Scientific Foundations of Entrepreneurship

Entrepreneurship · Practice Test · 8 Questions

1. According to Joseph Schumpeter's theory of economic development, what is the primary engine of economic growth?

A) The accumulation of capital
B) Creative destruction
C) Government intervention
D) Market equilibrium

2. Which economist defined the entrepreneur as the individual who 'shifts economic resources out of an area of lower and into an area of higher productivity and greater yield'?

A) Jean-Baptiste Say
B) Adam Smith
C) David Ricardo
D) John Maynard Keynes

3. In the context of Effectuation Theory, what is the core principle that suggests entrepreneurs focus on using existing means rather than searching for specific goals?

A) The Lemonade Principle
B) The Bird-in-Hand Principle
C) The Crazy Quilt Principle
D) The Affordable Loss Principle

4. Which psychological trait was identified by David McClelland in his 1961 research as the primary driver for entrepreneurial success?

A) External Locus of Control
B) High Need for Achievement
C) Risk-aversion
D) Introversion

5. What does the 'Liability of Newness' theory, proposed by Arthur Stinchcombe, state about startup firms?

A) They are more likely to fail due to a lack of established routines and social ties
B) They are more profitable due to lean operations
C) They have lower tax burdens than legacy firms
D) They have superior access to venture capital

6. What is the primary focus of the 'Resource-Based View' (RBV) of the firm in an entrepreneurial context?

A) External market trends
B) Competitive pricing strategies
C) Internal tangible and intangible assets
D) Global economic cycles

7. Frank Knight, in his 1921 work 'Risk, Uncertainty, and Profit', made what key distinction regarding entrepreneurs?

A) The difference between calculable risk and non-calculable uncertainty
B) The difference between profit and revenue
C) The difference between management and labor
D) The difference between innovation and invention

8. What does the 'Pivot' concept in the Lean Startup methodology, popularized by Eric Ries, scientifically involve?

A) Increasing advertising expenditure
B) A structured course correction designed to test a new fundamental hypothesis
C) Changing the company logo
D) Liquidating all company assets