

Entrepreneur

Study Guide

Assessment:

0911 Entrepreneur

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**OKLAHOMA
WORKS**

Aligned to the National
Content Standards for
Entrepreneurship
Education

Overview

This study guide is designed to help students prepare for the Entrepreneur assessment. It not only includes information about the assessment, but also the skills standards upon which the assessment is based and test taking strategies.

Each of the four sections in this guide provides useful information for students preparing for the Entrepreneur assessment.

- CareerTech and Competency-Based Education: A Winning Combination
- Entrepreneur Assessments
 - ▶ Assessment Information
 - ▶ Standards and Test Content
 - ▶ Sample Questions
 - ▶ Abbreviations, Symbols and Acronyms
- Strategies for Test Taking Success
- Notes

This assessment is aligned with the National Content Standards for Entrepreneurship Education. The Consortium for Entrepreneurship Education (the Consortium) has been providing leadership and gathering enthusiasm for teaching entrepreneurship in schools since 1983. Their mission is to champion entrepreneurship education and provide advocacy, leadership, networking, technical assistance, and resources nationally across all levels and disciplines of education, while promoting quality practices and programs.

National Content Standards for Entrepreneurship Education:
www.entre-ed.org/Standards_Toolkit/

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CareerTech and Competency-Based Education: A Winning Combination

Competency-based education uses learning outcomes that emphasize both the application and creation of knowledge and the mastery of skills critical for success. In a competency-based education system, students advance upon mastery of competencies, which are measurable, transferable outcomes that empower students.

Career and technology education uses industry professionals and certification standards to identify the knowledge and skills needed to master an occupation. This input provides the foundation for development of curriculum, assessments and other instructional materials needed to prepare students for wealth-generating occupations and produce comprehensively trained, highly skilled employees demanded by the work force.

Tools for Success

CareerTech education relies on three basic instructional components to deliver competency-based instruction: skills standards, curriculum materials, and competency assessments.

Skills standards provide the foundation for competency-based instruction and outline the knowledge and skills that must be mastered in order to perform related jobs within an industry. Skills standards are aligned with national skills standards and/or industry certification requirements; therefore, a student trained to the skills standards is equally employable in local, state and national job markets.

Curriculum materials and textbooks contain information and activities that teach students the knowledge and skills outlined in the skills standards. In addition to complementing classroom instruction, curriculum resources include supplemental activities that enhance learning by providing opportunities to apply knowledge and demonstrate skills.

Certification Assessments test the student over material outlined in the skills standards and taught using the curriculum materials and textbooks. When used with classroom performance evaluations, certification assessments provide a means of measuring occupational readiness.

Each of these components satisfies a unique purpose in competency-based education and reinforces the knowledge and skills students need to gain employment and succeed on the job.

Measuring Success

Evaluation is an important component of competency-based education. Pre-training assessments measure the student's existing knowledge prior to receiving instruction and ensure the student's training builds upon this knowledge base. Formative assessments administered throughout the training process provide a means of continuously monitoring the student's progress towards mastery.

Certification assessments provide a means of evaluating the student's mastery of knowledge and skills. Coaching reports communicate assessment scores to students and provide a breakdown of assessment results by standard area. The coaching report also shows how well the student has mastered skills needed to perform major job functions and identifies areas of job responsibility that may require additional instruction and/or training.

Entrepreneur Assessment Information

What is the Entrepreneur assessment?

The Entrepreneur assessment is an end-of-program assessment for students in the Entrepreneur program. The assessment provides an indication of student mastery of knowledge and concepts necessary for success in this area.

How was the assessment developed?

The assessment was developed by the CareerTech Testing Center. The assessment and standards align with the National Content Standards for Entrepreneurship Education. Items were developed and reviewed by a committee of subject matter experts.

Frequency: represents how often the task is performed on the job. Frequency rating scales vary for different occupations. The rating scale used in this publication is presented below:

1 = less than once a week 2 = at least once a week 3 = once or more a day

Criticality: denotes the level of consequence associated with performing a task incorrectly. The rating scale used in this publication is presented below:

1 = slight 2 = moderate 3 = extreme

What does the assessment cover?

Specifically, the test includes multiple-choice test items over the following areas:

Entrepreneur (60 questions)

Understand the Concepts and Processes Associated with Successful Entrepreneurial Success (Entrepreneurial Processes)	5%
Understand the Personal Traits/Behaviors Associated with Successful Entrepreneurial Performance (Entrepreneurial Traits/Behaviors)	9%
Understand Fundamental Business Concepts That Affect Business Decision Making (Business Foundations)	3%
Understand Concepts, Strategies, and Systems Needed to Interact Effectively With Others (Communications and Interpersonal Skills)	13%
Understand the Concepts and Procedures Needed for Basic Computer Operations (Digital Skills)	2%
Understand the Basic Economic Principles and Concepts Fundamental to Entrepreneurship/Small-Business Ownership (Economics)	3%
Understand Personal Money-Management Concepts, Procedures, and Strategies (Financial Literacy)	12%
Understand Concepts and Strategies Needed for Career Exploration, Development, and Growth (Professional Development)	2%

