

Name: _____ Class: _____

Date Taken: _____ Total Possible Marks: 25



Entrepreneurs & Enterprise

Complete the following questions in the time allowed by your teacher

QUICK DEFINITIONS

Write a short, accurate definition for each of the following key terms. (2 marks for each good quality definition)

$\frac{2}{2}$ 1. Define: entrepreneur

$\frac{2}{2}$ 2. Define: enterprise

$\frac{2}{2}$ 3. Define: business startup

$\frac{4}{4}$ 4. Define: risk and reward

$\frac{2}{2}$ 5. Define: opportunity cost

QUICK LISTS

In this section, provide an outline or list points which answer the question

- 6. List up to four reasons why someone might want to start his/her own business (one mark for each
4 different, valid item listed)

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____
- F. _____
- G. _____
- H. _____
- I. _____
- J. _____

- 7. Outline three potential disadvantages for someone leaving paid employment to start a business for
3 the first time (one mark for each valid issue)

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____
- F. _____
- G. _____
- H. _____

Short Answers

In this section, write a short answer (one or two sentences) for each question. Two marks for each good answer.

$\frac{-}{2}$ 8. Why is survival a common initial aim of a startup business?

$\frac{-}{2}$ 9. Why is it important for an economy like the UK to encourage enterprise and entrepreneurship?

$\frac{-}{2}$ 10. How might the government encourage more people to start their own business?

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Complete the following questions in the time allowed by your teacher

QUICK DEFINITIONS

Write a short, accurate definition for each of the following key terms. (2 marks for each good quality definition)

$\frac{2}{2}$ 1. Define: entrepreneur

An individual who sets up and runs a new business and takes on the risks associated with the business

$\frac{2}{2}$ 2. Define: enterprise

The process by which new businesses are formed in order to offer products and services in a market

$\frac{2}{2}$ 3. Define: business startup

Quite simply - a new business. A startup begins life with a new product idea or sets up to operate an existing idea or format. But until it begins trading, a startup has no customers.

$\frac{4}{4}$ 4. Define: risk and reward

Risk: The probability or chance that hoped-for outcomes will not occur. E.g. that a new business idea will not prove popular with customers

Reward: the returns (e.g. profits, personal satisfaction) that are earned from taking a risk.

$\frac{2}{2}$ 5. Define: opportunity cost

The cost arising from taking a decision which means that the next best opportunity is missed. E.g. an opportunity cost of investing in new machinery might be the lost opportunity of investing in a marketing campaign if cash resources are scarce

QUICK LISTS

In this section, provide an outline or list points which answer the question

- 6. List up to four reasons why someone might want to start his/her own business (one mark for each
4 different, valid item listed)
- A. More control over working life - want to choose what kind of work is done
 - B. Need a more flexible work schedule, including being able to work from or close to home
 - C. Feel that skills are being wasted and that potential is not being fulfilled
 - D. Want to escape an uninteresting job or career
 - E. A desire to pursue an interest or hobby
 - F. Fed up with being told what to do - want to be the boss!
 - G. Want the feeling of satisfaction from building a business
 - H. Want more of the rewards from the effort being put in
 - I. Fed up with working in a business hierarchy or bureaucratic organisation
 - J. As a response to a change in personal circumstances - e.g. redundancy
- 7. Outline three potential disadvantages for someone leaving paid employment to start a business for
3 the first time (one mark for each valid issue)
- A. Face occasional loneliness and isolation
 - B. Be unable to blame others when things go wrong
 - C. Probably be under financial pressure - earning little or sometimes nothing
 - D. Have to work much harder than in a conventional job
 - E. Probably suffer from higher stress levels
 - F. Have to rely on multi-tasking
 - G. Usually have to work whilst sick, and not get sick pay
 - H. Experience a roller-coaster of emotions

Short Answers

In this section, write a short answer (one or two sentences) for each question. Two marks for each good answer.

- $\frac{-}{2}$ 8. Why is survival a common initial aim of a startup business?

Valid points include:

Entrepreneur may be uncertain about the viability of his/her business idea

Startups usually incur losses initially and struggle to raise finance

Many small businesses fail in the early stages

A startup often finds it difficult to build a customer base until it has traded for a while

- $\frac{-}{2}$ 9. Why is it important for an economy like the UK to encourage enterprise and entrepreneurship?

Valid points include:

Small businesses create many jobs

New businesses invest in innovation, customer service and high quality

To reduce the reliance of the economy on declining markets

Enterprise is the key to sustaining economic growth in the UK

Helps the UK exploit growing demand in emerging markets like China & India

- $\frac{-}{2}$ 10. How might the government encourage more people to start their own business?

Valid answers include:

Offer financial support (e.g. grants, subsidies, tax cuts)

Provide information & support (e.g. guides & training)

Encourage public sector organisations to buy from small businesses

Reduce the amount of unnecessary regulation for startups