

Name: De'Andre Oden

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Class-section: BA 130 01

BA130 Module Test 2 (Chapters 5 & 6)

Please give the correct answer.

- 1. List the three basic forms of business ownership. – Sole Proprietorship, partnership, and corporation.**
- 2. Why do people incorporate? – Limited liability and possible tax benefits.**
- 3. What is a franchise? Give me an example of a franchise. – A franchise is the practice of legal rights to use a firm business model and brand. Ex. McDonalds or Wendys.**
- 4. What is a cooperative? - Businesses owned and managed by people who use them with similar needs who pool their resources for mutual gain.**
- 5. Give 4 reasons why people start their own businesses. – Opportunity, Profit, Independence, and challenge.**
- 6. List the attributes of successful entrepreneurs. – Self- directed and nurturing, action oriented, highly energetic, and tolerant of uncertainty.**
- 7. What is a micropreneur? Entrepreneurs who accept risk of starting and maintaining small business**
- 8. What is an intrapreneur? A creative person who works as an entrepreneur within a corporation.**

9. Why are small businesses important to the U.S. economy? – Small businesses make up over 50% of the GDP. Also created new jobs since 1965 by 65%.

10. What hints would you give someone who wants to learn about starting a small business? - Find a location where it is not attractive because of crime or poverty. Don't have your prices in a price range as a high-end store. Also pay attention to new competitors.