Identify How to Change System Settings, Install and Remove Software (Financial Management)	5%
Understand the Concepts, Systems, and Strategies Needed to Acquire, Motivate, Develop, and Terminate Staff (Human Resource Management)	5%
Understand the Concepts, Systems, and Tools Needed to Access, Process, Maintain, Evaluate, and Disseminate Information for Business Decision-Making (Information Management)	7%
Understand the Concepts, Processes, and Systems Needed to Determine and Satisfy Customer Needs/Wants/Expectations, Meet Business Goals/Objectives, and Create New Product/Service Ideas (Marketing Management)	16%
Understand the Processes and Systems Implemented to Facilitate Daily Business Operations (Operations Management)	8%
Understand the Concepts, Strategies, and Systems that Businesses Implement and Enforce to Minimize Loss (Risk Management)	7%
Understand the Concepts, Strategies, and Systems Needed to Guide the Overall Business Organization (Strategic Management)	3%

What are the benefits of using the assessment?

Students receive a certificate for each assessment that he/she passes. This certificate may be included in his/her portfolio and used to communicate the student's mastery of the subject matter to potential employers.

When should the assessment be taken?

The CareerTech Testing Center recommends that students take this assessment as soon as possible after receiving all standards-related instruction, rather than waiting until the end of the school year.

Is the assessment timed?

No. Although students may take as long as they need, most finish the assessment within one hour.

What resources can students use on the assessment?

Students are allowed to use calculators and scratch paper on CTTC assessments; however, these items must be provided by the testing proctor and returned to the proctor before the student's exam is submitted for scoring. Calculator apps on cell phones and other devices may not be used on these assessments.

What accommodations can be made for students with Individualized Education Plans (IEPs)?

Accommodations are allowed for students with an Individualized Education Plan. Examples of allowable accommodations include:

- Extended time — This assessment is not timed; therefore, students may take as much time as needed to finish. The assessment must be completed in one testing session.
- Readers — A reader may be used to read the assessment to a student who has been identified as needing this accommodation.
- Enlarged text — Students needing this accommodation can activate this feature by clicking the **AA** icon in the upper right corner of the screen.

What can students expect on Test Day?

All CTTC assessments are web-based and delivered exclusively by a proctor in the school's assessment center. The proctor **cannot** be an instructor or anyone who was involved with the student during instruction.

Assessments are delivered in a question-by-question format. When a question is presented, the student can select a response or leave the question unanswered and advance to the next question. Students may also flag questions to revisit before the test is scored. All questions must be answered before the test can be submitted for scoring.

Can students retake the test?

Students may retake the test unless their school or state testing policies prohibit retesting. Students who can retest must wait at least three days between test attempts.



Standards and Test Content

A. Entrepreneurial Processes (3 questions)

Discovery

1. Explain the need for entrepreneurial discovery. **(1/2)**
2. Discuss entrepreneurial discovery processes. **(1/2)**
3. Assess global trends and opportunities. **(2/3)**
4. Determine opportunities for venture creation. **(2/2)**
5. Assess opportunities for venture creation. **(2/2)**
6. Describe idea-generation methods. **(1/2)**
7. Generate venture ideas. **(2/2)**
8. Determine feasibility of ideas. **(2/2)**

Concept Development

9. Describe entrepreneurial planning considerations. **(2/3)**
10. Explain tools used by entrepreneurs for venture planning. **(2/2)**
11. Assess start-up requirements. **(2/2)**
12. Assess risks associated with venture. **(2/3)**
13. Describe external resources useful to entrepreneurs during concept development. **(2/3)**
14. Assess the need to use external resources for concept development. **(2/3)**
15. Describe strategies to protect intellectual property. **(2/2)**
16. Use components of a business plan to define venture idea. **(3/3)**

Resourcing

17. Distinguish between debt and equity financing for venture creation. **(1/3)**
18. Describe processes used to acquire adequate financial resources for venture creation/start-up. **(1/3)**
19. Select sources to finance venture creation/start-up. **(1/3)**
20. Explain factors to consider in determining a venture's human-resource needs. **(1/3)**
21. Describe considerations in selecting capital resources. **(1/3)**
22. Acquire capital resources needed for the venture. **(1/2)**
23. Assess the costs/benefits associated with resources. **(2/3)**

Actualization

24. Use external resources to supplement entrepreneur's expertise. **(2/3)**
25. Explain the complexity of business operations. **(2/3)**
26. Evaluate risk-taking opportunities. **(2/3)**
27. Explain the need for business systems and procedures. **(2/3)**



28. Describe the use of operating procedures. **(2/3)**
29. Explain methods/processes for organizing work flow. **(2/3)**
30. Develop and/or provide product/service. **(2/3)**
31. Use creativity in business activities/decisions. **(2/3)**
32. Explain the impact of resource productivity on venture success. **(1/3)**
33. Create processes for ongoing opportunity recognition. **(2/3)**
34. Adapt to changes in business environment. **(3/3)**

Harvesting

35. Explain the need for continuation planning. **(2/3)**
36. Describe methods of venture harvesting. **(2/3)**
37. Evaluate options for continued venture involvement. **(2/3)**
38. Explain the need for continuation planning. **(1/2)**

