

### Self-Assessment Questions for module 1 study session 1

1. The concept 'entrepreneur' was first coined by.....
  - (a) David, McClenand
  - (b) Richard, Cantillon
  - (c) David, Hisrich
  - (d) Jean-Baptiste, Say
2. The non-continuous process of combining resources of time, man, money and materials to create products, services and ideas is .....
  - (a) entrepreneurship
  - (b) management
  - (c) Intrapreneurship
  - (d) production
3. An individual that exhibits innovative abilities, perceives the market opportunities, and has the motivation, drive and ability to mobilize resources to meet market opportunities, while working in an existing organization is referred to as a(an).....
  - (a) entrepreneur
  - (b) inventor
  - (c) intrepeneur
  - (d) manager
4. The characteristics of entrepreneurs as risk-bearers, coordinators and organizers, gap-fillers, leaders, and innovators or creative imitators were listed by.....
  - (a) Adam Smith
  - (b) David Ricardo
  - (c) John Stuart Mill
  - (d) Joseph Schumpeter
5. The two disciplines where entrepreneurship originated were ..... / .....
  - a. French / English
  - b. Economics / Business
  - c. Economics / History
  - d. History / French
6. The one who creates a new enterprise in a risky and uncertain environment is referred to as a (an).....
  - a. risk taker
  - b. entrepreneur
  - c. adventurerist
  - d. leader
7. Which one of the following is not considered as entrepreneurship?
  - a. The creation of a new business.
  - b. The routine management of an ongoing operation.
  - c. Innovation applied to a business context.
  - d. The combination of resources.
8. The scholar who first stressed the significance of entrepreneurship for economic growth is.....
  - (a) Cantillon

(b) Mill  
(c) Quesnay  
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(d) Ricardo

9. When an entrepreneur directs and controls all organizational activities to ensure that things are done properly on schedule, he is performing the..... role.

- (a) leader
- (b) resource allocator
- (c) directing and controlling
- (d) visionary

10. An Entrepreneur who starts a business with a fresh idea is simply performing a ..... role.

- (a) leadership
- (b) resource allocator
- (c) directing and controlling
- (d) visionary

Solution:

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	B	A	C	D	B	B	B	A	A	B

Which of the following affect the supply of entrepreneurship? Money Love Risk Opportunity

- 2. Creativity is: (a) the ability to bring something new into existence. (b) the process of doing new things. (c) ability to imitate perfectly. (d) all of the above.
- 3. The first step in creative process according to Holt (1992) is: (a) Incubation (b) Preparation (c) Idea generation (d) Verification
- 4. The following are forms of innovation except: (a) Technological Innovation (b) Product-Marked Innovation (c) Administrative Innovation (d) Idea generation
- 5. When innovation brings about a new dominant design and consequently, a new set of core design concepts embodied in components that are linked together in a new architecture, it is known as: (a) Architectural Innovation (b) Radical Innovation (c) Modular Innovation (d) Incremental Innovation
- 6. When innovation brings about the reconfiguration of an established system to link together components and parts in a new way, it is known as: (a) Modular Innovation (b) Architectural Innovation (c) Radical Innovation (d) Incremental Innovation
- 7. Creative process according to Holt (1992) can be classified into: (a) 4 stages (b) 5 stages (c) 6 stages (d) 7 stages
- 8. When innovation consists of market research, product design, and innovations in advertising and promotion, it can be said to be: (a) Technological Innovation (b) Product -market Innovation (c) Consumer related Innovation (d) Administrative Innovation
- 9. According to Adams (2005) the following are critical to individual creativity except: (a) Knowledge (b) Thinking (c) Personal Motivation (d) Verification.

SAQ 2.4 Based on your knowledge of this unit, which of the following statements are true or false? Circle T for True and F for False

- T F Incremental innovation comprises relatively small modifications. Radical innovation brings about old dominant design.
- T F Structural innovation capitalizes on disruption to restructure industry relationships.
- T F Successful innovation has six phases in all.
- T F An invention is only considered an innovation once it has been identified.

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	B	A	C	D	B	B	B	B	C	D

## QUESTIONS ON Concept of Business and Business Environment

### MULTIPLE CHOICE QUESTIONS

- The concept 'environment' can also be referred to as.....
  - surroundings
  - external objects
  - inferences
  - circumstances
- The business environment can be broadly classified into.....
  - two
  - three
  - four
  - five
- When a development perceived as a threat by an organization is viewed as an opportunity by another then the business environment is .....
  - multifaceted
  - Stable
  - Simple
  - potent
- A ..... is an inherent constraint that creates strategic disadvantage for an organization.
  - threat
  - weakness
  - strategy
  - risk
- A ..... business environment is made up of a number of factors that interact

and interrelate with one another.

