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ENT101 INTRODUCTION TO ENTREPRENEURSHIP SUMMARY

The basic _____ of every organization is to achieve its goal or purpose.

Element

The basic element of every _____ is to achieve its goal or purpose.

Organization

The basic element of every organization is to achieve its _____ or purpose.

Goal

The basic element of every organization is to achieve its goal or _____.

Purpose

_____ is a conscious practice of shaping the organization to achieve its set goal and objectives.

Management

The conscious practice of shaping the organization to achieve its set goal and objectives is called _____.

Management

_____ is the process of working with people and resources to accomplish organizational goals in effective and efficient manner.

Management

The four traditional management principles include

- Planning
- Organizing
- Leading
- Controlling

_____ is applicable to both business and non-business organizations alike such as banks, factories, hospitals as well as churches, mosques, orphanages etc.

Management

The basic purpose of any form of management in organizations is to _____

Achieve corporate set goals and objectives in an effective and efficient manner

A _____ is one who has the responsibility to plan, organize, lead and control its available resources effectively and efficiently in order to achieve organizational purpose.

Manager

_____ is essential in all organizations, profit or non-profit organizations.

Management

Management principles are the same all over the world.

True

Management is a _____ concept applied in organizations that have people working together with a structure and that harness its scarce resources in order to accomplish its corporate goals.

Universal

The concept that management is required in all organization is called _____

Universality

Management is about _____ result not just profit.

Achieving

Management is about achieving result not just _____.

Profit

The primary purpose of management is to achieve desired goals by efficiently utilizing available resources.

An _____ is a person who has possession of an enterprise, or venture, and assumes significant accountability for the inherent risks and the outcome of the enterprise.

Entrepreneur

_____ are individuals who notice opportunities and take responsibility for mobilizing the resources necessary to produce new and improved goods and services.

Entrepreneurs

_____ defines entrepreneurs as the owners of the business who contribute the capital and bear the risk of uncertainties in business life.

Sharma (1999)

_____ defines the entrepreneur as someone who always searches for change, respond to it, and exploits it as an opportunity.

Drucker (1986)

Bateman and Snell (2011) define entrepreneurship as a situation when an enterprising individual pursues a lucrative opportunity.

_____ is defined as the willingness and ability of an individual (or a group of individuals) to seek out investment opportunities, especially through innovation, establish and run the enterprise successfully.

Entrepreneurship

The Role of Entrepreneurship in a Developing Society

- Employment Generation
- Productivity
- Facilitate the transfer/adaptation of technology
- Ensures increased resource utilization
- Stimulates growth in those sectors which supplies it with inputs
- Reinvigorates large-scale enterprises and public enterprises
- Encourages and sustains economic dynamism that enables an economy to adjust successfully in a rapidly changing global economy
- Enables individuals to use their potential and energies to create wealth, independence and status for themselves in society.

_____ stimulates growth in its supply market.

Entrepreneurship

Entrepreneurship stimulates _____ in its supply market.

Growth

Entrepreneurship stimulates growth in its _____ market.

Supply

Entrepreneurship stimulates growth in its supply _____.

Market

SMEs stands for _____

Small and Medium Scale Enterprises

The entrepreneur is expected to perform the following functions:

- Perception and identification of business opportunities
- Selection of the legal form, location and site of the business
- Identification, selection and acquisition of key resources
- Innovation
- Risk bearing
- Management of the ongoing enterprises

The first function of the entrepreneur is _____

Perception and identification of business opportunities

_____ is usually regarded as the height of entrepreneurship.

Innovation

_____ simply refers to striving to satisfy your customers better than what competitors are doing/offering.

Innovation

There are various types of risks in business. The risk of fire, accidents, bad debts, theft etc can be minimized by taking preventive action and by insuring against them.

_____ is the process of setting objectives and coordinating resources, including people, in order to attain those objectives.

Management

_____ is a transformation process, where technical, human, and conceptual skills are used to transform inputs into outputs.

Management

Management is both an art and a science.

True

Management is an art because_____

It involves the use of instinct

Management is a science because it

It involves the use of logic

_____ pursue opportunity regardless of resources controlled.

Entrepreneurs

Entrepreneurs pursue _____ regardless of resources controlled.

Opportunity

Entrepreneurs pursue opportunity regardless of _____ controlled.

Resources

Entrepreneurs pursue opportunity regardless of resources_____.

Controlled

An _____ is a manager, scientist, or researcher who works inside an existing organization and notices opportunities for product improvements and is responsible for managing the product development process.

Intrapreneur

_____ is the process whereby an organization seeks to expand by exploring new opportunities through new combinations of its existing resources

Intrapreneurship

Intrapreneurship is also called_____

Corporate entrepreneurship

The following are important to support intrapreneurship

- Explicit goals for intrapreneurial processes

- A system of information exchange between managers and intrapreneurs
- An emphasis on individual responsibility and accountability
- Rewards for creative effort

The following are the characteristics of successful entrepreneurs

- Drive and Energy
- Self-confidence
- Long term involvement
- Money as a measure
- Persistent problem solving
- Goal setting
- Preference for moderate risk
- Dealing with failure
- Desire for immediate feedback
- Taking initiative and seeking personal responsibility
- Use of resources
- Competing against self-imposed and objective standards
- Internal locus of control belief
- Tolerance of ambiguity and uncertainty

Entrepreneurs are more _____ than the average person.

