

Multiple Choice

1. The authors define *entrepreneurship* as _____.
- a. a discipline that seeks to understand how opportunities are discovered, created, and exploited, by whom, and with what consequences
 - b. starting a small business by finding investors and launching a product
 - c. developing a new market by creating a product that does not currently exist
 - d. a mindset that compels people to start multiple ventures throughout a lifetime.

Ans: A

Learning Objective: 1.1. Explain the importance of action and practice in entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Entrepreneurship Requires Action and Practice

Difficulty Level: Medium

AACSB Standard: Reflective thinking

2. _____ are small, short-term loans often associated with entrepreneurs in developing countries.
- a. No-interest loans
 - b. High-interest loans
 - c. Microloans
 - d. Miniloans

Ans: C

Learning Objective: 1.1. Explain the importance of action and practice in entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Entrepreneurship Requires Action and Practice

Difficulty Level: Medium

AACSB Standard: Financial theories, analysis, reporting and markets

3. This is the discipline that seeks to understand how opportunities are discovered, created, and exploited, by whom, and with what consequences.
- a. imagineering
 - b. storyboarding
 - c. social engineering
 - d. entrepreneurship

Ans: D

Learning Objective: 1.1. Explain the importance of action and practice in entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Entrepreneurship Requires Action and Practice
Difficulty Level: Medium
AACSB Standard: Reflective thinking

4. Which of the following is NOT a truth about entrepreneurship?
- a. Entrepreneurship is reserved for startups.
 - b. Entrepreneurship can be taught, as it is a method that requires practice.
 - c. Entrepreneurs collaborate more than they compete.
 - d. Entrepreneurship is a life skill.

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Debunking the Myths of Entrepreneurship

Difficulty Level: Easy

AACSB Standard: Reflective thinking

5. The media often cover the meteoric rise of entrepreneurs such as Bill Gates (Microsoft), Steve Jobs (Apple), Mark Zuckerberg (Facebook), Elon Musk (Tesla), and Travis Kalanick (Uber). According to the text, these stories_____.
- a. are inspirational but they do little to represent the reality of entrepreneurship
 - b. are highly relatable
 - c. have not captured the public imagination
 - d. are accurate depictions of the entrepreneurs' paths to success

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Comprehension

Answer Location: Media Images of Entrepreneurs

Difficulty Level: Medium

AACSB Standard: Contexts of organizations in a global society

6. A temporary organization in search of a scalable business model is known as a(n)_____.
- a. startup.
 - b. corporation.
 - c. LLC.
 - d. entrepreneur.

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #1: Entrepreneurship is not reserved for startups

Difficulty Level: Medium

AACSB Standard: Financial theories, analysis, reporting and markets

7. Effectuation is the theory that_____.
- a. businesses should have a positive impact on people's lives
 - b. the effects of ideas can be studied over time

- c. the future is unpredictable yet controllable
- d. emotions can influence decision-making

Ans: C

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #2: Entrepreneurs do not have a special set of personality traits

Difficulty Level: Medium

AACSB Standard: Financial theories, analysis, reporting and markets

8. Contemporary researchers focus on how entrepreneurs_____.

- a. think and act
- b. develop a desire for achievement
- c. build a tolerance for uncertainty
- d. develop an affinity for taking risks

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #2: Entrepreneurs do not have a special set of personality traits

Difficulty Level: Medium

AACSB Standard: Financial theories, analysis, reporting and markets

9. _____are people who start several businesses, sometimes at the same time or sometimes one after the other.

- a. Social entrepreneurs
- b. Serial entrepreneurs
- c. High-risk entrepreneurs
- d. Low-risk entrepreneurs

Ans: B

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #2: Entrepreneurs do not have a special set of personality traits

Difficulty Level: Easy

AACSB Standard: Reflective thinking

10. Which of the following is true about effectual entrepreneurs?

- a. They focus on creating a future rather than predicting it.
- b. They find markets rather than make them.
- c. They do not accept failure.
- d. They rely on the initiative of stakeholders to fulfill their vision of the future.

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #2: Entrepreneurs do not have a special set of personality traits

Difficulty Level: Easy

AACSB Standard: Reflective thinking

11. According to the authors, what is the precursor to action?

- a. a business process
- b. the right mindset
- c. a business plan
- d. the acquisition of resources

Ans: B

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #2: Entrepreneurs do not have a special set of personality traits

Difficulty Level: Easy

AACSB Standard: Reflective thinking

12. The entrepreneurial method requires consistent practice so that _____ can be continuously developed and applied to future endeavors.