- (a) complex and dynamic
- (b) Simple
- (c) Stable
- (d) potent

6. The body of regulations and laws can be classified under the

- (a) Political/Legal environment
- (b) Socio-cultural environment
- (c) Technological environment
- (d) Demographic environment

7. The environment that recognizes the customs, traditions and value of the community is known as

- (a) Demographic
- (b) Socio-cultural
- (c) Technology

(d) Historical

8. The environment in the borderline between the internal and external environment is

.....

- (a) General
- (b) Remote
- (c) Close
- (d) Intermediate

9. The support systems that facilitate entrepreneurship process listed here are

.....

- (a) Seven
- (b) Six
- (c) Five
- (d) Four

10. Entrepreneur can assess the external environment of the business by

critically looking at the ....

- (a) opportunities and strengths
- (b) opportunities and threats
- (c) opportunities and weaknesses
- (d) Weaknesses and threats

11. The scanning of the business environment so as to identify the favourable and unfavorable conditions therein is .....

- (a) SWOT analysis
- (b) External evaluation
- (c) Internal Evaluation
- (d) Market analysis

12. Threats from external environmental factors can come from:

- (a) Direct Completion
- (b) Indirect competitors
- (c) Consumers
- (d) None of the above
- (e) All of the above

13. Opportunities in the political/legal environment could be -

- i. (a) favourable government policies (b) Tax holidays
- ii. (c) Great market demand (d) a and b (e) None of the above

14. The essence of scanning the external environment of business is in order to identify\_\_\_\_\_.

- (a) only strengths (b) weaknesses
- (c) strengths and weaknesses (d) opportunities and threats

15. The entrepreneur can assess the internal environment of business by

critically looking at the opportunities and threats. (a) Opportunities (b) threats and opportunities (c) strength and threats (d) strengths and weaknesses  
 16. The entrepreneur can assess the internal environment of the business by critically looking at 5ps (b) 5s (c) 5w (d) 5t

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
ANSWER	A	A	A	B	A	A	B	D	D	B	A	E	D	D	D	B

## Forms of Business Ownership and Legal Implications

1. One of the following is not an advantage of sole proprietorship (a) ownership of all profits (b) Minimum legal restriction (c) unlimited liability (d) Privacy (Test learning outcome (LO) 4.2)
2. The Minimum number required to start a sole proprietorship (a) One (b) two (c) seven (d) twenty
3. All of the followings are the disadvantages of sole proprietorship except (a) Limited growth (b) unlimited liability (c) lack of continuity after the death of promoter (d) Easy to raise capital
4. Partnership formation requires minimum and maximum number of partners respectively (a) 2 and 20 (b) 2 and 50 (c) 2 and 7 (d) 7 and 20
5. The document that states all the terms of partnership is known as (a) Partnership agreement (b) article of partnership (c) article of association (d) a and b
6. The general partners have (a) limited liability (b) Unlimited liability (c) participate in the day to day running of the business (d) b and c
7. The uniqueness of private limited company is that the investors have (a) limited liability (b) minimum of two person to start the business (c) shares are publicly subscribed (d) Restrictions on the transfer of shares
8. One of the differences between the public and private limited companies is (a) the minimum number of owners (b) the maximum number of owners (c) limited liability (d) unlimited liability of owners (Tests LO 4.4)
9. One of the major documents of incorporation is (a) article of partnership (b) Partnership agreement (c) memorandum of association (d) memorandum of incorporation

QUESTION	1	2	3	4	5	6	7	8	9
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ANSWER	C	A	D	A	D	D	D	A	C
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1. A team with different levels of hierarchy can be regarded as: (Test LO 5.2)
  - (a) Horizontal team
  - (b) Vertical team
  - (c) Special Purpose team
  - (d) Football team
  
2. A formal team can be found in (Test LO 5.2)
  - (a) officially designed organizational structure
  - (b) unofficially designed organizational structure
  - (c) the previously designed organizational structure
  - (d) All of the above
  
