

1. A credit rating lasts for
 - a. 1 year
 - b. 5 years
 - c. 10 years
 - d. 20 years
 - e. May be revised at any time

2. Which of the following is NOT an example of a First Mover Disadvantage?

- a. Short-lived advantages are competed away
- b. High development costs
- c. Create and protect intellectual property — need to protect IP from being "stolen" or used by other establishments, companies that enter the market
- d. Cost of attaining the resources
- e. High uncertainty of designing the right product

cheaper for first mover

3. What were the nominal GDP rates for the third and fourth quarters, respectively

- a. 5%, 2.6%
- b. 6.4%, 2.3%
- c. 2.6%, 5%
- d. 1.3%, 2.6%
- e. 5%, 1.6%

↳ therefore having to protect IP is a disadvantage

4. What is creative destruction?

- a. The process of wealth creation characterized by the dynamics of new, creative firms forming and growing and old, large firms declining and failing
- b. How it understands its total activities, resources and relationships of the company
- c. The entrepreneurial activity of destroying old models and creating new models of doing business
- d. A dedication of the time and energy necessary to bring the enterprise to initiation and fruition
- e. The identification and exploitation of previously unexploited opportunities

5. Which of the following is NOT one of the opportunities that stemmed from a source of discontinuity according to Byers et al?

- a. Abundance of food
- b. Deregulation
- c. Aging society
- d. Disruptive technologies
- e. Supply chain disruption

6. What does a "canary in the coal mine" mean

- a. Identifying a weak competitor who's sensitivity to adverse conditions serves as a good indicator of troubling times ahead
- b. A bird that was used to detect poisonous gas
- c. That coal outputs are declining
- d. All of the above
- e. Both A and B

7. What Credit Rating is considered a junk rating
- a. AAA
 - b. AA
 - c. BBB
 - d. BB
 - e. J
8. Which of the following is/are part of the Nine Categories of an Opportunity according to Byers et al?
- a. Customization for individuals *→ definitely one of them*
 - b. Convergence of industries
 - c. Creating small markets *"niche"*
 - d. All of the above
 - e. A and B
9. What is a niche business venture?
- a. Aims to build an important new business and requires a significant investment to start up
 - b. Seeks to commercialize an important new innovation and build an important new business
 - c. A sole proprietorship, a partnership, or a corporation owned by a few people
 - d. Started by an existing corporation for the purpose of building an important new business unit
 - e. Seeks to exploit a limited opportunity or market to provide the entrepreneurs with independence and a slow-growth buildup of the business
10. Which value is the closest to the historical average nominal rate of return on small cap stocks?
- a. 3%
 - b. 6%
 - c. 12%
 - d. 18%
 - e. 24%
11. Which of the following is NOT a factor in the attractiveness of an opportunity?
- a. Work effect ?
 - b. Teamwork
 - c. Independence
 - d. Risk
 - e. Income
12. Which of the following is NOT part of the executive summary?
- a. Sales strategy
 - b. Key leaders
 - c. Risks
 - d. Customer
 - e. None of the above
13. Which of the following is NOT an example of an opportunity pull?
- a. Cure for lung cancer

- b. Treatments for Alzheimer's disease
- c. Digital television
- d. Safer, cheaper taxi cabs
- e. None of the above

14. Which of the following is NOT an element of a business model?

- a. Value proposition
- b. Differentiation
- c. Scope of activities
- d. Organizational design
- e. Value for suppliers

V O S D C

15. According to Byers et al, customer responsiveness is the competitive advantage of which of the following companies?

- a. Toyota
- b. Dell
- c. Intel
- d. Mercedes
- e. Alcoa

16. Which of the following is NOT an element of the mission statement?

- a. Industry - Market
- b. Value provided to the customer
- c. Complementors
- d. Stakeholders
- e. Competitive advantage

Market
Value prop.
Product
Core values
Customer
Competitive advantage

17. Which of the following statements are true of the business plan?

- a. It serves as the alignment tool for a new business venture
- b. It describes the rewards, risks, and incentives of the venture
- c. It contains the executive summary
- d. All of the above
- e. A and C

18. What is the best definition of a switching cost?

- a. The costs to the customer to change from the product of an incumbent company to the product of the new entrant
- b. The advertising cost for a company to switch from selling the current product or service it provides to a new one
- c. The increase in after-tax taxes resulting from switching businesses
- d. The cost of the original product or service that is switched into a corporate venture.
- e. All of the above are acceptable definitions

