

Module 2: Quiz

1. True or false: Most small businesses are product-focused (that is, they make a product).

- A. True
- B. False

Answer: B (approximately ½ product, ½ service...slightly more service oriented)

2. Being creative in business can support which of the following:

- A. Developing new ideas for products and services
- B. Staying ahead of the competition
- C. Both A and B.
- D. A only.

Answer: C

3. What does a tool like “Mind Mapping” help do:

- A. Allows a future entrepreneur to understand their competition.
- B. Allows a future entrepreneur to turn a general idea into a business concept.
- C. Allows a future entrepreneur to map a market landscape.
- D. All of the above.

Answer: B

4. Which are components of a market strategy?

- A. Customers.
- B. Pricing.
- C. Timing.
- D. Competition.
- E. Placement.
- F. All of the above.
- G. A, B, C, & D only.

Answer: G

5. Which of the following statements about market research is FALSE?

- A. Investors expect you to know your market.
- B. Business owners who know their market are more successful.
- C. SWOT Stands for “Strengths, Weaknesses, Options, and Threats”.
- D. SWOT stands for “Strengths, Weaknesses, Opportunities, and Threats.”

Answer: C

6. What is considered one of the best ways to gather information on customer needs and opinions?

- A. Primary data gathering.
- B. Secondary data gathering.
- C. Tertiary data gathering.
- D. A combination of the above.

Answer: A

7. Going onto a website to read an article about dog toys would be considered:

- A. A primary research technique.
- B. A secondary research technique.
- C. A tertiary research technique.
- D. A combination of the above.

Answer: B

8. In researching your market, which is NOT one of the fundamental questions you should be asking in starting your business:

- A. Who is your market?
- B. What are your customers' likes and dislikes?
- C. Where are they? (the customers)
- D. What time do they wake up? (the customers)
- E. How are you different?
- F. How should you price your product or service?
- G. When should you start your business?

Answer: D

9. Which is NOT an example of a market trend:

- A. Women aged 45-60 buy the dog shampoo most often.
- B. The dog shampoo market is growing by 3% a year.
- C. The number of allergies in the U.S. has led to a need for cleaner environments.
- D. Mike, a dog grooming customer, comes in with his dog every Friday at 4:00pm.

Answer: D

10. Which of the following is NOT a risk of entrepreneurship?

- A. Fear of success.
- B. Long hours and hard work.
- C. Uncertain income.

D. High levels of stress.

Answer: A

Extra credit:

What is an elevator pitch? (from Mind Mapping exercise)

Answer: An elevator pitch is a common business term used to describe the ability for an entrepreneur to describe his or her business idea in the time it takes to ride an elevator. It refers to a situation where an investor might step into the elevator, and you have to provide a compelling description of your business in about 30 seconds. The components of the elevator pitch from the Mind Mapping Exercise were:

- **Product/Service description & target audience**
- **What need is met through this product / service**
- **Competitive advantage (even if it is made up)**