- a. a strong business plan
- b. education and application
- c. business processes
- d. knowledge and expertise

Ans: D

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #3: Entrepreneurship can be taught (it's a method that requires practice)

Difficulty Level: Medium

AACSB Standard: Reflective thinking

13. The risk component for entrepreneurs _____.

- a. is unavoidable and entrepreneurship is ideal for extreme risk-takers
- b. can be reduced with a good business plan
- c. can be reduced with diversification
- d. can be managed with the cycle of act–learn–build

Ans: D

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #4: Entrepreneurs are not extreme risk-takers

Difficulty Level: Medium

AACSB Standard: Reflective thinking

14. Successful entrepreneurs tend to follow this approach to collaboration.

- a. They do not collaborate and work in isolation.
- b. They collaborate with potential customers, but not with competitors.
- c. They collaborate with both potential customers and competitors.
- d. They collaborate with competitors, but not with potential customers.

Ans: C

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #5: Entrepreneurs collaborate more than they compete
Difficulty Level: Medium
AACSB Standard: Reflective thinking

15. Research revealed what percentage of Inc. 500 wrote formal business plans prior to launching their companies?

- a. more than 90%
- b. more than 75%
- c. less than 50%
- d. less than 10%

Ans: C

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #6: Entrepreneurs act more than they plan

Difficulty Level: Medium

AACSB Standard: Reflective thinking

16. According to the text, which of the following is the least important when launching a company?

- a. creating a business plan
- b. connecting with customers
- c. building a network
- d. generating buzz

Ans: A

Learning Objective: 1.2. List the seven lesser-known truths about entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: Truth #6: Entrepreneurs act more than they plan

Difficulty Level: Easy

AACSB Standard: Reflective thinking

17. What invention came to symbolize the ingenuity of colonial America?

- a. the spinning jenny
- b. the telegraph
- c. the lightning rod
- d. the light bulb

Ans: C

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: Emergence of the Self-Made Man (Colonial America Before 1776)

Difficulty Level: Easy

AACSB Standard: Reflective thinking

18. Which founding father is considered one of history's greatest entrepreneurs?

- a. Thomas Jefferson
- b. Benjamin Franklin
- c. George Washington

d. Alexander Hamilton

Ans: B

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: Emergence of the Self-Made Man (Colonial America Before 1776)

Difficulty Level: Easy

AACSB Standard: Reflective thinking

19. A launching pad for creativity and innovation, the _____ provided people with the right to private property, access to a banking system, and protection in the form of patent laws.

a. Twelfth Amendment

b. Declaration of Independence

c. Sixteenth Amendment

d. U.S. Constitution

Ans: D

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: An Entrepreneurial Nation (First Industrial Revolution 1776–1865)

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

20. During the _____, everyone had a fairly equal chance of being an entrepreneur; inventors became more commonplace, producing new products and services alongside the merchants and industrialists.

a. First Industrial Revolution (1776–1865)

b. Second Industrial Revolution (1865–1920)

c. Interwar and Postwar America (1920–1975)

d. Knowledge Economy (1975–present)

Ans: A

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: An Entrepreneurial Nation (First Industrial Revolution 1776–1865)

Difficulty Level: Easy

AACSB Standard: Reflective thinking

21. During which period was entrepreneurship at its height?

a. First Industrial Revolution (1776–1865)

b. Second Industrial Revolution (1865–1920)

c. Interwar and Postwar America (1920–1975)

d. Knowledge Economy (1975–present)

Ans: B

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: The Pinnacle of Entrepreneurship (Second Industrial Revolution 1865–1920)

Difficulty Level: Easy
AACSB Standard: Reflective thinking

22. In the Pinnacle of Entrepreneurship (Second Industrial Revolution), the entrepreneur _____.

- a. was not well respected
- b. was considered “self-made” and was glorified in novels
- c. worked largely within large corporations
- d. paid higher taxes than their neighbors working in the factories

Ans: B

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Comprehension

Answer Location: The Pinnacle of Entrepreneurship (Second Industrial Revolution 1865–1920)

Difficulty Level: Easy

AACSB Standard: Diverse and multicultural work environments

23. During the period between 1920 and 1975, which of the following did NOT contribute to the decline of the traditional entrepreneur?