Energetic

Entrepreneurs are more energetic than the _____ person.

Average

_____ often immerse themselves completely in their companies.

Business founders

Business founders often _____ themselves completely in their companies.

Immerse

Business founders often immerse themselves completely in their_____.

Companies

_____ have the ability and commitment to set goals that are both measurable and attainable for themselves.

Entrepreneurs

Entrepreneurs have the ability and commitment to set goals that are both _____ and attainable for themselves.

Measurable

Entrepreneurs have the ability and commitment to set goals that are both measurable and _____ for themselves.

Attainable

Entrepreneurs have the ability and commitment to set _____ that are both measurable and attainable for themselves.

Goals

Entrepreneurs are not wild risk takers but instead take _____ and _____ risk.

Calculated and moderate

Entrepreneurs do not fear _____.

Failure

The use of _____ enables entrepreneurs to assess/take stock of their performance with the aim of improving on it.

Feedback

_____ are truly the backbone of any economy be it developed or developing economy.

small and medium scale enterprises (SMEs)

The concept of _____ has been seen to be a sine qua non for the development of any economy.

Entrepreneurship

The concept of entrepreneurship has been seen to be a sine qua non for the development of any _____.

Economy

Five important practices for establishing innovation-driven organizations follow:

- Set explicit innovation goals

- Create a system of feedback and positive reinforcement
- Emphasize individual responsibility
- Provide rewards for innovative ideas
- Do not punish failures

Barringer and Ireland (2012) defined an _____ as a favourable set of circumstances that creates a need for a new product, service, or business.

Opportunity

Barringer and Ireland (2012) defined an opportunity as a _____ set of circumstances that creates a need for a new product, service, or business.

Favourable

_____ make a common mistake in the opportunity recognition process by taking a currently available product or service that they like or are passionate about and then trying to build a business around a slightly better version of it.

Entrepreneurs

Entrepreneurs make a common mistake in the opportunity recognition process by taking a currently available product or service that they like or are passionate about and then trying to build a business around a slightly better version of it.

Once the market for a _____ is established its window of opportunity opens.

New product

Once the market for a new product is established its _____ of opportunity opens.

Window

Once the _____ for a new product is established its window of opportunity opens.

Market

Once the market for a new product is established its window of opportunity_____.

Opens

The starting point of a new business creation process is_____

An idea of a product or service which can be used to satisfy an identified need of individuals, families or organizations

A business idea represents the _____stage.

Input

A business opportunity represents the _____stage.

Output

A business idea represents the input stage while a business opportunity represents the output stage.

True

Barringer and Ireland (2012) define an _____as a thought, an impression, or a notion.

Idea

An idea may or may not meet the criteria of an opportunity.

True

_____ believes opportunity comes from a dysfunction in a market

Kirzner (1979)

Kirzner (1979) believes _____comes from a dysfunction in a market

Opportunity

Kirzner (1979) believes opportunity comes from a _____in a market

Dysfunction

Opportunity comes from a dysfunction in a_____

Market

An _____ is a market imperfection or an economical imbalance which can be exploited by an individual who restores market equilibrium.

Opportunity

An opportunity is a market _____ or an economical imbalance which can be exploited by an individual who restores market equilibrium.

Imperfection

An opportunity is a market imperfection or an _____ which can be exploited by an individual who restores market equilibrium.

Economical imbalance

An opportunity is a market imperfection or an economical _____ which can be exploited by an individual who restores market equilibrium.

Imbalance

An opportunity is a market imperfection or an economical imbalance which can be exploited by an individual who restores market _____.

Equilibrium

An opportunity is a market imperfection or an economical imbalance which can be exploited by an individual who restores market equilibrium.

Economical

_____ is considered as a profit which comes from an existing demand and available resources

Opportunity

Opportunity is considered as a _____ which comes from an existing demand and available resources

Profit

Opportunity is considered as a profit which comes from an existing _____ and available resources

Demand

Opportunity is considered as a profit which comes from an existing demand and _____ resources

Available

Opportunity is considered as a profit which comes from an existing demand and available _____

Resources

_____ is when a license is granted by a government or company to a person or group, allowing him/them to use or sell certain products.

Franchise

When a license is granted by a government or company to a person or group, allowing him/them to use or sell certain products it is called_____

Franchise

The vast experience and knowledge gained by _____ in the course of seeking solutions to the problems encountered by organizations is a major source of business idea.

Consultants

The vast _____ and knowledge gained by consultants in the course of seeking solutions to the problems encountered by organizations is a major source of business idea.

Experience

The vast experience and _____ gained by consultants in the course of seeking solutions to the problems encountered by organizations is a major source of business idea

Knowledge

The vast experience and knowledge gained by consultants in the course of seeking solutions to the problems encountered by organizations is a major source of _____

Business idea

A _____ opportunity exists for the entrepreneur if he/she has a product or service to satisfy a clearly defined market need at a satisfactory return to him/her

Business

_____ or market research is a systematic way of gathering, analyzing and interpreting marketing data that will aid the entrepreneur in making marketing decisions.

