

# 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.

- |  |                     |
|--|---------------------|
| _____ 1. the study of the decisions or choices that go into making, distributing, and consuming products | a. venture          |
| _____ 2. an idea that has commercial value   | b. enterprise zones |
| _____ 3. an individual who undertakes the creation, organization, and ownership of a business            | c. equilibrium      |
| _____ 4. specially designated areas of a community that provide tax benefits to new businesses           | d. economics        |
| _____ 5. money left over after all the expenses of running a business have been deducted from the income | e. entrepreneur     |
| _____ 6. of or having to do with entrepreneurs   | f. opportunity      |
| _____ 7. the point at which consumers buy all of a product that is supplied                              | g. profit           |
| _____ 8. a business undertaking involving risk   | h. entrepreneurship |

B. In the space at the left, write the letter of the choice that best completes the statement or answers the question.

- \_\_\_\_\_ 9. Revenues lost to lower prices can be made up through
- |                   |                  |
|-------------------|------------------|
| a. higher prices. | c. lower prices. |
| b. higher volume. | d. lower 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. |
- \_\_\_\_\_ 11. The number one cause of business failure is
- |                          |                    |
|--------------------------|--------------------|
| a. poor management.      | c. global economy. |
| 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 and availability of resources             |
| d. all of the above  |

