CHAPTER 1

What Is Entrepreneurship?

| A. | Match each definition in the left column with the correct term from the right column. Write the letter of the term in the space provided. | | | | | | |
|----------------|---|--|----------------|---|-----------------------------|--|--|
| a - | 1. | the study of the decisions or choices that go into making, distributing, and consuming products an idea that has commercial value | | | a. venture | | |
| | | | | | b. enterprise zones | | |
| _ | | an individual who undertakes | | | c. equilibrium | | |
| | | organization, and ownership of a business specially designated areas of a community that provide tax benefits to new businesses money left over after all the expenses of running a business have been deducted from the income | | | d. economics | | |
| | 4. | | | | e. entrepreneur | | |
| | | | | | f. opportunity g. profit | | |
| | 5. | | | ning | | | |
| | | | | | h. entrepreneurship | | |
| _ | 6. | of or having to do with entrepr | | | | | |
| | 7. | the point at which consumers buy all of a product that is supplied | | | | | |
| | 8. | a business undertaking involvi | ing risk | | | | |
| _ | | Revenues lost to lower pric a. higher prices. | c. | c. lower prices.d. lower volume. | | | |
| | | b. higher volume. | | | | | |
| - | 10. | The amount of goods or services that consumers are willing and able to buy is determined by | | | | | |
| | | a. price | c. | demand. | | | |
| | | b. quantity. | d. | scarcity. | | | |
| <u> </u> | 11. | The number one cause of b | usiness failu | re is | | | |
| | | a. poor management. | c. | global econo | my. | | |
| | | b. insufficient capital. | d. | job market. | | | |
| _ | 12. | A new business' ability to start and grow is affected by which of these variables? a. favorable taxes, good markets, and supportive governmental policies b. incentives to create new businesses | | | | | |
| | | c. the nature of the venture a | nd availabilit | of resources | ena in tenicologia en mil | | |
| | | all of the above | | | | | |

| 21.22.23.24. | If a small change manded, we say the s | in the price of an item con the price of an item con the interest of the inter | auses a significant change in t tem is on the quantity demanded, we | he quantity de- | | | | |
|---|--|--|--|------------------------------------|--|--|--|--|
| 21. 22. 23. | If a small change manded, we say the life a change in price for the item is | in the price of an item c nat the demand for the i e has little or no effect | auses a significant change in t tem is on the quantity demanded, we | he quantity de- say that demand | | | | |
| 21. 22. | If a small change manded, we say the If a change in price | in the price of an item c nat the demand for the i e has little or no effect | auses a significant change in t tem is | he quantity de- —· | | | | |
| 21. | If a small change | in the price of an item c | auses a significant change in t | | | | | |
| | The | has resulted | d in new resources, markets, a | nd ideas. | | | | |
| 20. | | The has resulted in new resources, markets, and ideas. | | | | | | |
| | An idea plus a | d. Jower william | equals an opportunity. | | | | | |
| 19. | A new movie video is released. Everyone rushes to buy it and a shortage develops. Stores order more and then have a surplus. The store reduces the price of the video and sells the excess inventory. They have achieved | | | | | | | |
| 18. | 3. When people have the right to make economic choices, they live in a | | | | | | | |
| 17. | 7. The number of businesses has grown since the early 1990s. | | | | | | | |
| - | l marketplace brium | elastic home-based | market free enterprise system | capitalism inelastic | | | | |
| | a. new venture. b. service businesspace provided, wi | es Chapter 7 bankruptc ess. c | exporting. y and loses money for creditor business failure. discontinuance. from the list that will best | complete each | | | | |
| 15. | a. competition. | c | c. business failure. d. corporation. between similar businesses is c. low prices. | | | | | |
| | | art a new one is considership. | | | | | | |
| 14. | b. inelastic. | d | supply. volume. | | | | | |
| _ 14. | a. services. | | | | | | | |