B. Entrepreneurial Traits/Behaviors (5 questions)

Leadership

1. Demonstrate honesty and integrity. **(3/3)**
2. Demonstrate responsible behavior. **(3/3)**
3. Demonstrate initiative. **(3/3)**
4. Demonstrate ethical work habits. **(3/3)**
5. Exhibit passion for goal attainment. **(2/3)**
6. Recognize others' efforts. **(2/3)**
7. Lead others using positive statements. **(2/3)**
8. Develop team spirit. **(2/3)**
9. Enlist others in working toward a shared vision. **(2/3)**
10. Share authority, when appropriate. **(2/3)**
11. Value diversity. **(2/3)**

Personal Assessment

12. Describe desirable entrepreneurial personality traits. **(1/2)**
13. Determine personal biases and stereotypes. **(1/2)**
14. Determine interests. **(1/2)**
15. Evaluate personal capabilities. **(1/2)**
16. Conduct self-assessment to determine entrepreneurial potential. **(1/2)**

Personal Management

17. Maintain positive attitude. **(2/3)**
18. Demonstrate interest and enthusiasm. **(3/3)**
19. Make decisions. **(3/3)**
20. Develop an orientation to change. **(2/3)**
21. Demonstrate problem-solving skills. **(2/3)**
22. Assess risks. **(3/3)**
23. Assume personal responsibility for decisions. **(3/3)**
24. Use time-management principles. **(2/3)**
25. Develop tolerance for ambiguity. **(2/3)**
26. Use feedback for personal growth. **(2/3)**
27. Demonstrate creativity. **(2/3)**
28. Set personal goals. **(2/3)**

C. Business Foundations (2 questions)

Business Concepts

1. Explain the role of business in society. **(1/2)**
2. Describe types of business activities. **(1/3)**
3. Explain types of businesses. **(1/2)**
4. Explain opportunities for creating added value. **(2/3)**
5. Determine issues and trends in business. **(2/3)**
6. Describe crucial elements of a quality culture/continuous quality improvement. **(2/2)**
7. Describe the role of management in the achievement of quality. **(2/2)**
8. Explain the nature of managerial ethics. **(2/3)**
9. Describe the need for and impact of ethical business practices. **(2/3)**

Business Activities

10. Explain marketing management and its importance in a global economy. **(2/3)**
11. Describe marketing functions and related activities. **(2/3)**
12. Explain the nature and scope of operations management. **(2/3)**
13. Explain the concept of management. **(2/3)**
14. Explain the concept of financial management. **(2/3)**
15. Explain the concept of human resource management. **(2/3)**
16. Explain the concept of risk management. **(2/3)**
17. Explain the concept of strategic management. **(2/3)**



D. Communications and Interpersonal Skills (8 questions)

Fundamentals of Communication

1. Explain the nature of effective communications. **(3/3)**
2. Apply effective listening skills. **(3/3)**
3. Use proper grammar and vocabulary. **(3/3)**
4. Reinforce service orientation through communication. **(3/3)**
5. Explain the nature of effective verbal communications. **(3/3)**
6. Address people properly. **(3/3)**
7. Handle telephone calls in a businesslike manner. **(2/3)**
8. Make oral presentations. **(2/3)**
9. Explain the nature of written communications. **(2/3)**
10. Write business letters. **(2/3)**
11. Write informational messages. **(1/3)**
12. Write inquiries. **(1/3)**
13. Write persuasive messages. **(1/3)**
14. Prepare simple written reports. **(1/3)**
15. Prepare complex written reports. **(1/3)**
16. Use communications technologies/systems (e.g., e-mail, faxes, voice mail, cell phones, etc.). **(3/3)**

Staff Communications

17. Follow directions. **(3/3)**
18. Explain the nature of staff communication. **(2/3)**
19. Give directions for completing job tasks. **(2/3)**
20. Conduct staff meetings. **(2/3)**

Ethics in Communication

21. Respect the privacy of others. **(2/3)**
22. Explain ethical considerations in providing information. **(1/3)**

Group Working Relationships

23. Treat others fairly at work. **(3/3)**
24. Develop cultural sensitivity. **(2/3)**
25. Foster positive working relationships. **(3/3)**
26. Participate as a team member. **(3/3)**



Dealing with Conflict

27. Demonstrate self control. **(3/3)**
28. Show empathy for others. **(2/3)**
29. Use appropriate assertiveness. **(3/3)**
30. Demonstrate negotiation skills. **(2/3)**
31. Handle difficult customers/clients. **(2/3)**
32. Interpret business policies to customers/clients. **(2/3)**
33. Handle customer/client complaints. **(2/3)**
34. Explain the nature of organizational change. **(2/3)**
35. Describe the nature of organizational conflict. **(2/3)**
36. Explain the nature of stress management. **(1/3)**