3. Relevant issues in team building include all except: (Text LO 5.2)
  - (a) Cohesiveness (b) Goal Specification (c) Independence (d) Interdependent
4. Effective teams must possess the following characteristics except: (Text Lo 5.2)
  - (a) team identity (b) competent team members (c) mistrust among team members (d) mutual trust among team members
5. Two or more people who interact and coordinate their work to accomplish a specific goal, can be regarded as:
  - (a) A team (b) Friends (c) Allied (d) None of the above
  
6. When a group is created by formal authority of an organization to transform resources inputs into product outputs, such group is known as: (Text LO 5.3)
  - (a) Work group (b) Informal group (c) Unofficial group (d) Psychological group
7. .... is described as the oneness of the group member.(Text LO 5.3)
  - (a) Cohesiveness of group (b) Independence of group member (c) Group Composition (d) Group Norms
8. The theory that stated that the more activities persons share, the more numerous will be their interaction and the stronger will be their sentiments is: ( Text LO 5.3)
  - (a) Balance theory (b) George Hanmaus theory (c) Exchange theory (d) Propinquity theory
9. The stage at which group tends to tackle obstacles and conflicts is known as: (Text LO 5.4)
  - (a) Forming stage (b) storming stage (c) Initial Integration (d) Total Integration.
10. The emergence of a mature organized and well functioning group were complex task dealt with and membership disagreement are handled effectively is known as:
  - (a) Total Integration stage (b) Initial Integration stage (c) Forming stage (d) Storming stage.

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	B	A	C	C	A	A	A	B	B	A

1. Which of the following is not a feature of vision? (a) short (b) succinct (c) inspiring (d) ambiguous
2. Core value of an organization is also called..... (a) core motive (b) core intent (c) core tenet (d) core mission
3. Core value is the extent of ..... the organization is ready to maintain. (a) knowledge (b) capacity (c) integrity (d) inspiration
4. ....is the reason for the organization"s existence, a clear description of the activities of the organization (Tests Lo1.3) (a) core mission (b) core purpose (c) core movement (d) core activities
5. .... is creative, looking to a future of greatness; it keeps the organization as well as individual motivated even if the founders are no longer in existence. (tests Lo 1.2) (a) policy (b) envision future (c) envisioned vision (d) future
6. If vision is taken away , an organization can set into ..... (Tests LO 1.2) (a) order (b) progress (c) movement (d) confusion
7. Take away skills and have (Tests LO 1.2)..... (a) organisational progress (b) organisation stress (c) organisation anxiety (d) organisation failure
8. Lack of resources can cause .....in an organization (tests LO 1.2) (a) slow down (b) frustration (c) efficiency (d) others
9. Lack of action plan can cause ..... (a) progress (b) false start (c) clear way (d) none of the above
10. An entrepreneur must be open to ..... and be ready to adjust. (Tests LO 0.4) (a) criticism (b) challenge (c) other (d) none of the above

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	A	C	C	B	B	D	C	B	B	A

## The Roles of Government and Business Regulatory Agencies In Nigeria

1. The three levels of Regulation in Nigeria are ..... (a) The Judiciary, Legislative and Executive (b) Federal, State and Local government (c) Decree, Laws and Bye Laws (d) Federal, Judiciary and Executive
2. The organisation that is concerned with the registration of Business in Nigeria is... (a) EFCC (b) Standard Organisation of Nigeria (c) Corporate Affairs Commission (d) ICPC
3. An agency that is concerned with the investigation of all financial crimes is – (a) CAC (b) SON (c) NAFDAC (d) EFCC
4. An Agency that is responsible for providing advice, educate to public on and against bribery and corruption is ..... (a) EFCC (b) ICPC (c) SON (d) CAC

5. One of the following is not the promotional / supportive roles of Government (a) Tax holiday (b) Financial incentive (c) Infrastructural development (d) Tax evasion
6. The \_\_\_ environment prescribes acceptable principles and guides in business relationship. (a) Economic (b) regulatory/legal (c) judicial/executive (d) political and judicial
7. The \_\_\_\_\_ was established by the Companies and Allied Matters Act (CAMA) 1990 as a corporate body with perpetual succession and a common seal. (a) Corporate Affairs Commission (b) Standards Organisation of Nigeria (c) National Agency for Food and Drug Administration Control (d) None of the above.
8. The headquarters of the Corporate Affairs Commission is based in a) Lagos. b) Abuja the Federal Capital Territory. c).Port Harcourt d) All of the above
9. Establishing and maintaining companies" registry and offices in all the states of the Federation is a function of ----- . (a) National Council (b) National Affairs Commission (c) Corporate Affairs Commission (d) All of the above.
10. Ensuring that the use of narcotic drugs and psychotropic substances are limited to medical and scientific purposes is a function of \_\_\_\_\_. (a) SON (b) EFCC (c) NAFDAC (d) CAC