Market survey

Market survey or market research is a systematic way of gathering, analyzing and interpreting _____ that will aid the entrepreneur in making marketing decisions.

Marketing data

Market survey provides answers to two main questions namely:

- (i) Market Question
- (ii) Competition Question

_____ data is usually divided into primary or secondary sources.

Market research

Market research data is usually divided into _____ or secondary sources.

Primary

Market research data is usually divided into primary or _____ sources.

Secondary

Market research data is usually divided into _____ or _____ sources.

Primary and secondary

_____ data involve first-hand information through the use of questionnaire, interviews, observation or a combination of these methods.

Primary

_____ data is collected from existing records in the organization or from various published sources such as the publications of trade associations, annual reports of companies, official publications of the Central Bank of Nigeria, National Bureau of Statistics, and other regulatory agencies of government.

Secondary

A _____ must be chosen to be representative of the population of interest.

Sample

A sample must be chosen to be _____ of the population of interest.

Representative

A _____ must be chosen to be representative of the population of interest.

Sample

A sample must be chosen to be representative of the _____ of interest.

Population

An entrepreneur's first commitment to his business is the determination of a felt need of a defined customer or consumer.

_____ is the process of evaluating the environment with a view to identifying business opportunities.

Environmental scanning

Environmental scanning is the process of _____ the environment with a view to identifying business opportunities.

Evaluating

Market research is one of the tools of _____ scanning.

Environmental

Market research is one of the tools of environmental _____.

Scanning

_____ is one of the tools of environmental scanning.

Market research

_____ includes advertising, sales promotion, publicity, and personal selling.

Promotional Mix

_____ is a personal form of promotion and involves transmitting standard messages to large numbers of intended receivers.

Advertising

_____ involves activities which are essentially used to complement advertising and personal selling.

Sales promotion

_____ is concerned with the presentation of the firm's image, its products, services or ideas in a favorable light to the public.

Publicity

_____ aims to marry specific products with specific customers on a person – to – person basis to secure ownership transfers

Personal selling

The factors to be considered in choosing a business opportunity are:

- Business experience
- Skills required for the successful operation of the business
- Financial capability
- Risk profile of the entrepreneur
- Support from friends and family members
- The owners personal interest
- The desired level of income
- Legal or Regulatory Constraints

Scarborough (2013) defines a feasibility analysis as the process of determining whether or not an entrepreneur's idea is a viable foundation for creating a successful business.

Inegbenebor (2006) defines a feasibility study as the process by which an entrepreneur investigates the potential outcome of a project.

A feasibility report is a document that outlines the various aspects of the study and the conclusions arrived at.

A feasibility study may be used to achieve the following objectives/purposes:

- It helps to determine the profitability level of the project.
- It demonstrates to potential lenders and investors of the existence and size of the market, the liquidity or otherwise of the project.
- A feasibility study enables the entrepreneur to subject his/her ideas to critical investigation in order to identify flaws in the product or service which may jeopardize the success of the project.
- A feasibility study also point to the financial and human resources that will be required to operate the business successfully.

The following are problems involved in writing a feasibility report

- Paucity of statistical data
- Pressure from clients
- Unethical behavior of consultants
- Unwillingness of sponsor to be guided by the feasibility report

Scarborough (2014) defines a business plan as a written summary of an entrepreneur's proposed business venture, its operational and financial details, its marketing opportunities and strategy, and its managers' skills and abilities.

The following are benefits of drawing up a successful business plan for both the entrepreneur and the financial institutions:

- It forces the entrepreneur to analyse all aspects of the venture and to prepare an effective strategy to deal with the uncertainties that may arise.
- The time, effort, research, and discipline needed to put together a formal business plan force the entrepreneur to view the business critically and objectively.
- The business plan quantifies objectives, providing measurable benchmarks for comparing forecasts with actual results.
- The completed business plan provides the entrepreneur with a communication tool for outside financial institutions as well as an operational tool for guiding the business toward success.
- The business plan provides the details of the market potential and plans for securing a share of that market.
- Through prospective financial statements, the business plan illustrates the venture's ability to service debt or provide an adequate return on equity.
- The plan identifies critical risks and crucial events with a discussion of contingency plans that provide opportunity for the venture's success.
- By providing a comprehensive overview of the entire operation, the business plan gives financial sources a clear, concise document that contains the necessary information for a thorough business and financial evaluation.

The contents of a typical business plan include the following

- Executive Summary

- Company description
- Products and services
- Market analysis
- Proprietary position
- Marketing and sales plan
- Management team
- Operations plan
- Finance

Inegbenebor (2006) defines a _____ as the process by which an entrepreneur investigates the potential outcome of a project.

Feasibility study

_____ may be seen as the process of checking out the workability and profitability of the proposed business.

Feasibility study

The pains and agony of _____ of any business may be avoided by subjecting the business idea to systematic analysis.

Failure

A _____ is a document that outlines the various aspects of the study and the conclusions arrived at.

