

Chapter 1 quiz



An activity which seeks to earn a profit by providing a good or service is known as a(n)...

- A. industry
- B. corporation
- C. business
- D. service

business

In countries where businesses are government owned...

- A. there is less incentive to work hard
- B. the right amount of each good is produced
- C. profits tend to be higher
- D. the quality of goods is high but profits are low

there is less incentive to work hard

High tax rates tend to...

- A. promote economic development
- B. make a nation's currency tradable
- C. discourage entrepreneurship
- D. reduce the amount of money created by the government

discourage entrepreneurship

When corruption is present in the business environment...

- A. company leaders can threaten competitors and minimize competition
- B. factories are easier to build without a government permit
- C. it promotes fair competition
- D. workers can make more money

company leaders can threaten competitors and minimize competition

When businesses sell to other businesses over the Internet, these transactions are known as...

- A. B2C transaction
- B. e-wholesale transaction
- C. B2B transactions
- D. intermediate e-commerce transaction

B2B transactions

The green movement is...

- A. a trend that started with the U. S. government
- B. concern with depletion of natural resources and leaving carbon footprint
- C. developing more green food products to feed the world's poor

D. our concern with the fact that everywhere we look, things are remaining green for longer periods of time

concern with depletion of natural resources and leaving carbon footprint

In recent years, almost all new job creation in the United States has occurred in the _____ sector.

A. service

B. manufacturing

C. agricultural

D. telecommunications

service

The new era of business is likely to be dominated by the...

A. service sector

B. information-based sector

C. manufacturing sector

D. continuing decline in productivity

information-based sector

Appliance repair firms, tax consultants, law firms, and insurance companies are all business firms that are part of the...

- A. production sector
- B. management sector
- C. new industry sector
- D. service sector

service sector

Which of the following best describes recent job growth in the service sector?

- A. The service sector has generated almost all new jobs in the American economy since the mid 1980s, but the rate of job growth in services has slowed in recent years
- B. Jobs in the service sector have increased slowly over the past decade, but most new jobs are created in the manufacturing industries
- C. Employment in the service sector has declined in recent years, and this decline is expected to continue
- D. There has been little change in the number of jobs in the service sector in recent years, however employment is expected to increase rapidly.

The service sector has generated almost all new jobs in the American economy since the mid 1980s, but the rate of job growth in services has slowed in recent years

Total amount of money that businesses take in by selling goods and services is called _____.

A. profit

B. revenue

C. loss

D. retained earning

revenue

A(n) _____ is a person who assumes the risk of starting a business.

A. manager

B. entrepreneur

C. investor

D. stakeholder

entrepreneur

_____ is a measure of the general well-being and satisfaction derived from a variety of factors including political freedom, safety, education, and a clean environment.

A. Standard of living

B. Quality of life

C. Gross national income

D. Gross national product

Quality of life

The amount of goods and services people can buy with the money that have is called their...

- A. nominal income
- B. consumer price index
- C. profit margin
- D. standard of living

standard of living

The customers, employees, stockholders, suppliers, creditors, and others who stand to gain or lose by the policies and activities of a business represent the firm's are called...

- A. market makers
- B. economic environment
- C. stakeholders
- D. managers

stakeholders

Last year, Adventure Enterprises reported revenues of \$24 million while its total expenses were \$10 million. Based on this information, Adventure reported...

A. profits of \$10 million

B. revenue of \$24 million

C. losses of \$14 million

D. losses of \$34 million

revenue of \$24 million

Two factors of production that seem to contribute the most to a nation's ability to create wealth are...

A. land and labor

B. land and capital

C. entrepreneurship and labor

D. entrepreneurship and knowledge

entrepreneurship and knowledge

Businesses favor...

A. minimal government spending because it keeps taxes to a minimum

B. more government services because it minimizes tax consequences

C. maximum government spending because it raises business profits

D. less government spending because it lowers business profits

minimal government spending because it keeps taxes to a minimum

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According to the lecture, sales receipts, as stated in the textbook, is often is called _____.

- A. cost of goods sold
- B. revenue
- C. profit or loss
- D. expenses

revenue

According to the textbook, what caused the shift from Agricultural Era of business to Manufacturing Era and Manufacturing to the Service Era?

- A. Population growth
- B. Technology sector dominated the job market
- C. Service industry generated most of the jobs
- D. Technology makes farming more efficient, resulting in fewer farmers with larger firms

Technology makes farming more efficient, resulting in fewer farmers with larger farms

What is not true about a non-profit business?

- A. A business does not generate any profit
- B. A business that makes profit

C. A business makes profit to serve the community

D. A business with revenue and expenses

A business does not generate any profit

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