
21. Business failure can be seen as a positive concept due to:
22. Losing lots of money
23. **Gaining vital business experience**
24. Creating trust with financial lenders
25. Establishing a physical base
26. A firm can fail due to:
27. Tax avoidance
28. Developing brand equity
29. **Poor managerial skills**
30. Infrequent internal communication

6. Which factor will increase the likelihood of business failure?

a. Age of the entrepreneur

b. Booming economy

c. Larger firms

**d. Being based in London**

7. Grief and financial strain cause an entrepreneur to:

**a. Increase their level of stress**

b. Accessibility to future capital

c. Motivation

d. Creative destruction

9. You can prevent business failure by:

a. Employing a large team

b. Ignoring international culture

c. Increase your initial stock to save money in future

**d. Securing adequate capital**

10. When receiving payment from customers it is important to:

a. Provide a long credit rating

**b. Have good account receivables**

c. Allow customers to choose their repayments to maintain good customer service

d. Focus on one demographic

# Chapter 11

1. Enterprise policy has become important but it does NOT:
2. **Generate unemployment**
3. Contribute to GDP
4. Increase competition
5. Drives innovation
6. Entrepreneurship policy dominantly supports:
7. **Entrepreneurs**
8. Growing businesses
9. Multinationals
10. Business Angels
11. What is ‘niche’ entrepreneurship policy?
12. Added-on policies to existing policies
13. **Specific policies for targeted groups**
14. Reduces time and costs for those starting their own business
15. Assists in reducing barriers, supporting targeted groups and promotes entrepreneurship culture

4. Which group is not classed as a ‘targeted’ group?

1. Women
2. **Men**
3. Ethnic minorities
4. Disabled

5. Why should the government assist entrepreneurs and SMEs with enterprise policy?

1. To make them richer
2. Help the poor
3. **Economic growth**
4. Increase equality

6. Name an issue NOT faced by SMEs:

1. Internal capacity and capability
2. External environment
3. Vision of the business owner
4. **Lack of government support**

7. Why has enterprise policy become so important?

1. It is the only policy which assists in economic growth
2. It is a simple policy which suits all economies
3. It has revolutionised how entrepreneurs and SMEs do business
4. **None of the above**

8. Which of the following is an example of a strategic policy instrument?

1. Bank loan
2. **Mentoring**
3. Venture capital
4. Loan guarantee

9. Why is entrepreneurship education important?

1. **Promotes enterprising skills and assists with the transition from education to work**
2. Can assist all graduates in setting up their own business
3. It covers all areas of business management
4. None of the above

10. Which of the following is not a policy instrument used to support entrepreneurship:

1. Promoting
2. Financing
3. Targeting
4. **All of the above**

# Chapter 12

1. Business Ethics is:

1. The study of how to generate profit
2. **The study of issues of right and wrong behaviour in business**
3. The study of criminal activity in business
4. The study of how to avoid prosecution

2. Stakeholders are:

1. Employees
2. Investors
3. **A group or individual affected by the activities of the business**
4. All of the above

3. The “father” of stakeholder theory is:

1. Milton Friedman
2. **Edward Freeman**
3. Morgan Freeman
4. Richard de George

4. A business activity is considered to be ethically neutral when

1. It causes no harm
2. **It has no ethical content**
3. It conforms to the law
4. It has attracted no complaints

5. Ethics and the law overlap. Which of these statements apply?

1. All ethical activities are captured by law and regulation
2. All laws and regulations reflect an ethical standard
3. **Many of a society’s fundamental values are captured in law and regulation**.
4. Ethical standards do not exist outside the law

6. Business transactions are based on:

1. **Mutual trust**
2. Regulation
3. Fear of prosecution
4. Mutual misinformation

7. A company which commits to the Living Wage is:

More ethical than its rivals

**Making a public commitment to its values**

Making an advertising statement

Shaming its rivals

8. Milton Friedman argued against CSR activities on the basis that:

1. They cost too much money
2. **A company is not a human being and therefore cannot make moral decisions**
3. They don’t make profit for the company
4. There are better ways to advertise.

9. Theories of Business Ethics are regarded as:

1. **A branch of applied philosophy**
2. A branch of pure philosophy
3. A method of ensuring compliance with the law
4. A purely academic study

10. Company X is a successful global corporation. It might be argued that Company X has responsibilities beyond simply making profit because:

1. **Its activities have a major impact on the lives of millions**
2. The law requires that it do so
3. It can afford to be philanthropic
4. It is good public relations to do so.