Feasibility report

A feasibility study may be used to achieve the following objectives/purposes:

- It helps to determine the profitability level of the project.
- It demonstrates to potential lenders and investors of the existence and size of the market, the liquidity or otherwise of the project.
- A feasibility study enables the entrepreneur to subject his/her ideas to critical investigation in order to identify flaws in the product or service which may jeopardize the success of the project.
- A feasibility study also point to the financial and human resources that will be required to operate the business successfully

Inegbenebor (2003) identified the following problems in writing a feasibility report:

- Paucity of statistical data
- Pressure from clients

- Unethical behavior of consultants
- Unwillingness of sponsor to be guided by the feasibility report

Scarborough (2014) defines a _____ as a written summary of an entrepreneur's proposed business venture, its operational and financial details, its marketing opportunities and strategy, and its managers' skills and abilities.

Business plan

Kuratko (2014) identified the following benefits of drawing up a successful business plan for both the entrepreneur and the financial institutions:

- It forces the entrepreneur to analyse all aspects of the venture and to prepare an effective strategy to deal with the uncertainties that may arise.
- The time, effort, research, and discipline needed to put together a formal business plan force the entrepreneur to view the business critically and objectively.
- The business plan quantifies objectives, providing measurable benchmarks for comparing forecasts with actual results.
- The completed business plan provides the entrepreneur with a communication tool for outside financial institutions as well as an operational tool for guiding the business toward success.
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- The plan identifies critical risks and crucial events with a discussion of contingency plans that provide opportunity for the venture's success.
- By providing a comprehensive overview of the entire operation, the business plan gives financial sources a clear, concise document that contains the necessary information for a thorough business and financial evaluation.

_____ summary is the opening chapter of the plan.

Executive

The opening chapter of the plan is called _____

Executive Summary

Executive Summary usually contains _____ pages in length and highlights all the key points of the plan in a way that captivates the reader's interest.

one to three

_____ is a short section which describes the company's business, location and site, strategy, structure and form of organization.

Company description

_____ provides a summary of its goals and plans for the next five years as well as the company's capabilities.

Company description

_____ explains what products or services the company will sell

Products and services

_____ section discusses the need or demand for the product who the target customers will be, and why the customers will buy the product.

Market analysis

_____ section discusses whether the business enterprise will rely on patents or licenses to patents, this section tells us how these patents will contribute to the company's competitive position and assesses whether other patents (i.e. competitors or otherwise) might limit the company's ability to market its products.

Proprietary position

_____ section discusses product, pricing, promotion and positioning strategy as well as how the company plans to attract, retain and maintain customers loyalty.

Marketing and sales plan

Investors consider the _____ as the most crucial asset that will determine the company's growth and help respond to the dynamic nature of the environment.

Management team

_____ section describes the day-to-day operation of the business, highlighting how the key assets (tools, processes and labour) will be utilized to produce and deliver the products and services.

Operations plan

_____ section identifies the capital that will be required to build the business and how it will be used.

Finance

A business plan is useful only if the different components of it are integrated into a single piece of work.

True

The success or failure of a business plan is tied to three major elements with which you started the process

- a good opportunity (including the right timing)
- the right entrepreneurial team
- the necessary resources and capabilities.

A business plan is no substitute for strategy and strong execution.

True

3.3.3 Differences between a Feasibility study and a Business Plan

S/N	Feasibility Study	Business Plan
1.	The key objective is to ascertain the workability and profitability of a business enterprise	The key objective is to determine the sustainability and growth of the business enterprise
2.	It is carried out before a final decision is made to committing resources to the project.	It is developed only after it has been ascertained that a business opportunity
		exists.
3.	It suggests the broad strategies that may be adopted to achieve profitability	It is more specific in terms of goals, strategies and tactics to be adopted.

Barringer and Ireland (2012) identified five most common myths and the realities about entrepreneurs.

- Entrepreneurs are born, not made.
- Entrepreneurs are gamblers.

- Entrepreneurs are motivated primary by money.
- Entrepreneurs should be young and energetic.
- Entrepreneurs love the spotlight.

Entrepreneurs are often referred to as gamblers because of two main reasons. First, many entrepreneurs have a strong need to achieve and often set challenging goals, a behaviour that is occasionally equated with risk taking. Second, most entrepreneurs jobs are less structured, and so they face a more uncertain set of possibilities than managers or non-managerial personnel.

Entrepreneurs are motivated primarily by_____

Money

Entrepreneurs go into business as a result of _____ to work for oneself and to pursue personal innovation.

Freedom

_____ go into business as a result of freedom to work for oneself and to pursue personal innovation.

Entrepreneurs

Entrepreneurs go into business as a result of freedom to work for oneself and to pursue personal_____.

Innovation

Entrepreneurs should be _____ and energetic.

Young

Entrepreneurs should be young and_____.

Energetic

Entrepreneurs should be young and energetic.

True

_____ believed that the increasing number of older aged entrepreneurs is a big change in the entrepreneurial landscape in developed societies like the United States.

Barringer and Ireland (2012)

Entrepreneurs love the_____.

