

Risk takers

Business



Risk Takers Submitted Introduction Risk taking is the art of participating in a risky venture without necessarily taking caution of the end results.

Entrepreneurs indulge themselves in risky ventures for purposes of success (high profits) or failure (losses) on the amount of investment capital that they deepen into the business opportunity. In the entrepreneurial world, risk is categorized into three; risk-taker, risk-neutral and risk-averse persons. All these exercise their activities in risky environments without necessarily taking consideration on the success or failure that the risk might bring forth.

Risk-taker

A risk-taker is a type of an entrepreneur who decides to involve oneself in a risky venture without necessarily taking consideration on the extent of the harm that the venture will cause. This type of an entrepreneur is full of vigor and strength and is fully prepared to undergo all the necessary downfalls that are attached to the risk. A perfect example for this is an entrepreneur buying out a bond during economic boom. In case of a chance of economic downturn, the individual will incur a lot of risk and the net worth of his investments will be negative.

Risk-averse

This is a type of an investor who doesn't like involving oneself in risky ventures. He knows and understands the possible outcome of indulging oneself in such activities. This does not guarantee success in any of his ventures. This type of an individual clearly prepares himself to take a risk in case of an option where risk is involved and there is no loophole for escape. He clearly sets out steps to follow and possible procedures to take in case the risk binds him.

Risk-neutral

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A risk neutral person is neither a risk-taker nor a risk-averse entrepreneur; he operates comfortably in all the environments and is fully prepared to face the risk in case it binds him down. On the other hand, in case the risk doesn't affect him, he emerges out as a victor.

Conclusion

A risk-taker is bound to enjoy more success in his ventures than a risk-averse person. This is so, because, a risk-taker operates comfortably in a risky environment without necessarily taking caution, this binds him to succeed. A risk-averse takes caution in everything that he, in case of taking risk in order to achieve success, and then the risk-averse person does not comprehend. A risk-neutral entrepreneur operates comfortably under all the environments.

Works Cited;

Ross, Melissa, et al. " Risk Takers." National Geographic 223. 5 (2013): 7