19. Which of the following is the BEST example of a company benefiting most from economics of scope?

- a. Proctor & Gamble Tide, duracell, bounty, etc.
- b. Subway
- c. Dell Computers
- d. Chevron

e. Starbucks

20. The 6 Forces Model is one popular method of evaluating:

- a. The risk of legal actions on a firm
- b. The relative value of a new opportunity
- c. The appropriate sale price of an existing business
- d. Competitive forces in an industry
- e. All of the above

21. Which of the following is an example of an emergent industry in Byers et al.?

- a. Oil
- b. Automotive
- c. Wearable technology
- d. Precious metals
- e. Computer Hardware

22. The Dow Jones Industrial Average is closest to

- a. 15500
- b. 16000
- c. 17500
- d. 19000
- e. 20500

23. What does the variable I in the GDP equation stand for?

- a. Inflation
- b. Investment
- c. Inverted yield
- d. I-9 form
- e. None of the above

24. If the annual growth rate is 8%, how many years until GDP doubles?

- a. 6 years
- b. 9 years
- c. 12 years
- d. 18 years
- e. 24 years

$$\frac{72}{8} = 9$$

25. Which of the following is NOT an example of a First Mover Advantage?

- a. Create the standard and the rules
- b. Low cost position
- c. Tie up strategic resources
- d. Increase switching costs for the customer
- e. Customer is reluctant to buy when a large cost to switch may be incurred

26. In terms of competitiveness, an emergent industry has which characteristic?

- a. Fluid
- b. High
- c. Moderate
- d. Low or none

	Established	Moderate	emergent
growth	low	mod.	high
competitiveness	high	mod.	low
revenue growth	low	mod.	high
uncertainty	low	mod.	high
regulations	established	fluid	

- e. None of the above
27. Which of the following is an example of an incremental innovation?
- a. The internet
 - b. iPhone 5S
 - c. Human growth hormone (HGH)
 - d. Personal computer
 - e. Netflix
28. The current chairman of the Federal Reserve is
- a. Benjamin Bernanke
 - b. Janet Yellen
 - c. Charles Hamlin
 - d. Alan Greenspan
 - e. None of the above
29. For this class, WTI stands for
- a. Western Technology Investment
 - b. Wisconsin Technology Institute
 - c. West Texas Intermediate - Oil
 - d. Withholding Tax Interest
 - e. None of the above
30. Which of the following pairs is an example of complements?
- a. Video games and game consoles
 - b. Walmart and Target
 - c. Water bottles and backpacks
 - d. Pens and pencils
 - e. None of the above
31. What is the definition of modular innovation?
- a. Faster, better, and/or cheaper versions of already existing products
 - b. Uses new modules and new architecture to create new products
 - c. Changes the way in which components of a product are linked together
 - d. Any other product that makes the first one more attractive to the customer
 - e. Innovation of new components and modules but does not change the linkage between modules
32. What does PIIGS stand for?
- a. Portugal, Ireland, Italy, ~~Guatemala~~, Sweden
 - b. Portugal, Italy, Ireland, ~~Guam~~, Spain
 - c. ~~Panama~~, Ireland, Italy, Germany, Spain
 - d. Portugal, Iceland, Italy, Germany, Spain
 - e. None of the above
- Portugal, Ireland, Italy, Greece & Spain*
33. Product innovation is a value proposition for which of the following companies?
- a. Intel
 - b. Alcoa
 - c. Mercedes

- d. Dell
- e. Toyota

34. Metcalfe's rule for determining the value of network is best approximated by:

- a. kn
- b. $2kn$
- c. $kn/2$
- d. kn^2
- e. k^2n

35. What is the current California Unemployment Rate?

- a. 2.5%
- b. 3.4%
- c. 7%
- d. 6.5%
- e. 5.6% - national

36. Which best describes the term "economies of scale"?

- a. Producing more units results in ~~increased~~ per-unit costs
- b. Sharing resources over a wide range of products to reduce costs
- c. How big a firm can grow in various dimensions to provide more service
- d. The range of products offered
- e. Producing more units results in reduced per-unit costs

37. Which of the following companies BEST exemplifies a large network effect?

- a. Facebook
- b. Ford
- c. Subway
- d. Apple
- e. Jamba Juice

38. Which groups are negatively affected by having the value of the Swiss Franc increase compared to the Euro or US dollar?