Spotlight

Entrepreneurs are _____ not born

Made

Entrepreneurs are made not born

True

To corroborate the above myths, Nwoye (2011) examines the concept of entrepreneurship myths as follows:

1. Entrepreneurs are made not born
2. All Entrepreneurs are workaholic
3. Entrepreneurship is all about invention
4. Entrepreneur are risk takers
5. All an Entrepreneur is looking for is profit
6. Entrepreneurs are loners and introverts
7. Entrepreneurs are adventurists
8. Entrepreneurs are deceptive individuals
9. Entrepreneurs are academic misfits
10. Entrepreneurship is unstructured and chaotic high-tech wizards.

The _____ indicates that the decision to become an entrepreneur and the development of successful business ideas indicates that sometimes the opportunity to develop an idea may prompt a person to become an entrepreneur.

Entrepreneurial process

Barringer and Ireland (2012) identified four steps involved in the entrepreneurial process

- Decision to become an Entrepreneur
- Developing Successful Business Ideas
- Moving from an idea to an Entrepreneurial Firm
- Managing and Growing an Entrepreneurial Firm

Morris, Kuratko and Covin (2011) made the following differences between corporate and start-up entrepreneurship:

1. They both involve opportunity recognition and definition

2. They both require a unique business concept that takes the form of a product, service or process
3. They are both driven by an individual champion who works with a team to bring the concept to fruition.
4. They both require that the entrepreneur be able to balance vision with managerial skill, passion with pragmatism, and proactiveness with patience.
5. They both involve concepts that are most vulnerable in the formative stage, and that require adaptation overtime.
6. They both entail a window of opportunity within which the concept can be successful capitalized upon.
7. They are both predicated on value creation and accountability to a customer.
8. They both find the entrepreneur encountering resistance and obstacles, necessitating both perseverance and an ability to formulate innovative solutions.
9. They both entail risk and require risk management strategies.
10. They both find the entrepreneur needing to develop creative strategies for leveraging resources.
11. They both involve significant ambiguity.
12. They both require harvesting strategies.

According to Scarborough (2014), the following are the benefits of entrepreneurship

- opportunity to create your own destiny
- opportunity to make a difference
- opportunity to reach your full potential
- opportunity to reap impressive profits
- opportunity to do what you enjoy and have fun at it

Scarborough (2014) identified the following as the disadvantages of entrepreneurship:

- uncertainty of income
- risk of losing your entire investment
- long hours and hard work
- high levels of stress
- complete responsibility

_____ is a tool of communication that have far reaching impact on the performance of economic activities and success of individual firms.

Information and Communication Technology

ICT stands for_____

Information and Communication Technology

_____ is believed by entrepreneurs to be the major constraint in starting and operating a business venture of their own.

Financing

_____ is the study of value and resource allocation, applied to new ventures.

Entrepreneurial finance

The following are several sources from which the entrepreneur can raise funds

- Personal resources
- Entrepreneurial teams
- Sales of shares by private placement
- Business angels
- Rotating credit scheme/osusu/money lenders
- Cooperative societies
- Trade credit and accruals

Personal Resources is divided into _____ parts

Two

Personal Resources is divided into two parts namely_____ and_____.

savings or inherited wealth

SME stands for_____

Small and Medium Scale Enterprises

_____ are created when the new business enterprise buys raw materials, supplies and other component parts meant for production or resale on credit terms with or without signing any formal agreement for the debt.

Trade credits

_____ is an interest free source of funds for the length of the credit period.

Trade credit

_____ refer to trade credit on an intangible goods or services.

Accruals

Reasons why loans may not be granted to an entrepreneur

- Lack of knowledge of the roles of the different financial institutions and the scope of services they provide.
- Lack of skill in presenting their proposals and business plans to the financial institution
- Inadequate financial commitment on the part of the entrepreneur to the project.
- Lack of adequate collateral securities that will guarantee the repayment of the loan
- Poor accounting records which make it difficult to ascertain the true financial position of the firm.
- Inadequate lead time between when the entrepreneurs need the money when the requisition is made to the financial institution and the time required by the financial institutions to process the request.
- Poor quality of business plans and feasibility study on the part of entrepreneurs are the factor inhibiting their access to loans

Inegbenebor (2003) outline the following factors which financial institutions will always consider when evaluating entrepreneurs loan proposal.

- The purpose for which the entrepreneur wants the bank finance
- The amount required.
- The entrepreneur's stake in the business
- Source of repayment of the loan
- Management capacity available to the enterprise
- The character of the entrepreneur.
- Collateral security

Inegbenebor(2003) identified the following pitfalls which the entrepreneur should avoid

- Using short term funds to finance fixed assets
- Failure to utilize the services of a good accountant or failure to heed to the advice of an accountant.
- Inadequate capitalization
- Early diversification into other business activities

- Withdrawal of funds from the business to meet the over increasing social and family commitments.
- Over trading

The _____ is a set of forces and conditions within and outside the organization's boundaries that have the potential to affect the way the organization operates.

Business environment

The _____ environment is a set of forces and conditions within and outside the organization's boundaries that have the potential to affect the way the organization operates.