E. Digital Skills (1 question)

Computer Basics

1. Use basic computer terminology **(3/3)**
2. Apply basic commands of operating system software **(3/3)**
3. Employ desktop operating skills **(3/3)**
4. Determine file organization **(2/3)**
5. Demonstrate system utilities for file management **(2/3)**
6. Compress or alter files **(2/2)**
7. Use reference materials to access information **(2/3)**
8. Use menu systems **(2/3)**
9. Use control panel components **(2/2)**
10. Access data through various computer drives **(3/3)**

Computer Applications

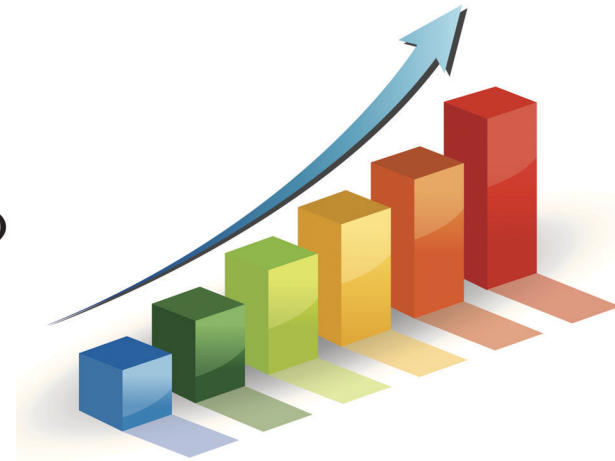
11. Demonstrate basic search skills on the Web **(2/3)**
12. Evaluate credibility of Internet resources **(2/2)**
13. Demonstrate file management skills **(2/3)**
14. Communicate by computer **(2/3)**
15. Solve routine hardware and software problems **(2/3)**
16. Operate computer-related hardware peripherals **(2/3)**
17. Explain the nature of e-commerce **(1/2)**
18. Describe the impact of the Internet on business **(1/3)**
19. Develop basic website **(2/3)**



F. Economics (2 questions)

Basic Concepts

1. Distinguish between economic goods and services **(1/2)**
2. Explain the factors of production **(1/2)**
3. Explain the concept of scarcity **(1/2)**
4. Explain the concept of opportunity costs **(1/2)**
5. Describe the nature of economics and economic activities **(1/2)**
6. Determine forms of economic utility created by business activities **(1/2)**
7. Explain the principles of supply and demand **(1/3)**
8. Describe the concept of price **(1/2)**



Cost-Profit Relationships

9. Explain the concept of productivity **(1/2)**
10. Describe cost/benefit analysis **(1/3)**
11. Analyze the impact of specialization/division of labor on productivity **(1/2)**
12. Explain the concept of organized labor and business **(1/2)**
13. Explain the law of diminishing returns **(1/2)**
14. Describe the concept of economies of scale **(1/2)**

Economic Indicators

15. Explain measures used to analyze economic conditions **(1/2)**
16. Explain the nature of the Consumer Price Index **(1/2)**
17. Explain the concept of Gross Domestic Product **(1/2)**
18. Determine the impact of business cycles on business activities **(1/2)**

Economic Systems

19. Explain the types of economic systems **(1/2)**
20. Describe the relationship between government and business **(1/2)**
21. Assess impact of government actions on business ventures **(1/2)**
22. Explain the concept of private enterprise **(1/2)**
23. Assess factors affecting a business's profit **(1/2)**
24. Determine factors affecting business risk **(1/2)**
25. Explain the concept of competition **(1/2)**
26. Describe types of market structures **(1/3)**
27. Determine the impact of small business/entrepreneurship on market economies **(1/3)**

International Concepts

28. Explain the nature of international trade **(1/3)**
29. Describe small-business opportunities in international trade **(1/3)**
30. Determine the impact of cultural and social environments on world trade **(1/2)**
31. Explain the impact of exchange rates on trade **(1/2)**
32. Evaluate influences on a nation's ability to trade **(1/2)**

G. Financial Literacy (7 questions)

Money Basics

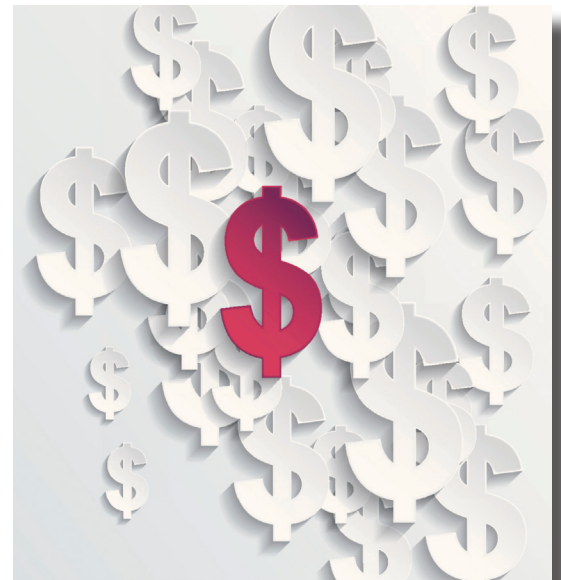
1. Explain forms of financial exchange (cash, credit, debit, etc.) **(2/3)**
2. Describe functions of money (medium of exchange, unit of measure, store of value) **(2/3)**
3. Describe the sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.) **(2/3)**
4. Recognize types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.) **(2/3)**
5. Read and interpret a pay stub **(2/3)**
6. Explain the time value of money **(2/3)**
7. Describe costs associated with credit **(2/3)**
8. Explain legal responsibilities associated with use of money **(2/3)**
9. Use money effectively **(2/3)**