- a. Employees who are paid in Swiss Francs
- b. Swiss importers ← because their product is no worth less Swiss Francs
- c. People who have a Swiss Bank Account
- d. Swiss manufacturers
- e. None of the above

39. What is the average length of an expansion?

- a. 65 months
- b. 54 months
- c. 11 months
- d. 58 months
- e. 24 months

40. Which of the following is NOT part of a business plan?

- a. Context
- b. Strategy

- ~~e.~~ Team
- ~~d.~~ Physical resources
- c. Legal resources

41. Which of the following is NOT an element of the vision according to Byers et al?

- ~~a.~~ Uniqueness
- ~~b.~~ Purposeful
- c. Usefulness
- ~~d.~~ Consistency
- ~~e.~~ Clarity

useful

42. The trend in IPOs over the last 20 years has had what affect on entrepreneurship funding?

- ~~a.~~ VC funding has switched to many more but smaller deals
- ~~b.~~ More start ups have gone public quicker *(less)*
- c. VC funding has switched to later stage companies
- ~~d.~~ All of the above
- ~~e.~~ None of the above

because less later stage companies are having IPO because it is too expensive

43. What does an inverted yield curve look like?

- a. An interest rate environment in which long-term debt instruments have a lower yield than short term instruments of the same credit quality
- ~~b.~~ An interest rate environment in which short-term debt instruments have a lower yield than long-term instruments of the same credit quality
- ~~c.~~ 30 year Treasury Bills have a higher yield than 1 month Treasury Bills
- ~~d.~~ Both B and C
- ~~e.~~ None of the above

44. Which of the following is NOT one of the 10 common mistakes of a business plan?

- a. Too detailed competitive analysis and marketing plan
- ~~b.~~ Lack of sound mission
- ~~c.~~ Limited description of the metrics of the business
- ~~d.~~ Gap in capabilities required of the team
- ~~e.~~ Too many top down assumptions

45. Which of the following is a disadvantage for the franchisee?

- ~~a.~~ Independence and satisfaction
- ~~b.~~ Brand appeal of the franchise
- ~~c.~~ National advertising
- d. Amount of innovation that can be introduced
- ~~e.~~ Continual guidance

46. Which of the following is NOT one of the 5 steps for establishing a new venture?

- ~~a.~~ Prepare a complete business plan — *part of business plan*
- ~~b.~~ Identify opportunities
- c. Write a mission statement
- ~~d.~~ Secure the necessary resources
- e. Sell your product

47. What is the GDP equation?

- a. $C+I+G+NX$
- b. $I+G+S+NE$
- c. $C+S+I+NX$
- d. $C+I+G+NE$
- e. None of the above

$$GDP = C + I + G + NX$$

48. What is a franchise?

- a. A new venture not owned or controlled by an established corporation
- b. A new venture started by an existing corporation
- c. A legal arrangement in which the owner of a business format has licensed it to an individual or local firm
- d. Includes two or more members of a family who hold control of the firm
- e. A corporation, member association, or charitable organization that provides a service but does not earn a profit

49. Which of the following is a strength of a corporate new venture?

- a. Multiple control and review levels
- b. Suppliers willing to help in the design process
- c. Not limited to parent firm's technologies
- d. May be subjected to corporate budget process
- e. Access to strong talent

50. Which of the following is an example of a cluster?

- a. Airports in Minneapolis
- b. Software developers in Silicon Valley
- c. Fast food restaurants in Detroit
- d. Universities in Greater Los Angeles
- e. None of the above

51. In economic terms, a trough to peak is called a(n):

- a. Expansion
- b. Contraction
- c. Multiplication
- d. Recession
- e. Depression

52. What fraction of the GDP is consumption?

- a. 0.1
- b. 0.3
- c. 0.5
- d. 0.7
- e. 1

53. The current price of oil is closest to

- a. \$20/barrel
- b. \$50/barrel
- c. \$80/barrel
- d. \$100/barrel

e. \$120 barrel

54. Government subsidies encourage Americans to purchase electric vehicles. How should this be accounted for in a SWOT analysis for Tesla Motors?

