

Chapter One Quiz

Student:

1. Robin has started her own Internet consulting firm. While she recognizes the risks involved in operating a business, she is still willing to invest her time, effort, and money in hopes of earning a profit. Robin is an example of an entrepreneur.
True False
2. The only way a firm can increase its profits is to increase its sales revenue.
True False
3. Business decisions should consider the interests of customers, employees, suppliers, government leaders, and stockholders.
True False
4. Unlike businesses, employees of nonprofit organizations are not required to learn the business skills of information management, marketing, or financial management.
True False
5. Jing is a recent college graduate who is interested in starting her own business. If she does so, she will be a pioneer, because relatively few women choose to start their own firms.
True False
6. Countries with an inadequately trained work force and few entrepreneurs often achieve the highest levels of income by relying on a large number of workers.
True False
7. If they wish to create more wealth, poor nations should focus on policies that increase entrepreneurship and the effective use of knowledge.
True False
8. In rich countries such as the United States, changes in the level of taxation have little impact on the incentives of entrepreneurs.
True False
9. The corrupt and illegal activities of a few companies can negatively impact the entire U.S. business community.
True False
10. The government of the small nation of Bingland is trying to achieve a high quality of life by imposing strict regulations to protect the environment and ensure safe working conditions in factories and mines. The government also has established ambitious programs to help the poor, financing them by setting high tax rates. These efforts by Bingland's government should create an atmosphere that encourages entrepreneurship.
True False
11. The main difference between B2C and B2B e-commerce is that B2C uses only the Internet, while B2B combines e-commerce with traditional (bricks-and-mortar) outlets.
True False
12. There is less risk involved in starting an e-commerce only business than there is in trying to add e-commerce to a traditional (bricks-and-mortar) store.
True False

13. One of the major advantages to firms involved in e-commerce is that the technology is still so new that the Internet-based firms face very little competition.

True False

14. The primary focus of successful firms is designing and producing high quality goods. Advertising is then used to convince consumers to buy their superior products.

True False

15. It's important that firms are as efficient as possible. This is done by becoming management-driven for efficiency.

True False

16. Customer-driven organizations require managers to more closely direct and control their employees.

True False

17. Businesses use demographic studies to understand where people live, their lifestyles, and what they are likely to buy.

True False

18. Demographic trends suggest that businesses will benefit from offering flexible work schedules, elder care, and child care to help employees balance the demands of job and family.

True False

19. The "pay-as-you-go" Social Security system will ensure that the young people of today will have Social Security benefits in the future when they retire.

True False

20. Carlos Gonzalez owns a small manufacturing company that makes specialty steel pieces used in the construction of office buildings. As the U.S. continues to be involved in wars around the globe, Carlos may notice that his business will be growing more slowly in the future as more money continues to be put into the war effort.

True False

21. Lucy owns a restaurant in Los Angeles. She heard on the radio that the homeland security threat level has been increased due to anticipated terrorist activities, especially in large cities in the U.S. She will likely not be able to get insurance to cover any losses her business may suffer should an attack occur in L.A.

True False

22. After several years of study as a part-time student, Joan recently earned a degree in marketing at her local community college. The growth in global markets may increase Joan's job opportunities, but it will also require her to continually update her skills or seek further education.

True False

23. One reason given for the decline in the number of U.S. workers employed in manufacturing is that manufacturing firms in the U.S. have become more efficient.

True False

24. The continuing increase in the number of U.S. workers in the service sector means that more and more workers are employed in low-wage positions.

True False

25. Historically jobs lost in one sector of the economy have been replaced by increased employment opportunities in other sectors.

True False