Business

The _____ environment presents opportunities which organizations can take advantage and threats that the organization should avoid.

Business

The environment of business is divided into _____ sections

Two

The environment of business is divided into two sections: _____ and _____

internal and external environment

_____ consists of a set of forces and conditions within the organization's boundaries that have the potential to affect the way the organization operates.

Internal environment

The _____ of business are those who have legal property rights to the business.

Owners

The _____ are the workers who perform the day to day operations of the organization and ensure that work is being accomplished to achieve the organization's desired goals.

Employees

The _____ sets of people are being supervised and managed by the managers of an organization.

Employees

_____ are responsible for combining and coordinating the resources of an organization including the workers to ensure that organizations achieved their goals.

Managers

CEO stands for _____

Chief Executive Officer

The _____ consists of a set of forces and conditions outside the organization's boundaries that have the potential to affect the way the organization operates.

external business environment

The external environment can further be sub divided into _____ and _____

tasks and general

The _____ environment consists of factors such as legal, economic, political, socio- cultural, technological and ethical factors which affect business organizations operations

General

The task environment is also called the _____

immediate or operational environment

_____ are individuals and companies that provide an organization with the input resources (such as raw materials, component parts, or employees) that it needs to produce goods and services. In return, the supplier receives compensation for those goods and services.

Suppliers

_____ are organizations that help other organizations sell their goods or services to customers.

Distributors

_____ are individuals and groups that buy the goods and services of an organization.

Customers

_____ are important to all organizations.

Customers

Customers are important to all organizations.

True

_____ are often regarded as the most critical stakeholder group since if a company attract them to buy its products it cannot stay in business.

Customers

_____ are organizations that produce similar goods and services to an organization.

Competitors

Barriers to entry result from _____ main sources

Three

Barriers to entry result from three main sources: economies of scale, brand loyalty, and government regulations that impede entry.

_____ is customers' preference for the products of organizations currently existing in the industry.

Brand loyalty

The _____ is the immediate constituency of a business that is in a reciprocal relationship with business.

Task environment

The _____ environment is the immediate constituency of a business that is in a reciprocal relationship with business.

Task

The _____ environment is mainly concerned with the type of leadership a nation adopts.

Political

_____ processes shape a society's laws which constrain the activities of organizations and thus create both opportunities and threats.

Political

_____ is concerned with those processes which help to determine how conflicts are contained, modified, postponed or settled and as such can be seen as a universal social activity.

Politics

_____ tends to be associated with activities at state level where the resolution of conflict often involves large numbers of people.

Politics

_____ is concerned with the pursuit and exercise of power- the power to make decisions which affect the lives of substantial numbers of people, be it at local, state, national or even international level.

Government

_____ refer the institutions through which power tends to be formally and legitimately exercised, whether they are cabinets, parliaments, councils, committees or congresses.

Government

The _____ political system could be an individual (e.g. a monarch or other powerful individual) or a group of individuals (e.g. a political party or military junta) who may have assumed political power in a variety of ways (e.g. by birth, election or coup).

Authoritarian

In a _____ political system, it is assumed that as far as possible conflicts should be resolved by rational discussions between the various parties concerned with the final solution being accepted voluntarily by all participants even if they disagree.

Democratic

In a _____ system, the wishes and views of individuals are represented in established authorities that are chosen by the people at regular intervals through elections. Such representatives are accountable to the people they represent.

Political

According to Worthington & Britton (2009), _____ means far more than just popular government or a system of regular elections, the

democratic approach to government implies the existence of a complex array of institutions and processes through which the wishes of the people are articulated and carried out.

Democracy

The _____ system is responsible for organizing elections in the country.

Electoral

Worthington & Britton (2009) suggest that a country's electoral system should exhibit the following features

- A system of regular elections (e.g. every four to five years) based on universal adult suffrage
- Basic freedoms of speech, movement, assembly
- Freedom from coercion and absence of illegal electoral practices
- A secret ballot
- Free media

There are _____ branches or functions of government.

Three

Implementing governmental decisions is the responsibility of the _____ branch of government.

Executive

In modern states the term the _____ refer that relatively small group of individuals chosen to decide on policy and oversee its implementation

Executive

_____ refers to those countervailing pressures on the activities of the state and its agencies that derive from the existence of non-state structures and processes which affect the lives of individuals and which ultimately restrict the scope of government influence.

The notion of social and economic checks and balances

_____ is the law which concerns the state whether in international agreements or disputes or in the relationship between the state and the individual.

Public law

_____ is law governing the relationships between individuals and comprises laws in respect of contract, tort, property, trusts and the family

Private law

_____ relate to a legal wrong (criminal offence) — a breach of a public duty, punishable by the state on behalf of society.

Criminal laws

A _____ is a civil wrong other than a breach of contract or a breach of trust and is a duty fixed by law on all persons

Tort

The _____ is concerned with those situations where the conduct of one party threatens or causes harm to the interests of another party and the aim of the law is to compensate for this harm.

Law of tort

A _____ is generally defined as an equitable obligation imposing on one or more persons a duty of dealing with property, over which they have control, for the benefit of other persons who may enforce the obligation.

