

# Fundamentals of Entrepreneurship

Business Studies · Practice Test · 18 Questions

---

## 1. What is the primary definition of an entrepreneur?

- A) A person who manages a government office
- B) A person who organizes and operates a business while taking on financial risk
- C) A person who works exclusively for a large corporation
- D) A person who only provides funding for others

## 2. Which document outlines a company's goals and the plan to reach them?

- A) A business plan
- B) A tax return
- C) A payroll summary
- D) A customer complaint log

## 3. What is 'seed capital'?

- A) Money used for buying office furniture
- B) The initial funding used to begin a business
- C) Profits earned after five years
- D) A tax paid on agricultural products

## 4. What does the term 'revenue' refer to in a business?

- A) The total amount of money brought in by sales
- B) The amount of money spent on employee snacks
- C) The total number of hours worked
- D) The government registration fee

## 5. What is a 'startup'?

- A) A large, multinational corporation
- B) A newly established business in its early stages
- C) A non-profit organization only
- D) A government-owned utility company

## 6. Which of the following is considered an asset?

- A) A company's debt
- B) Unpaid bills
- C) Office equipment owned by the business
- D) Customer complaints

**7. What is a 'target market'?**

- A) A group of customers a business aims to sell to
- B) A location where farmers sell vegetables
- C) The stock market index
- D) The total population of a country

**8. What is the purpose of a 'USP' (Unique Selling Proposition)?**

- A) To describe how a product is better or different from competitors
- B) To calculate the company's taxes
- C) To register the company name
- D) To interview new employees

**9. What are 'operating expenses'?**

- A) Costs incurred in the normal course of business
- B) Money spent on personal vacations
- C) Dividends paid to shareholders
- D) Taxes paid on investments

**10. Which of these is a form of business ownership?**

- A) Sole proprietorship
- B) Government mandate
- C) Public holiday
- D) Social media feed

**11. What is a 'dividend'?**

- A) A distribution of a portion of a company's earnings to shareholders
- B) A type of insurance policy
- C) A marketing slogan
- D) The cost of raw materials

**12. What does 'profit margin' measure?**

- A) The percentage of revenue that exceeds costs
- B) The height of a building
- C) The speed of a computer
- D) The number of employees in a firm

**13. What is a 'competitor'?**

- A) A business that offers similar products or services
- B) A customer who returns a product
- C) An employee who works remotely
- D) A government tax inspector

**14. Which of these is considered 'intellectual property'?**

- A) A patent for an invention
- B) A delivery truck
- C) A desk chair
- D) A window curtain

**15. What does 'scalability' refer to in a business?**

- A) The ability to grow and handle increased demand
- B) The weight of the products
- C) The number of office windows
- D) The brightness of the company logo

**16. What is a 'brand'?**

- A) The name, term, or design that distinguishes a business from others
- B) The factory where products are made
- C) The legal address of a company
- D) The tax identification number

**17. What is 'market research'?**

- A) Gathering information about consumer needs and preferences
- B) Hiring new office staff
- C) Designing the company logo
- D) Cleaning the warehouse

**18. What is a 'venture capitalist'?**

- A) An investor who provides capital to high-potential startups
- B) A bank teller
- C) A retail store clerk
- D) A personal financial advisor