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	B	C	D	B	D	B	B	D	A	B

## Writing Business Plan and Feasibility Studies

1. The need for a business plan includes all except: (a) Planning to launch a new business (b) Expanding your existing business (c) Adding a new product or product line (d) Increasing your labour force
2. A plan must be ..... (a) Readable (b) Accommodating (c) Explicit (d) Durable
3. One of the benefits of planning is ..... (a) It justifies your plans and actions (b) It increases "firefight" (c) It keeps ideas in your memory (d) It indicates your inability
4. A written business plan should have all the following except \_\_\_\_\_ (a) financial information (b) product or service (c) business objective (d) liquidation plan
5. The importance of feasibility study cannot be overemphasized as it – (a) provides comprehensive details about the business to determine if, and how it can succeed, and serve as a valuable tool for developing a good business plan (b) does not list in details all the things you need to make the business works. (c) does not identify logistical and other business related problems and solutions. (d) does not serve as a solid foundation for developing your business plan.
6. The type of business you are planning should be stated under - (a) Description of the business (b) Marketing (c) Organisation (d) All of the above
7. Which of the following question will be answered in a business plan under organization? (a) What products or services will you sell? (b) Who are your potential customers? (c) How will you promote sales? (d) Who will manage the business?
8. The following except ..... is a component of feasibility study. (a) Executive Summary (b) Product/Service (c) Acquisition (d) Technology
9. The importance of feasibility studies include (a) Listing in details all the things you need

to make the business works. (b) Identifying logistical and other business related problems and solutions. (c) Serving as a solid foundation for developing your business plan. (d) All of the above

10. The need for a full-scale business plan according to Cagan (2006) is spurred by the following except one: (a) You plan to launch a new business. (b) You want to expand your existing business into new markets. (c) You want to add a new product or product line. (d) None of the above

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	D	C	A	D	A	A	D	C	D	D

## Sources of Business Finance

1. Sources of finance relate to

- (a) How individuals source for their income
- (b) How firms obtain funds for their dividend payment
- (c) How firm obtain funds for their retain earnings
- (d) How Firms obtain funds for the day to day running of their business

2. Sources of funds available to a firm can be categorized into.....group

- (a) Two
- (b) Four
- (c) Five
- (d) Three

3. Factors affecting the sources of business finance include all except.

- (a) Cost of finance
- (b) Government policy
- (c) Risk involved
- (d) Economic condition

4. Sources of funds obtained for a period between one day and three hundred and sixty five days is business

- (a) Medium term
- (b) Long term
- (c) Short term
- (d) All of the above

5..... are amount owing on service rendered to the firm for which payment has not been provided.

- (a) Prepayment
- (b) Short term loan
- (c) Unsecured credit

(d) Accruals

6..... Is where the trade debtors are sold at discount to a finance house

- (a) Prepayment
- (b) Unsecured credit
- (c) Invoice discounting
- (d) Factoring.

7. The following are regarded as medium term sources of funds except

- (a) Hire purchase
- (b) Debenture
- (c) Lease arrangement
- (d) Factoring

8..... is a long term promissory note for raising loan capital

- (a) Debenture
- (b) Preference share
- (c) Retained earning
- (d) Term loans

9. The cheapest sources of long term finance is

- (a) Equity

- (b) Preference share
- (c) Debenture
- (d) Convertible security

10. Debenture interest has to be paid

- (a) before paying any dividend to preference shareholders
- (b) before paying any dividend to ordinary shareholders
- (c) after paying dividend to preference shareholders
- (d) before paying any dividend to preference and ordinary shareholders.