Financial Services

10. Describe services provided by financial institutions **(1/2)**
11. Explain legal responsibilities of financial institutions **(1/2)**
12. Explain costs associated with use of financial services **(1/2)**
13. Select financial institution **(1/2)**
14. Open account with financial institution **(1/2)**

Personal Money Management

15. Set financial goals **(2/3)**
16. Develop savings plan **(2/3)**
17. Develop spending plan **(2/3)**
18. Make deposits to and withdrawals from account **(2/3)**
19. Complete financial instruments **(2/3)**
20. Maintain financial records **(2/3)**
21. Read and reconcile financial statements **(2/3)**
22. Correct errors with account
23. Explain types of investments **(1/3)**



24. Invest money **(1/3)**
25. Develop personal budget **(2/3)**
26. Build positive credit history **(2/3)**
27. Improve/repair creditworthiness **(2/3)**

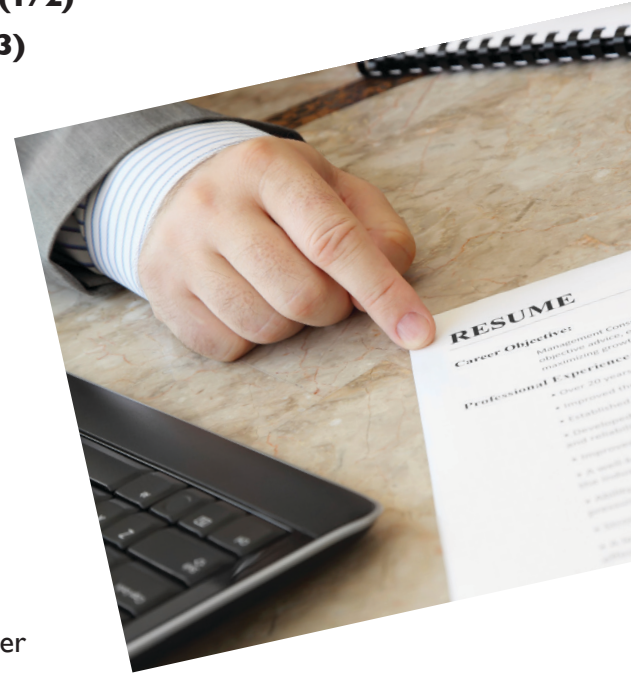
H. Professional Development (1 question)

Career Planning

1. Evaluate career opportunities based on current/future economy **(1/2)**
2. Analyze employer expectations in the business environment **(1/3)**
3. Explain the rights of workers **(1/2)**
4. Select and use sources of career information **(1/2)**
5. Determine tentative occupational interest **(1/2)**
6. Explain employment opportunities in entrepreneurship **(1/2)**

Job-Seeking Skills

7. Utilize job-search strategies **(1/3)**
8. Complete a job application **(1/3)**
9. Interview for a job **(1/3)**
10. Write a follow-up letter after job interviews **(1/3)**
11. Write a letter of application **(1/3)**
12. Prepare a résumé **(1/3)**
13. Describe techniques for obtaining work experience (e.g., volunteer activities, internships) **(1/2)**
14. Explain the need for ongoing education as a worker **(1/3)**
15. Explain possible advancement patterns for jobs **(1/3)**
16. Determine skills needed to enhance career progression **(1/3)**
17. Utilize resources that can contribute to professional development (e.g., trade journals/ periodicals, professional/trade associations, classes/seminars, trade shows, and mentors) **(2/3)**
18. Use networking techniques for professional growth **(1/3)**



I. Financial Management (3 questions)

Accounting

1. Explain accounting standards (GAAP) **(1/3)**
2. Prepare estimated/projected income statement **(2/3)**
3. Estimate cash-flow needs **(2/3)**
4. Prepare estimated/projected balance sheet **(2/3)**

5. Calculate financial ratios **(1/3)**
6. Determine and deposit payroll taxes **(1/3)**
7. File tax returns **(1/3)**

Finance

8. Explain the purposes and importance of obtaining business credit **(1/3)**
9. Make critical decisions regarding acceptance of bank cards **(2/3)**
10. Establish credit policies **(2/3)**
11. Develop billing and collection policies **(2/3)**
12. Describe use of credit bureaus **(1/2)**
13. Explain the nature of overhead/operating expenses **(2/3)**
14. Determine financing needed to start a business **(2/3)**
15. Determine risks associated with obtaining business credit **(1/3)**
16. Explain sources of financial assistance **(1/3)**
17. Explain loan evaluation criteria used by lending institutions **(1/2)**
18. Select sources of business loans **(1/2)**
19. Establish relationship with financial institutions **(1/2)**
20. Complete loan application process **(1/3)**
21. Determine business's value **(1/3)**



