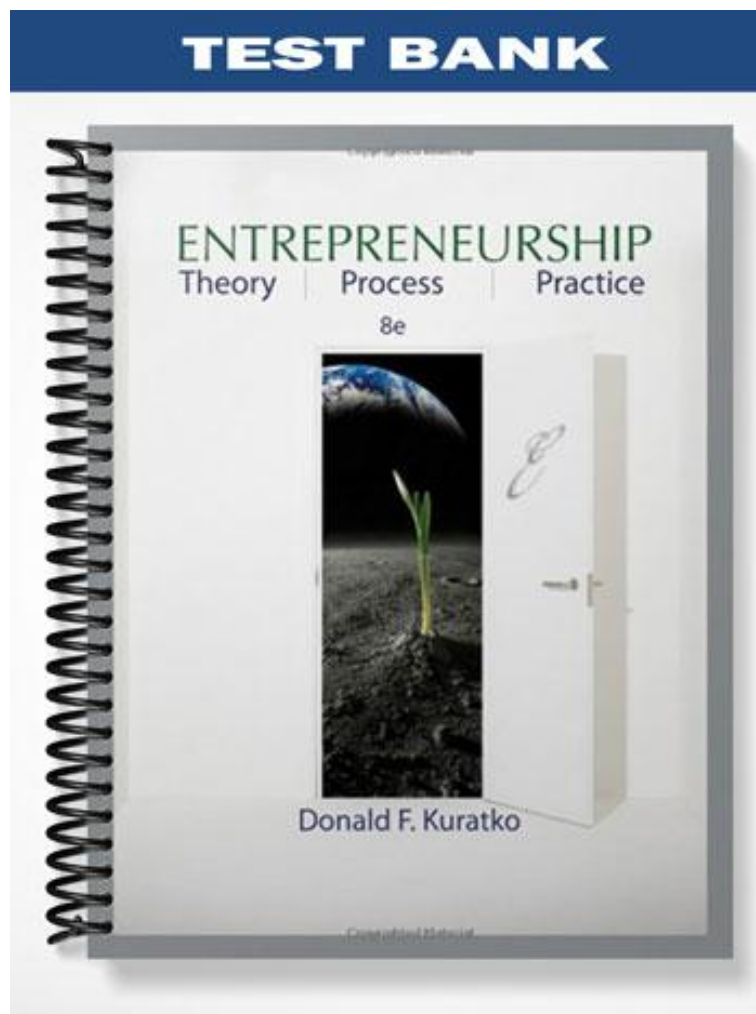


TEST BANK



ENTREPRENEURSHIP

Theory | Process | Practice

8e



Donald F. Kuratko

CHAPTER 2: THE ENTREPRENEURIAL MINDSET IN INDIVIDUALS

Student: _____

1. Each and every person has the potential and free choice to pursue a career as an entrepreneur.
True False
2. The generation of the 21st century may become known as generation E because they are becoming the most entrepreneurial generation since the Industrial Revolution.
True False
3. Determining a person's "entrepreneurial perspective" is an exact science.
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4. Entrepreneurs are pessimists who see the cup half empty, rather than half full.
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5. The Academy of Management Review is an example of a journal used in entrepreneurial research.
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True False
16. Creativity was once regarded as an exclusively inherited trait.
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17. Selfishness and a need for power are two characteristics common in entrepreneurs.
True False
18. Successful entrepreneurs fear failure the same way all people do.
True False
19. Entrepreneurs are fiercely independent but understand the need for a strong entrepreneurial team.
True False
20. Entrepreneurs usually have an internal locus of control.
True False
21. There are many risks in entrepreneurship.
True False
22. There is a certain psychic risk involved with entrepreneurship.
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23. There are four causes of entrepreneurial stress.
True False
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33. According to the Model of Entrepreneurship Motivation, the entrepreneur’s expectations are not compared with the actual or perceived outcomes of the firm.
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34. Every person has the _____ and _____ to pursue a career as an entrepreneur
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54. Which of the following statements is false?
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55. Which of the following is a true statement about team building?
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56. Which of the following statements is false?
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- A. risk is then minimized.
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67. Which of the following may be the greatest risk to the well-being of the entrepreneur?
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68. In the Monroy-Folger Model of Risk Typology, profit-seeking activity is associated with:
- A. strong desire to maximize profit
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 - C. fear, failure, pressure, competition.
 - D. drive for success, loneliness, fear, competition.
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85. Which is not a factor in the Model of Entrepreneurial Motivation?
- A. the entrepreneur’s outcomes meet their expectations
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 - C. implementation of the entrepreneurial plan meet the entrepreneurs outcome perceptions
 - D. winning awards
86. According to the Model of Entrepreneurial Motivation, when outcomes meet or exceed expectations, the _____ is positively reinforced, and the individual is motivated to continue to behave entrepreneurially.
- A. stressful behavior
 - B. entrepreneurial behavior
 - C. the dark side
 - D. unrealistic optimism

