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BA130 Module Test 2 (Chapters 5 & 6)

Please give the correct answer.

1. List the three basic forms of business ownership.

Three basic forms of business ownership are sole proprietorship, partnership, and corporation.

2. Why do people incorporate?

People incorporate to gain access to advantages such as limited liability and possible tax breaks.

3. What is a franchise? Give me an example of a franchise.

A franchise is the rights to use a business name and sell a product or service, for example Subway or Pizza Hut.

4. What is a cooperative?

A cooperative is a business owned and operated by producers, consumers, and/or workers with similar needs, who utilize their resources for a shared gain.

5. Give 4 reasons why people start their own businesses.

Individuals start their own business in order to secure profit, independence, for the challenge and recognition, as well as for the ability to be creative and take risks.

6. List the attributes of successful entrepreneurs.

Attributes of successful entrepreneurs include being self-directed, self-nurturing, action-oriented, highly energetic, and comfortable with uncertainty.

7. What is a micropreneur?

A micropreneur is defined as an entrepreneur willing to accept the risk of starting and managing a business that will remain small, allow them to do their desired work, and offers a balanced lifestyle.

8. What is an intrapreneur?

An intrapreneur is defined as an entrepreneur that is a creative within a corporation.

9. Why are small businesses important to the U.S. economy?

Small businesses are important because they account for over 50% of the nation's GDP and have generated 65% of new jobs since 1995.

10. What hints would you give someone who wants to learn about starting a small business?

The first hint would be to learn from others by taking classes on small businesses and working for local entrepreneurs. The second hint would be to gain experience in a specific field and begin with a part-time business. The final hint would be to serve as an apprentice for a firm and then take it over.