

Finance and business

Finance



Study Guide Test 1 Small Business BSMG 2410 TEST 1 REVIEW MULTIPLE CHOICE

1. How a business plan can be useful. A working blueprint outlining ? nances and direction for a new start-up or expansion. Gives you something you “ see”. 2. The doorways to small business ownership. There are three doorways to small business ownership. 1. Buy an existing business. 2. Buy a franchise 3. Start a new business. 3. Not one of the ten killer factors. The Ten Killer Factors for Entrepreneurs 1. Weakpersonality 2. The loner syndrome 3. Nebulous business ideas 4. No plan 5. Too little financial backing 6.

Cash-flow troubles 7. No marketing strategy 8. No controlling 9. The wrong people 10. Underestimating the competition 4. Not one of the ten success factors. The Ten Success Factors for Entrepreneurs 1. Willingness to succeed 2. Self-confidence 3. A clear business idea 4. The Business Plan 5. Exact control of finances 6. Targeted marketing 7. A step ahead of the competition 8. Management support 9. Cooperation 10. Clear company structure 5. Not good advice for a budding entrepreneur. When you are the boss, you can take it easy. 6. Not one of the key points for successful entrepreneurs.

Entrepreneur A visionary self-starter who loves the adventure of a new enterprise and is willing to risk his or her own money 7. Characteristics of today’s changing family. 8. Impact facts about the baby boomer generation. Baby boomers Persons born between 1946 and 1963: Increase in population: Retirement age. They will probably be your customers. Pg. 33: Baby boomers make up 70% of the population. Have a steady income. 9. Not an example of the new living arrangements. Living arrangements are changing and evolving. 10. What is accomplished by the Opportunity Selection Funnel 11.

Not one of the product life-cycle stages
The Life Cycle Stages A. Embryo B. Growth C. Mature D. Decline

12. What is included in primary research?
Secondary research Reading and using previously published (primary) research

13. Steps in opportunity selection. Pg. 56: 1. Keep personal and business objectives in mind through the filtering process 2. Learn more about your favorite industry. 3. Identify 3 to 5 promising segments 4. Through research, identify problems that need solutions. 5. Brainstorm for solutions 6. Mesh possible solutions with your objective 7. Concentrate on the most promising opportunities.

4. What is gained by doing primary and secondary research? From my understanding, Primary and Secondary research are the difference in conducting the research. In Primary research, there is no data available for the researcher; hence the researcher has to start from scratch. This means that the researcher needs to design questionnaires, collect data from respondents and then analyses the result. If you are doing secondary research, the researcher have the necessary data available. These data are made available through other publications or reports, like newspaper or annual reports of companies.

If the researcher is doing secondary research, there is no need to start from scratch; he or she uses the data or information done by other organizations or publications. The important thing is that there are advantages and disadvantages for both methods. Primary research is more time consuming and costly. While some secondary research may not suit the researcher's needs.

15. Consider industry breakthroughs. 16. Parts of the NAICS structure. Pg. 62: North American Industry Classification System (NAICS) 1. Industry sector (20 major sectors) 2. Industry subsector 3. Industry group 4. Industry .

U. S, Canadian, or Mexican national specific industry 17. How trade shows work. 18. How to conduct primary research. Interviews 19. How to use a matrix grid. Measurement tool with which ideas are screened and evaluated in order to find solutions 20. What can be gained from market research. Collection and analysis of data pertinent to current or potential viability of a product or service. Do the research up front will save you money in the long run. 21. What is included in a media kit. A media kit is a packet of information about your business that is created for use by the press.

Its purpose is to provide media members with the necessary data to report on your business. Business Facts History Products/Services Bios Current News 22. Examples of target customers. Persons who have the highest likelihood of buying a product or service 23. Other things included in a media kit. Readership profiles, and information, and market research developed by magazines for potential advertisers 24. Helpful websites in profiling target customers. [www. newslink. org](http://www.newslink.org) [www. mediafinder. com](http://www.mediafinder.com) [www. brint. com](http://www.brint.com) [www. sba. gov](http://www.sba.gov) 25. What Claritas information is based on.

A company providing a household segmentation tool that concisely describes and categorizes people by their age, income level, and social preferences. It is a sister company of National Decision Systems Psychographic: Descriptive information on values, attitudes, and lifestyles SHORT ANSWER Chapter 1: 26. Explain two (2) reasons why a business plan is critical to a small business. 27. Provide two (2) reasons for and two reasons against starting your own business. For: Job Security, in today's economy this is one way of assure an income. You get to choose your schedule and work with flexibility- This has its benefits for sure.

Being able to schedule around activities and practices and school is nice. However, it can also mean that you are working late into the evening. Just know that you have to be prepared for this! Against: It takes a lot of work. I've been dealing with entrepreneurs for more than 30 years now, and I've never seen even one of them who worked less while building a business than when he or she was an employee, or a student, or something else. Failure can cost you big time. Businesses do fail, and not always through the fault of the owner. Even good decisions have bad outcomes. There are a lot of factors you can't control.

I know people whose business failure cost them their sense of self, plus their life relationships. If you can't deal with the possibility, don't go there. 28. Provide an advantage and a disadvantage of each of the three methods of getting into business. Starting from scratch, buying an existing business, franchise Chapter 2: 29. Explain through the use of an example what is meant by "new eyes" research. Trends, what people will be doing in the future. Helps provide feedback 30. What are the four (4) stages of a product life cycle and explain which one should be avoided. A. Embryo

B. Growth C. Mature D. Decline: you want to avoid because this means you are on a downhill ride and there is no more opportunity for expanding. 31. Explain the concept of brainstorming. It refers to focusing on one subject and recording many ideas and different directions that idea takes you down so you can expand upon them in future works you create. Don't be afraid to think and follow wandering thoughts. 32. Explain how the changing family could open up any two (2) possible small business opportunities. The number of grandparents raising their grandchildren has increased. Chapter 3: 3.

Explain how the NASIC/SIC codes are set-up and how they can be used for gathering business information. (pg. 62) The North American Industry Classification System (NAICS, pronounced Nakes) was developed as the standard for use by Federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the U. S. NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the old Standard Industrial Classification (SIC) system.

It was also developed in cooperation with the statistical agencies of Canada and Mexico to establish a 3-country standard that allows for a high level of comparability in business statistics among the three countries. NAICS is the first economic classification system to be constructed based on a single economic concept. The Standard Industrial Classification (SIC) was originally developed in the 1930's to classify establishments by the type of activity in which they are primarily engaged and to promote the comparability of establishment data describing various facets of the U.

S. economy. 34. Explain how a matrix to mesh desires with ideas works for the entrepreneur. Chapter 4: 35. Describe how an entrepreneur can use a mass-market magazine to generate a profile of its target customers. Handouts 36. Discuss any three (3) traits from “ Successful Small Businesses Share Five Traits. ” 37. Discuss any three (3) points from “ Getting a business of the ground is hard work. ” 38. Discuss the relationship between happiness, passion, and owning a small business.