BA130 Chapter 1 Quiz-MC – Milena Harvey

Please choose the correct answer.

1. ________ is money a business earns above and beyond the money that it spends for salaries and other expenses. a. Revenue b. Profit

2. ________ is the chance an entrepreneur takes of losing time and money on a business that may not prove profitable. a. Gamble b. Risk

3. A loss occurs when a business's costs and expenses are higher than its revenues.
   a. true b. false

4. Stakeholders include ____________.
   a. Customers, employees, stockholders
   b. Suppliers, dealers, bankers
   c. Media, people in the local community
   d. Environmentalists and elected government leaders
   e. All of the above

5. Governments can reduce the risk of starting businesses and thus help entrepreneurs by doing the following activities: _____.
   a. Allow private ownership of businesses
   b. Pass laws that enable businesspeople to write contracts that are enforceable in courts
   c. Establish a currency that's tradable in world markets, help to lessen corruption in business and government
   d. Keep taxes and regulations to a minimum
   e. All of the above

6. Technology has enabled workers to be more effective, efficient, and productive.
   a. true b. false

7. _______ means doing the right thing in the right way.
   a. Efficiency b. Effectiveness c. Productivity

8. _______ means producing items using the least amount of resources.
   a. Efficiency b. Effectiveness c. Productivity

9. _________ is the amount of output you generate given the amount of input (e.g., hours worked).
   a. Efficiency b. Effectiveness c. Productivity

10. _________ is the amount of goods and service people can buy with the money they have.
    a. Quality of life b. Standard of living

11. ________ is the general well-being of a society in terms of its political freedom, natural environment, education, health-care, safety, amount of leisure, and rewards that add to the satisfaction and joy that other goods and services provide.
    a. Quality of life b. Standard of living

12. Business is any activity that seeks to provide goods and services to others while operating at a profit.

a. true b. false

13. ________ is a person who risks time and money to start and manage a business.

a. A business person b. An entrepreneur

14. ________ is the total amount of money a business takes in during a given period by selling goods and Services.

a. Revenue b. Profit

15. _____ are tangible products such as computers, food, clothing, cars, and appliances.

a. Services b. Goods

16. ____ are intangible products that you can't touch or hold in your hand such as education, health care, insurance, recreation, and travel and tourism.

a. Services b. Goods

17. ________ is an organization whose goals do not include making a personal profit for its owners or organizers.

a. For profit organization b. Nonprofit organization

18. The business environment consists of the surrounding factors that either help or hinder the development of business. The elements include _________.

a. The economic and legal environment
b. The technological environment
c. The competitive environment and the social environment
d. The global business environment
e. All of the above

19. The factors of production include land, labor, capital, entrepreneurship, and knowledge.

a. true b. false

20. The two most important factors of production are entrepreneurship and knowledge.

a. true b. false