- a. Strength
- b. Weakness
- c. Opportunity
- d. Threat
- e. None of the above

55. According to Byers et al, how does Dell sustain a competitive advantage?

- a. Strong customer service
- b. Customized products via a direct sales channel on the phone or Internet
- c. Good customer relations
- d. All of the above
- e. B and C

Core Values

Mission
MVPCCC
Market, value prop., products, core values, customer advantage, competitive advantage

Competitive Advantage

56. Which of the following is NOT part of the 6 Forces Model?

- a. Threat of entry by new competitors
- b. Threat of complementary products
- c. Firm rivalry
- d. Bargaining power of suppliers
- e. Bargaining power of customers

57. "Scalability" has several measures including:

- a. Volume sold per year
- b. Number of customers
- c. Revenue
- d. All of the above
- e. A and B

ex: Tom's shoes

58. According to Byers et al, what is the best definition of a social entrepreneur?

- a. An entrepreneur who foresees social trends
- b. An entrepreneur engaged in social networking applications
- c. An entrepreneur who delivers social benefits
- d. An entrepreneur who is active the community
- e. None of the above are very good definitions

* mentions more so environmental benefit when discussing social entrepreneurs

59. Which best describes the term "economies of scope"?

- a. Producing more units results in increased per-unit costs
- b. Sharing resources over a wide range of products to reduce costs
- c. How big a firm can grow in various dimensions to provide more service
- d. The range of products offered
- e. Producing more units results in reduced per-unit costs

60. The NBER dates the last recession was from

- a. June 2007 to December 2009
- b. December 2007 to June 2009
- c. January 2008 to September 2009

- d. December 2008 to August 2010
- e. None of the above

61. What is the definition of capability push?

- ~~a.~~ The size of the opportunity attracts opportunity seekers to exploit it
- ~~b.~~ Increasing the value of a product or service
- ~~c.~~ Increasing switching costs for new entrant
- ~~d.~~ New applications of existing means or technologies
- e. A new technology or capability causes a search for new applications

? 62. What is NOT true regarding quantitative easing?

- ~~a.~~ It is the introduction of new money into the money supply by the central bank
- ~~b.~~ It is a bond buying program ** Its a securities-buying program*
- ~~c.~~ The European Central Bank will start doing this
- d. It is a government program to ease health care costs
- ~~e.~~ All of these statements are true

63. According to the debt clock, how much is the current US debt?

- a. \$400 billion dollars
- b. \$16 trillion dollars
- c. \$7.5 trillion dollars
- d. \$18 trillion dollars
- e. \$800 billion dollars

64. Which of the following is NOT a characteristic of a cluster setting?

- a. Easy access to the area
- ~~b.~~ Suppliers and competitors
- ~~c.~~ Availability of investment capital
- d. Attorneys
- ~~e.~~ Research in local universities

65. How much money will you make if you invest \$1000 at 2 basis points?

- a. \$0.02
- b. \$0.20 *0.02%*
- c. \$2.00 *0.0002 x 1000*
- d. \$20.00 *0.20*
- e. \$200.00

66. Which of the following is NOT one of the values offered in the value proposition?

- a. Complementors
- ~~b.~~ Price
- ~~c.~~ Access
- ~~d.~~ Service
- ~~e.~~ Experience

67. According to Byers et al, which of the following is not a source of uncertainty?

- a. Management
- ~~b.~~ Market

- c. Time
- d. Financial
- e. Regulations

68. What is closest to the historical average nominal rate of return on private equity?

- a. 3%
- b. 6%
- c. 12%
- d. 18%
- e. 24%

69. According to Byers et al, which of the following does NOT contribute to the firm's mission and purpose?

- a. Market
- b. Suppliers
- c. Worker's and associates
- d. Society
- e. High costs

70. According to Byers et al, what is an opportunity?

- a. A chance or prospect
- b. A favorable juncture of circumstances with a good chance for success or progress
- c. A call to respond to a difficult task
- d. A good position, chance or prospect for achieving wealth
- e. None of the above

71. What does the VIX measure?

- a. Implied volatility of the S&P-500 index options
- b. Interest rates of T-bills
- c. Nominal interest rates on the market
- d. Credit ratings of foreign markets
- e. The length of a business cycle

72. What is the current US Unemployment Rate?

- a. 2.5%
- b. 3.4%
- c. 7%
- d. 6.5%
- e. 5.6%

73. Which of the following is NOT a barrier to entry?

- a. Predatory pricing
- b. Government deregulation
- c. Economies of scale
- d. Switching costs
- e. Product differentiation

74. According to Byers et al, which type of strategy does Dell use?

- ~~a.~~ Rapid Prototyping and Manufacturing Innovation
- ~~b.~~ Technical Innovation
- c. Differentiation and cost
- ~~d.~~ Niche
- ~~e.~~ None of the above

75. What is the definition of a unique selling proposition?

- ~~a.~~ A description of the course of action to implement the vision
- b. A short version of firm's value proposition
- ~~c.~~ Defines the company to the customer
- ~~d.~~ Defines what your company will do and why it will exist tomorrow
- ~~e.~~ A competitive advantage that can be maintained over a period of time