Money Management

22. Establish financial goals and objectives **(1/3)**
23. Develop and monitor budget **(2/3)**
24. Manage cash flow **(3/3)**
25. Explain the nature of capital investment **(1/3)**
26. Foster a positive financial reputation **(2/3)**
27. Implement procedures for managing debt **(1/3)**
28. Supervise/implement regular accounting procedures and financial reports **(2/3)**

J. Human Resource Management (3 questions)

Organizing

1. Develop a personnel organizational plan **(1/3)**
2. Develop job descriptions **(1/3)**
3. Develop compensation plan/incentive systems **(1/3)**
4. Organize work/projects for others **(1/3)**
5. Delegate responsibility for job tasks **(2/3)**

Staffing

6. Determine hiring needs **(1/3)**
7. Recruit new employees **(1/3)**
8. Screen job applications/résumés **(1/3)**
9. Interview job applicants **(1/3)**
10. Select new employees **(1/3)**
11. Negotiate new-hire's salary/pay **(1/3)**
12. Dismiss/Fire employee **(1/3)**

Training/Development

13. Orient new employees (management's role) **(1/3)**
14. Conduct training class/program **(1/3)**
15. Coach employees **(2/3)**

Morale/Motivation

16. Exhibit leadership skills **(3/3)**
17. Encourage team building **(2/3)**
18. Recognize/reward employees **(1/3)**
19. Handle employee complaints/grievances **(1/3)**
20. Ensure equitable opportunities for employees **(2/3)**
21. Build organizational culture **(2/2)**

Assessment

22. Assess employee morale **(1/3)**
23. Provide feedback on work efforts **(1/3)**
24. Assess employee performance **(1/3)**
25. Take remedial action with employee **(1/3)**
26. Conduct exit interviews **(1/3)**



K. Information Management (4 questions)

Record Keeping

1. Explain the nature of business records **(2/3)**
2. Maintain record of daily financial transactions **(3/3)**
3. Record and report sales tax **(2/3)**
4. Develop payroll record keeping system **(2/3)**
5. Maintain personnel records **(2/3)**
6. Maintain customer records **(2/3)**

Technology

7. Explain ways that technology impacts business (1/2)
8. Use Personal Information Management/Productivity applications (2/2)
9. Demonstrate writing/publishing applications (2/3)
10. Demonstrate presentation applications (1/3)
11. Demonstrate database applications (2/3)
12. Demonstrate spreadsheet applications (2/3)
13. Demonstrate collaborative/groupware applications (1/3)
14. Determine venture's technology needs (1/2)

Information Acquisition

15. Select sources of business start-up information (1/2)
16. Conduct an environmental scan to obtain marketing information (1/2)
17. Monitor internal records for marketing information (1/2)
18. Determine underlying customer needs/frustrations (1/2)

L. Marketing Management (10 questions)

Product/Service Creation

1. Explain methods to generate a product/service idea (2/3)
2. Generate product/service ideas (2/3)
3. Assess opportunities for import substitution (2/3)
4. Determine product/service to fill customer need (2/3)
5. Determine initial feasibility of product/service ideas (2/3)
6. Plan product/service mix (2/3)
7. Choose product name (2/3)
8. Determine unique selling proposition (2/3)
9. Develop strategies to position product/service (2/3)
10. Build brand/image (2/3)
11. Evaluate customer experience (2/3)

Marketing-Information Management

12. Explain the concept of market and market identification (1/3)
13. Describe the role of situation analysis in the marketing-planning process (1/3)
14. Determine market segments (2/3)
15. Select target markets (2/3)
16. Conduct market analysis (2/3)
17. Explain the concept of marketing strategies (1/3)



18. Describe the nature of marketing planning **(1/3)**
19. Set a marketing budget **(1/3)**
20. Develop marketing plan **(1/3)**
21. Monitor and evaluate performance of marketing plan **(2/3)**

Promotion

22. Describe the elements of the promotional mix **(2/3)**
23. Calculate advertising media costs **(2/3)**
24. Select advertising media **(2/3)**
25. Prepare a promotional budget **(2/3)**
26. Develop promotional plan for a business **(2/3)**
27. Write a news release **(2/3)**
28. Obtain publicity **(2/3)**
29. Select sales-promotion options **(2/3)**
30. Write sales letters **(2/3)**
31. Manage online (www) activities **(2/3)**
32. Evaluate effectiveness of advertising **(2/3)**

Pricing

33. Calculate breakeven point **(2/3)**
34. Explain factors affecting pricing decisions **(2/3)**
35. Establish pricing objectives **(2/3)**
36. Select pricing strategies **(2/3)**
37. Set prices **(2/3)**
38. Adjust prices to maximize profitability **(2/3)**

Selling

39. Acquire product information for use in selling **(2/3)**
40. Analyze product information to identify product features and benefits **(2/3)**
41. Prepare for the sales presentation **(2/3)**
42. Establish relationship with client/customer **(3/3)**
43. Determine customer/client needs **(3/3)**
44. Determine customer's buying motives for use in selling **(2/3)**
45. Differentiate between consumer and organizational buying behavior **(1/3)**
46. Recommend specific product **(2/3)**
47. Convert customer/client objections into selling points **(2/3)**
48. Close the sale **(2/3)**
49. Demonstrate suggestion selling **(2/3)**