- a. an increase in production due to the expansion of the middle class
- b. the transition toward a knowledge-based economy
- c. the merger of small firms founded by entrepreneurs with larger organizations
- d. the Great Depression

Ans: B

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Comprehension

Answer Location: Rise of Institutional America (Interwar and Postwar America 1920–1975)

Difficulty Level: Medium

AACSB Standard: Reflective thinking

24. What era signaled a shift from the traditional entrepreneur to the big corporation?

- a. First Industrial Revolution, 1776–1865
- b. Second Industrial Revolution, 1865–1920
- c. Interwar and Postwar America, 1920–1975
- d. Knowledge Economy 1.0, 1975–Present

Ans: C

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Comprehension

Answer Location: Rise of Institutional America (Interwar and Postwar America 1920–1975)

Difficulty Level: Medium

AACSB Standard: Reflective thinking

25. Which of the following led to entrepreneurship regaining its popularity over the last decades of the 20th century?

- a. changes in patent laws
- b. the rise of information technology
- c. the rise in venture capital funds
- d. all of these

Ans: D

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Comprehension

Answer Location: Confined Re-Emergence (Knowledge Economy 1.0, 1975–Present)

Difficulty Level: Medium

AACSB Standard: Reflective thinking

26. During which period of time was the “tech entrepreneur” born?

- a. First Industrial Revolution, 1776–1865
- b. Second Industrial Revolution, 1865–1920
- c. Interwar and Postwar America, 1920–1975
- d. Knowledge Economy 1.0, 1975–Present

Ans: D

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: Confined Re-Emergence (Knowledge Economy 1.0, 1975–Present)

Difficulty Level: Easy

AACSB Standard: Reflective thinking

27. What generation is considered to be the most exposed to entrepreneurship education?

- a. Baby Boomers
- b. Generation X
- c. Millennials
- d. Generation Z

Ans: C

Learning Objective: 1.3. Explain the history of entrepreneurship in the United States.

Cognitive Domain: Knowledge

Answer Location: Confined Re-Emergence (Knowledge Economy 1.0, 1975–Present)

Difficulty Level: Easy

AACSB Standard: Reflective thinking

28. Marian Croak’s idea to use the text messaging system she developed for the television series *American Idol* in disaster situations is an example of _____.

- a. corporate entrepreneurship
- b. entrepreneurs inside
- c. social entrepreneurship
- d. serial entrepreneurship

Ans: A

Learning Objective: 1.4. Compare and contrast the different forms of entrepreneurship in practice today.

Cognitive Domain: Comprehension

Answer Location: Corporate Entrepreneurship
Difficulty Level: Medium
AACSB Standard: Reflective thinking

29. According to the text, why would some organizations not be enthusiastic about employees acting entrepreneurially inside a company?
- a. fear that workers will prioritize their entrepreneurial efforts over their essential job duties
 - b. fear that trade secrets will be accidentally released to the public
 - c. fear that they will leave the company and start their own business
 - d. fear that they will not seek approval from senior managers before starting work on their entrepreneurial initiatives

Ans: C

Learning Objective: 1.4. Compare and contrast the different forms of entrepreneurship in practice today.

Cognitive Domain: Comprehension

Answer Location: Corporate Entrepreneurship

Difficulty Level: Medium

AACSB Standard: Reflective thinking

30. The launch of the “inglorious vegetable” at the French Supermarket Intermarché as a way of reducing food waste by selling imperfect vegetables at a 30% discount is an example of_____.

- a. corporate entrepreneurship
- b. entrepreneurs inside
- c. social entrepreneurship
- d. serial entrepreneurship

Ans: B

Learning Objective: 1.4. Compare and contrast the different forms of entrepreneurship in practice today.

Cognitive Domain: Comprehension

Answer Location: Entrepreneurs Inside

Difficulty Level: Medium

AACSB Standard: Analytical thinking

31. What is the process of creating new products, ventures, processes, or renewal within large organizations?

- A. entrepreneurs inside
- B. tech entrepreneurship
- C. social entrepreneurship
- D. intrapreneurship

Ans: D

Learning Objective: 1.4. Compare and contrast the different forms of entrepreneurship in practice today.

Cognitive Domain: Knowledge

Answer Location: Corporate Entrepreneurship