Trust

In Nigeria customary rules ultimately became incorporated into a body of legal principles known as the _____

Common law

Anything which cannot be regarded as a *rationes* is termed _____

obiter dicta

A country's legal system can be said to have two main functions: to provide an enabling mechanism within which individuals and organizations can exist and operate (e.g. companies are constituted by law) and to provide a means of resolving conflicts and of dealing with those who infringe the accepted standards of behaviour.

_____ have been described as transformers of inputs into output in the sense that they acquire and use resources to produce goods or services for consumption all aspects of this transformation process are influenced by the law.

Business organizations

An _____ is a declaration by the offeror and the offeree that they intend to be legally bound by the terms stated in the offer if it is accepted by the offeree

Offer

The _____ of an offer by the person(s) to whom it was made must be unequivocal and must not contain any alterations or additions.

Acceptance

_____ as (Clark 2013) put it must be unconditional as the basis of a contract is the mutual consent of the parties concerned.

Acceptance

_____ refers to the price which each side pays and the advantages or benefits each side enjoys for the promise or performance of a contract

Consideration

The price which each side pays and the advantages or benefits each side enjoys for the promise or performance of a contract is called _____

Consideration

_____ is defined as right, interest, profit or benefit accruing to one party or some forbearance, detriment, loss or responsibility given, suffered or undertaken by the other.

Consideration

_____ theory tends to suggest that laws to protect the consumer are unnecessary.

Neo-classical economic

Neo-classical economic theory tends to suggest that _____ to protect the consumer are unnecessary.

Laws

Businesses operate within the confines of the _____ framework.

Legal

_____ are guided in its operation by the laws of the land in which it operates.

Organizations

Organizations are guided in its operation by the _____ of the land in which it operates.

Laws

The economist's idea of _____ centres on the relationship between a society's needs and wants and the resources available to satisfy them.

Scarcity

The _____ stands in direct contrast to the centrally planned system.

Free-market economy

The key features of this type of economic system are as follows:

- Resources are in private ownership and the individuals owning them are free to use them as they wish.
- Firms, also in private ownership, are equally able to make decisions on production, free from state interference.
- No blueprint (or master plan) exists to direct production and consumption.
- Decisions on resource allocation are the result of a decentralised system of markets and prices, in which the decisions of millions of consumers and hundreds of thousands of firms are automatically co-ordinated.
- The consumer is sovereign, i.e. dictates the pattern of supply and hence the pattern of resource allocation.

_____ is concerned with the study of how society deals with the problem of scarcity and the resultant problems of what to produce, how to produce and how to distribute.

Economics

_____ analysis is concerned with the study of economic decision taking by both individuals and firms.

Microeconomic

_____ analysis is concerned with interactions in the economy as a whole

Macroeconomic

_____ can be portrayed as a flow of economic resources into firms which are used to produce output for consumption and a corresponding flow of payments from firms to the providers of those resources who use them primarily to purchase the goods and services produced.

Economic activity

_____ is defined as an upward and persistent movement in the general level of prices over a given period of time

Inflation

_____ is an objective shared by governments and organisations alike.

Growth

GDP stands for _____

Gross Domestic Product

A point where some domestic firms are forced out of business and the economy's manufacturing base becomes significantly reduced is called _____

Deindustrialization

A _____ is the net balance of credits (earnings) and debits (payments) arising from its international trade over a given period of time.

Balance of payments

_____ involves the use of changes in government spending and taxation to influence the level and composition of aggregate demand in the economy and given the amounts involved

Fiscal policy

_____ seeks to influence monetary variables such as the money supply or rates of interest in order to regulate the economy

Monetary policy

_____ policy seeks to influence monetary variables such as the money supply or rates of interest in order to regulate the economy

Monetary

A financial system tends to have three main elements:

- Lenders and borrowers-these may be individuals, organisations or governments.
- Financial institutions, of various kinds, which act as intermediaries between lenders and borrowers and which manage their own asset portfolios in the interest of their shareholders and/or depositors
- Financial markets in which lending and borrowing takes place through the transfer of money and/or other types of asset including paper assets such as shares and stock

The activities of the central bank include the following roles:

- banker to the government
- banker to the clearing banks
- manager of the country's foreign reserves
- manager of the national debt
- manager of the issue of notes and coins
- supervisor of the monetary sector
- implementer of the government's monetary policy

IMF stands for_____

International Monetary Fund

OECD stands for_____

Organisation for Economic Co-operation and Development

EBRD stands for_____

Reconstruction and Development

WTO stands for_____

World Trade Organisation

The IMF is an international organisation currently of _____ member countries.

184

International Monetary Fund was established in _____

1946

The OECD was established in _____

1961

Today the Organisation for European Economic Co-operation (OEEC) comprises _____ members

30

The aims of the EBRD was inaugurated in _____

April 1991

The World Trade Organisation was established on _____

1 January 1995

WTO stands for _____

World Trade Organisation

GATT stands for _____

General Agreement on Tariffs and Trade

General Agreement on Tariffs and Trade has membership of around _____ states

150

The World Bank (IBRD) was established in _____

1945

The IBRD currently has over _____ members.