50. Plan follow up strategies for use in selling **(2/3)**
51. Process sales documentation **(2/3)**
52. Prospect for customers **(2/3)**
53. Plan strategies for meeting sales quotas **(2/3)**
54. Analyze sales reports **(2/3)**
55. Train staff to support sales efforts **(2/3)**
56. Analyze technology for use in the sales function **(2/3)**
57. Manage online sales process **(2/3)**

M. Operations Management (5 questions)

Business Systems

1. Plan business layout **(1/3)**
2. Determine equipment needs **(1/3)**
3. Document business systems and procedures **(2/3)**
4. Establish operating procedures **(1/3)**
5. Develop project plans **(2/3)**
6. Analyze business processes and procedures **(2/3)**
7. Implement quality improvement techniques **(2/3)**
8. Evaluate productivity of resources **(2/3)**
9. Manage computer-based operating systems **(2/3)**

Channel Management

10. Select business location **(1/3)**
11. Select distribution channels **(2/3)**
12. Develop and implement order-fulfillment processes **(1/3)**

Purchasing/Procurement

13. Explain the buying process **(1/3)**
14. Describe the nature of buyer reputation and vendor relationships **(1/3)**
15. Establish company buying/purchasing policies **(1/3)**
16. Conduct vendor search **(2/3)**
17. Choose vendors **(2/3)**
18. Negotiate contracts with vendors **(2/3)**
19. Place orders **(2/3)**
20. Barter with vendors **(2/3)**



Daily Operations

21. Schedule staff **(2/3)**
22. Maintain inventory of products/supplies **(2/3)**
23. Organize shipping/receiving **(2/3)**

N. Risk Management (4 questions)

Business Risks

1. Describe types of business risk **(1/3)**
2. Determine ways that small businesses protect themselves against loss **(1/3)**
3. Establish controls to prevent embezzlement/theft **(2/3)**
4. Establish and implement systems to protect customer/employee confidentiality **(2/3)**
5. Determine business's liabilities **(2/3)**
6. Explain ways to transfer risk **(2/3)**
7. Obtain insurance coverage **(2/3)**
8. Develop strategies to protect computer (digital) data **(2/3)**
9. Develop security policies and procedures **(2/3)**
10. Establish safety policies and procedures **(2/3)**
11. Protect assets from creditors **(2/3)**
12. Establish parameters for staff responsibility/authority **(2/3)**
13. Develop continuation plan **(2/3)**

Legal Considerations

14. Explain legal issues affecting businesses **(1/3)**
15. Protect intellectual property rights **(2/3)**
16. Select form of business ownership **(1/3)**
17. Obtain legal documents for business operations **(1/3)**
18. Describe the nature of businesses' reporting requirements **(1/3)**
19. Adhere to personnel regulations **(2/3)**
20. Implement workplace regulations (including OSHA,ADA) **(2/3)**
21. Develop strategies for legal/government compliance **(1/3)**



O. Strategic Management (2 question)

Planning

1. Conduct SWOT analysis (1/3)
2. Conduct competitive analysis (1/2)
3. Evaluate business acquisition options (1/2)
4. Develop company goals/objectives (1/2)
5. Develop business mission (1/2)
6. Forecast income/sales (1/3)
7. Conduct break-even analysis (1/2)
8. Develop action plans (1/2)
9. Develop business plan (2/3)

Controlling

10. Use budgets to control operations (2/2)
11. Develop expense-control plans (1/2)
12. Analyze cash-flow patterns (1/3)
13. Interpret financial statements (1/3)
14. Analyze operating results in relation to budget/industry (1/2)
15. Track performance of business plan (1/3)



Sample Questions

- _____ 1. If a small business owner (sole proprietor) is responsible for all the debts and choices of a business, the owner is considered to have:
- extendible liability.
 - limited liability.
 - restrictive liability.
 - unlimited liability.
- _____ 2. The purpose of SWOT analysis is to examine a company's:
- strategies, weaknesses, opportunities, and technology.
 - strategies, weaknesses, opportunities, and threats
 - strengths, weaknesses, operational costs, and threats.
 - strengths, weaknesses, opportunities, and threats.
- _____ 3. Which of the following business documents is created for the purpose of describing the current market position of a business and its strategy for making the customer aware of the product or service that is being offered?
- business plan
 - growth plan
 - marketing plan
 - organizational plan
- _____ 4. A "period-of-time" report on the profitability of business operations is a/an:
- balance sheet.
 - income statement.
 - statement of changes in retained earnings.
 - statement of changes in financial position.
- _____ 5. Entrepreneurs can seek technical and general assistance in a specific industry by joining which of the following organizations?
- chamber of commerce
 - enterprise zone
 - trade association
 - Small Business Administration
- _____ 6. A way to establish a good credit record is to:
- borrow to the maximum individual credit limit.
 - pay bills when they are due.
 - use credit as little as possible or not at all.
 - use credit when income is unreliable.

