What is Entrepreneurship? ENTR 1-1

Think Critically

1. What is an entrepreneur?

2. What factors contribute to helping a business succeed?

True or False

_____ 1. Entrepreneurs try to meet the needs of the marketplace by supplying a product or service.

_____ 2. Entrepreneurs and employees are both directly affected by the consequences of the decisions they make.

_____ 3. Entrepreneurs constantly change U.S. business and contribute to the nation's overall good.

_____ 4. Small firms with fewer than 500 employees represent about 25 percent of all businesses in the United States today.

_____ 5. The owner's business experience is a factor that contributes to the likelihood of success.

_____ 6. Small businesses contribute billions of dollars to the U.S. economy every year.

_____ 7. Small companies cannot take as many risks as large companies, so small companies are less likely to be innovative.

Multiple Choice

_____ 1. A person who takes the risk of a business venture is (a) not directly affected by his or her decisions, (b) an employee, (c) an entrepreneur, (d) sure to be successful.

_____ 2. A person who works for someone else is (a) an entrepreneur, (b) an employee, (c) taking the risk of business venture, (d) the one who receives the profits of the business.

_____ 3. Entrepreneurs try to (a) identify the needs of the marketplace, (b) meet the needs of the marketplace, (c) make a profit, (d) all of these.

_____ 4. About how many new businesses do not survive beyond four years? (a) about half, (b) nearly one-quarter, (c) almost 90 percent, (d) about 10 percent.

_____ 5. Major factors in a firm's success include (a) having adequate capital, (b) providing a product or service that meets customer needs, (c) the owner's reason for starting the firm in the first place, (d) all of these.

_____ 6. In the United States today, small companies (a) can be more creative than large companies, (b) have innovating ideas that lead to technological change, (c) contribute billions of dollars every year to the U.S. economy, (d) all of these.

Problem Solving

1. How do entrepreneurs and employees differ? Which would you rather be?

2. Why are most businesses considered small?

3. What are the rewards of being an entrepreneur?

4. What are some risks that entrepreneurs face?

5. Name three successful entrepreneurs you are familiar with and describe what they achieved.

6. Why do you think an entrepreneur might choose to keep a business small rather than expand it?