# ***Global Entrepreneurship & Innovation 1st edition Pruthi Test Bank***

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# MCQs with answers

## Chapter 2: Entrepreneurship and small firms

1.According to the chapter, ______ are individuals who start new business ventures.

a. Employees

b. Innovators

c. Entrepreneurs

d. Inventors

**Ans:** C

2. According to the French economist, Jean Baptiste Say, entrepreneurs are defined as individuals who:

a. Reduce costs of abundant resources

b. Add value to abundant resources

c. Reduce costs of scarce resources

d. Add value to scarce resources

**Ans:** D

3. In introducing innovations, entrepreneurs destroy existing markets and create new ones. This is Schumpeter's idea of______:

a. Creative destruction

b. Commercialization

c. Creative creation

d. Invention

**Ans:** A

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4. Individuals who hold or have held a minority or majority ownership stake in two or more firms, at least one of which was established or purchased are called______:

a. Novice entrepreneurs

b. Solo entrepreneurs

c. Corporate entrepreneurs

d. Habitual entrepreneurs

**Ans:** D

5. Large firms like GE and Motorola are increasingly employing entrepreneurial thinking to enhance their futures. This phenomenon is an example of______:

a. Technical entrepreneurship

b. Academic entrepreneurship

c. Social entrepreneurship

d. Corporate entrepreneurship

**Ans:** D

6. ______ of entrepreneurship propose that entrepreneurs perceive market gaps or identify unnoticed opportunities.

a. Cognitive theories

b. Personality theories

c. Psycho-sociological theories

d. Network theories

**Ans:** A

7. All of following are qualitative features of small firms, except:

a. Small number of employees

b. Informal culture

c. Lack of market power

d. Informal structure and organization

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**Ans:** A

8. ______are microenterprises that permit their owners to follow a desired pattern of living based on their passion.

a. Salary-substitute firms

b. Micro firms

c. Lifestyle firms

d. Entrepreneurial firms

**Ans:** C

9. According to the chapter, small firms face a number of disadvantages in trying to be innovative. These include the lack of:

a. Financial resources

b. Human resources

c. Technical resources

d. All of these

**Ans:** D

10. Small and Medium-Sized Enterprises (SMEs) are small firms with 500 or fewer employees in:

a. India

b. Europe

c. USA

d. Kenya

**Ans:** C

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