

CHAPTER 3

Recognizing Opportunity

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. customer loyalty | a. innovation |
| _____ 2. to contract with other companies for services | b. strategic alliance |
| _____ 3. forming a partnership with another company | c. demographics |
| _____ 4. finding new ways of doing things | d. trade magazines |
| _____ 5. periodicals published for specific types of businesses or industries | e. specialty magazines |
| _____ 6. seller of a franchise | f. goodwill |
| _____ 7. the characteristics of human populations and population segments | g. outsource |
| _____ 8. periodicals that target people with special interests in a variety of areas | h. franchiser |

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

- _____ 9. One of the benefits of starting your own business is the ability to
- | | |
|----------------------------|---------------------------------------|
| a. do things your own way. | c. have unlimited resources. |
| b. set your own salary. | d. have an established customer base. |
- _____ 10. Which of the following are some of the major trends for the creation of new businesses?
- | | |
|--------------------------------------|------------------------------------|
| a. new kinds of strategic alliances | c. growth of home-based businesses |
| b. increased emphasis on outsourcing | d. All of the above |
- _____ 11. To find a new business, you may need to hire a(n)
- | | |
|--------------|---------------------|
| a. banker. | c. owner. |
| b. investor. | d. business broker. |
- _____ 12. One way to prevent some of the problems that family businesses face is to
- | | |
|----------------------------|--|
| a. be creative. | c. establish clear lines of responsibility. |
| b. hire a business broker. | d. accept all the responsibilities yourself. |
- _____ 13. In a highly competitive global marketplace, it is important that entrepreneurs be
- | | |
|-----------------|------------------|
| a. creative. | c. responsible. |
| b. prestigious. | d. enthusiastic. |
- _____ 14. To identify consumer markets, you should be aware of
- | | |
|-------------------------|----------------|
| a. services. | c. technology. |
| b. demographic changes. | d. investors. |

- ____ 15. Before you can determine if a new venture is feasible, you must prepare
- a. employees.
 - b. taxes.
 - c. the office.
 - d. a business plan.
- ____ 16. Home Depot is an example of a(n)
- a. hardware store.
 - b. investor.
 - c. franchise.
 - d. family-owned business.

C. In the space provided, write the word (or words) from the list that will best complete each statement.

people watching	family business	time and effort	opportunity
hobbies	industries	technology	trust

17. One secret to finding a good business opportunity is the ability to recognize new _____ before everyone else does.
18. One source for creative ideas for new businesses can come from _____.
19. The greatest advantage of a family business is the _____ and togetherness that family members share.
20. Many _____ can be turned into successful business adventures.
21. Starting a new business entails more _____ than opening a franchise.
22. The entrepreneurial process involves taking the steps to recognize a(n) _____ and create a business for profit.
23. Instead of starting a new business, you could enter a _____ or buy an existing business.
24. An increased reliance on _____ is one of the main trends that affect business today.

D. On a separate sheet of paper, write a 100-word paragraph that answers the following question.

25. Compare and contrast buying a business and starting your own business.

Score (number correct x 4 points) = _____