- _____ 7. In periods of rising prices, which inventory costing method produces a lower gross margin, lower income before tax, and smaller cash outflows for income tax purposes?
- a. FIFO
 - b. LIFO
 - c. Weighted Average
 - d. Specific Identification
- _____ 8. What is reflected in every contact with customers and in completion of work assignments?
- a. attitude
 - b. composure
 - c. productivity
 - d. efficiency
- _____ 9. Original creative work that can be legally protected by a patent, trademark, or copyright is called:
- a. copyright infringement.
 - b. intellectual property.
 - c. personal property.
 - d. real property.
- _____ 10. Which application is the best choice for creating reports, tables, letters and memos?
- a. database
 - b. presentation
 - c. spreadsheet
 - d. word processing



Sample Questions — Key

1. If a small business owner (sole proprietor) is responsible for all the debts and choices of a business, the owner is considered to have:
 - a. extendible liability. Wrong, but plausible
 - b. limited liability. Wrong, but plausible
 - c. restrictive liability. Wrong, but plausible
 - d. unlimited liability. Correct

2. The purpose of SWOT analysis is to examine a company's:
 - a. strategies, weaknesses, opportunities, and technology. Wrong, but plausible
 - b. strategies, weaknesses, opportunities, and threats. Wrong, but plausible
 - c. strengths, weaknesses, operational costs, and threats. Wrong, but plausible
 - d. strengths, weaknesses, opportunities, and threats. Correct

3. Which of the following business documents is created for the purpose of describing the current market position of a business and its strategy for making the customer aware of the product or service that is being offered?
 - a. business plan Wrong, but plausible
 - b. growth plan Wrong, but plausible
 - c. marketing plan Correct
 - d. organizational plan Wrong, but plausible

4. A “period-of-time” report on the profitability of business operations is a/an:
 - a. balance sheet. Wrong, but plausible
 - b. income statement. Correct
 - c. statement of changes in retained earnings. Wrong, but plausible
 - d. statement of changes in financial position. Wrong, but plausible

5. Entrepreneurs can seek technical and general assistance in a specific industry by joining which of the following organizations?
 - a. chamber of commerce Wrong, but plausible
 - b. enterprise zone Wrong, but plausible
 - c. trade association Correct
 - d. Small Business Administration Wrong, but plausible

6. A way to establish a good credit record is to:
 - a. borrow to the maximum individual credit limit. Wrong, but plausible
 - b. pay bills when they are due. Correct
 - c. use credit as little as possible or not at all. Wrong, but plausible
 - d. use credit when income is unreliable. Wrong, but plausible

7. In periods of rising prices, which inventory costing method produces a lower gross margin, lower income before tax, and smaller cash outflows for income tax purposes?

- a. FIFO Wrong, but plausible
- b. LIFO Correct
- c. Weighted Average Wrong, but plausible
- d. Specific Identification Wrong, but plausible

8. What is reflected in every contact with customers and in completion of work assignments?

- a. attitude Correct
- b. composure Wrong, but plausible
- c. productivity Wrong, but plausible
- d. efficiency Wrong, but plausible

9. Original creative work that can be legally protected by a patent, trademark, or copyright is called:

- a. copyright infringement. Wrong, but plausible
- b. intellectual property. Correct
- c. personal property. Wrong, but plausible
- d. real property. Wrong, but plausible

10. Which application is the best choice for creating reports, tables, letters and memos?

- a. database Wrong, but plausible
- b. presentation Wrong, but plausible
- c. spreadsheet Wrong, but plausible
- d. word processing Correct

Abbreviations, Symbols and Acronyms

The following is a list of abbreviations, symbols, and acronyms used in the Entrepreneur study guide and on the Entrepreneur test.

USB	Universal Serial Bus
ATM	Automated Teller Machine
PIN	Personal Identification Number
%	Percent
IRS	Internal Revenue Service
U.S.	United States
RFP	Request for Proposal
SFP	Small Form-Factor Pluggable
RFI	Request for information
RFC	Request for comments
FIFO	First In First Out
LIFO	Last In First Out
SWOT	strength, weakness, opportunities, threats

Test Taking Strategies

This section of the study guide contains valuable information for testing success and provides a common-sense approach for preparing for and performing well on any test.

General Testing Advice

1. Get a good night's rest the night before the test — eight hours of sleep is recommended.
2. Avoid junk food and “eat right” several days before the test.
3. Do not drink a lot or eat a large meal prior to testing.
4. Be confident in your knowledge and skills!
5. Relax and try to ignore distractions during the test.
6. Focus on the task at hand — taking the test and doing your best!
7. Listen carefully to the instructions provided by the exam proctor. If the instructions are not clear, ask for clarification.

Testing Tips

1. Read the entire question before attempting to answer it.
2. Try to answer the question before reading the choices. Then, read the choices to determine if one matches, or is similar, to your answer.
3. Do not change your answer unless you misread the question or are certain that your first answer is incorrect.
4. Answer questions you know first, so you can spend additional time on the more difficult questions.
5. Check to make sure you have answered every question before you submit the assessment for scoring — unanswered questions are marked incorrect.