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	D	B	B	C	D	D	B	A	C	D

## Ethics in Entrepreneurship

1. Corporate social responsibility is about: (a) the ethical rights and duties between a company and its host societies. (b) Moral rights and duties between a company and its shareholders (c) Quality of leadership of organizations (d) Misuse of corporate ethics policies
2. Fiduciary responsibility refers to: (a) the ethical rights and duties between a company and its host societies. (b) moral rights and duties between a company and its shareholders (c) quality of leadership of organizations (d) misuse of corporate ethics policies
3. Corporate governance refers to (a) the ethical rights and duties between a company and its host societies. (b) moral rights and duties between a company and its shareholders (c) quality of leadership of organizations (d) misuse of corporate ethics policies
4. To be successful, an ethics policy should be ..... (a) Explained in writing and orally (b) Something employees can do (c) Backed up by financial incentives (d) Backed up by statements of consequences of disobedience.
5. In international business ethics .... is emphasized. (a) good public relations (b) the legal framework (c) country risk (d) cultural relativity of ethical values
6. Business ethicists apply ethical theories to: (a) increase profits (b) increase production (c) moral issues in business (d) funding issues
7. Corporate ethics policies are meant to offer to workers on the common ..... problems that might arise in the course of their duties. (a) funds, health (b) guidance, moral (c) incentives, office (d) admonition, performance
8. Conflicting cultural standards can occur with regard to: (a) child labour (b) discrimination (c) paying bribes (d) all 112
9. In international business ethics .... is emphasized. (a) good public relations (b) the legal framework (c) country risk (d) cultural relativity of ethical values
10. Business ethicists apply ethical theories to: (a) increase profits (b) increase production (c) moral issues in business (d) funding issues
11. \_\_\_\_\_ is a system of principle governing the appropriate conduct for a person or group.

(a) law (b) risk (c) ethics (d) management.

12. \_\_\_\_\_ bring ethical theories and techniques to bear on moral issues that arise in business. (a) political (b) cultural (c) religious principles (d) business ethics

13. Business ethics brings ..... and .....to bear on moral issues that arise in business (a). ethical theory and technique (b). moral and justification (c). technique and justification (d). ethical theory and moral

14. The argument in favour for the business ethic that a business has moral duties that extend well beyond serving the interests of its stockholders is: (a) stakeholders are entitled to dividends (b) stakeholders have interest in the conduct of the business (c) all stakeholders contribute directly to the profits of the company (d) stakeholders own the company

15. Under social contract theory: (a) stakeholders are given a voice over a company's operations (b) a company should develop neighbouring communities (c) a company should discharge its responsibilities to government (d) a company should pay workers well

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
ANSWER	A	B	C	B	D	C	B	D	D	C	C	D	D	C	A

1. The evolution of entrepreneurship in Nigeria and most parts of world can be traced to: (a) Barter (b) Colonial rule (c) Foreign business (d) United Africa Company (UAC)

2. The direct dealing with the producer by UAC in the pre-independent era – (a) Hindered skills acquisition and consequently the development of entrepreneurship in Nigeria. (b) Encouraged local manufacturing of product (c) Increased the welfare of Nigerian entrepreneurs (d) Increased the growth of international business

3. An entrepreneur who creates a venture to make profit as well as strives to contribute to societal development and regulate positive change can be described as – (a) capitalist entrepreneur (b) social entrepreneur (c) Responsible entrepreneur (d) Entrepreneur

4. The prominent entrepreneur who is visible on food, cement, transportaiton and other related businesses in Nigeria and abroad is - (a) Mike Adenuga Jr. (b) Christ Ejiofor (c) Aluko Dangote (d)Chidi Anyaegbu

5. The founder of Chisco Group is - (a) Chris Ejiofor (b) Chidi Anyaegbu (c) Uche Uche Ohafia (d) Chetus Olebune

6. The social entrepreneur who is interested in poverty reduction of the less privileged with a foundation to assist-children is (a) Aluko Dangote (b) Rochas Okorochoa (c) Poly Emenike (d) Mike Adenuga Jr.

7. One of the major advantages facing typical Nigerian entrepreneurs is the – (a) Large market made available by high population (b) Constant change in policy (c) The opportunity to buy one's way though (d) The high rate of unemployment

8. An entrepreneur will continue to be relevant in society as long as – (a) His business is making profit (b) his business is paying tax (c) His business is meeting needs (d) his product is popular

9 Non Profit Making Entrepreneurs are also called..... (a) Loss entrepreneurs (b). Social entrepreneurs (c). Political entrepreneurs (d). Non profitable entrepreneurs

10 . The Nigerian entrepreneur who created the Eleganza industries is..... (a). Razaq Okoya (b). Dangote group (c). Uche Uche Ohafia (d). Ada Onyejike

QUESTION	1	2	3	4	5	6	7	8	9	10
ANSWER	C	A	C	C	B	B	A	C	B	A