87. Name the three sources of research on entrepreneurs and explain five entrepreneurial characteristics that you feel are important.

88. Explain and discuss the “dark side” of entrepreneurship.

89. Discuss the specific areas of entrepreneurial risk.

90. Name the sources of entrepreneurial stress and discuss the ways of dealing with stress.

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87. Name the three sources of research on entrepreneurs and explain five entrepreneurial characteristics that you feel are important.

The three sources of research are publications, direct observations, and speeches or presentations. Publications include both research-based and popular sources. Direct observation is done through interviews, surveys, and case studies. Speeches and presentations are given by practicing entrepreneurs. Characteristics that are important to one individual may not be the same characteristics that are important to another. One characteristic is the drive to achieve.

88. Explain and discuss the “dark side” of entrepreneurship.

The entrepreneurial profile has its destructive side. First, the need for control can become an obsession. The need for control can cause problems in networking and in an entrepreneurial team. A sense of distrust can cause the entrepreneur to lose sight of reality or focus on trivial things. An entrepreneur’s desire for success can also be destructive if the individual becomes more important than the venture itself. The last “dark side” trait is external optimism. When the entrepreneur takes optimism to the extreme, he or she may begin using a fantasy approach to the business. Trends, facts, and reports are ignored because the entrepreneur thinks everything will turn out fine.

89. Discuss the specific areas of entrepreneurial risk.

The four areas of risk are financial risk, career risk, family and social risk, and psychic risk. First, financial risk deals with the amount of savings or resources that the entrepreneur puts into venture. If the venture is not successful, the money or resources will most likely be lost. The entrepreneur will probably sign obligations that exceed his or her personal wealth. The second risk is career. The would-be entrepreneur frequently asks if he or she will be able to find a job or go back to a previous job. The new venture has no guarantees about career security. Family and social risk are also to be considered.

90. Name the sources of entrepreneurial stress and discuss the ways of dealing with stress.

Entrepreneurs experience four types of stress. The first is loneliness. Although there are many people around the entrepreneur, there are few in whom he can confide. Another stress is immersion in business. A successful entrepreneur may make enough money for vacations, but never have the time to go because the business would not allow it. People problems are another type of stress. The entrepreneur may get frustrated, disappointed, and aggravated by employees or other individuals upon whom the venture’s work depends. Usually this happens when the entrepreneur’s expectations of a high performance are not met. The last source of stress is the need to achieve. The entrepreneur usually attempts to accomplish too much and sometimes cannot manage to control the need for achievement. The three steps an entrepreneur can take to reduce stress are acknowledging its existence, developing coping mechanisms, and probing for personal unacknowledged needs. There are five ways in which an entrepreneur can cope with stress. First is networking. Networking involves sharing experiences with other business owners. Another coping mechanism is to get away from it all. These interludes help combat immersion in business. Communicating with subordinates may help to cope with stress. The entrepreneur can be aware of the concerns employees have about their jobs.

Finding satisfaction outside of the company is also important. The entrepreneur needs to get away and enjoy life. The last way an entrepreneur can deal with stress is by delegating. Appropriate delegates need to be found and trained so the entrepreneur can gain time away from the business.