180

The European Investment Bank was created in _____

1958

_____ is defined as the sum of knowledge of the means and methods of producing goods and services

Technology

CAD stands for _____

Computer Aided Design

EFTPOS stands for _____

Electronic Funds Transfer at Point of Sale

_____ is a 'stock' of goods used in the production process

Capital

_____ refers to capital that is owned by the community such as schools and hospitals.

Social capital

The increase in the stock of capital over time is called_____.

Investment

_____ refers to the purchase of new assets as the purchase of second-hand assets merely represents a change in ownership and therefore does not represent a change in productive potential.

Investment

There are _____ types of innovation that can occur as a result of technological change

Two

The types of innovation are_____ and_____

Product innovation and process innovation

_____ is the development of new products like the microprocessor which will have far-reaching effects on business.

Product innovation

_____ is the study of populations both in terms of their overall size and their structural characteristics.

Demography

Nigerian population as at_____ is estimated to be 170 million people.

2015

Nigerian population as at 2015 is estimated to be _____ people.

170 million

Russia's current population of around _____ million

145

Nigerian population as at 2015 is estimated to be _____ million people.

170

In many countries this figure has been falling steadily over a long period of time for a number of reasons. These include:

- A trend towards smaller families as people become better off and health improves and death rates fall
- The increased availability of contraception
- The trend towards later marriages and later childbearing for social and/or economic reasons
- Declining fertility rates
- Changing attitudes towards women and work

Among the main contributors to death rate are

- Rising living standards, including better housing, sanitation and nutrition
- Developments in medical technology and practice
- Better education
- Improved working conditions
- The difference between the birth rate and the death rate represents the natural change in the population

Influences on the rate of net migration include:

- Legal barriers (e.g. immigration laws)
- Economic migrancy
- The numbers fleeing persecution
- Government policy
- Political developments

_____ refers to a complex set of values, norms, beliefs, attitudes, customs, systems and artifacts which are handed down from generation to generation through the process of socialisation and which influence how individuals see the world and how they behave in it.

Culture

_____ is the of scanning the environment to identify changes or trends that have the potential to generate opportunities and threats to the organization's current or future intended strategies

Environmental analysis

_____ is the formulation of multiple forecasts of future conditions followed by an analysis of how to respond effectively to each of those conditions.

Scenario planning

Scenario planning can also be called_____

Contingency planning

_____ seeks to consider the possible effects on the interactions between various external environmental forces on the future of an organization.

Scenario planning

_____ is the process of predicting what will happen in the future considering the interplay of some environmental variables.

Forecasting

According to_____, forecasting is the method used for predicting how variables will change the future.

Bateman and Snell (2009)

According to Bateman and Snell (2009), _____is the method used for predicting how variables will change the future

Forecasting

The full meaning of SWOT is S is strengths, W is weaknesses, O is for Opportunities and T is for Threats.

_____ is a systematic identification of these factors and the strategy that reflects the best combinations of these factors.

SWOT analysis

_____ is the process in which an organization undertakes to compare its practices and technologies with those of other organizations.

Benchmarking

_____ argued that environmental analysis in its self is by no means a guaranty of organizational effectiveness and can sometimes complicate

the decision making process by providing information which calls into question the intuitive feeling of experienced managers.

Worthington and Snell (2009)

The conscious process of _____ organizational objectives is known as management

Achieving

The concept that management is required in all organization is called _____

Universality

_____ is the individual responsible for the work of others in achieving organizational objectives

Manager

Entrepreneurship is the process of establishing and _____ business

Growing

The entrepreneur should take _____ risks

Calculated

_____ is a set of favourable circumstances which create a need for a product

Opportunity

The entrepreneur should have a _____ tolerance for ambiguity

High

The third function of the entrepreneur is the _____ of resources

Acquisition

When an entrepreneur recognizes a problem and creates a business he said to be Internally _____

Stimulated

The starting _____ for marketing is needs identification

Point

The non personal form of promotion involving the transmission of

message to a large audience is known as _____

Advertising

_____ publication is a source of primary data

Official

_____ Plan is preceded by a feasibility analysis?

Business

The end product of a feasibility study is called feasibility _____

Report

The doctoring of an existing report for another client is known as _____ behaviour

Unethical

The _____ summary is the first section of a feasibility report

Executive

The key objective of a feasibility analysis is to determine the _____ of the business

Sustainability

The assumption the entrepreneur takes unquantifiable risks is known as _____ myth

Gamblers

The assumption the entrepreneurial activity is spread over the youth age is known as youth and _____ myth

Energetic

Another name for business plan is entrepreneurial _____ map

Road

_____ is often described as disguised advertising

Publicity

Organizational systems are part of the _____ business environment

Internal

A civil _____ other than a breach of trust of contract is called tort.

Wrong

SWOT is a tool of _____ analysis

Environmental

_____ finance is the study of value and resource allocation applied to a new venture

Entrepreneurial

Sub-culture implies cultural _____

Heterogeneity

An economy in which government controls the production process is known as _____ economy

Planned

Opportunity perception is the _____ in the entrepreneurial process

First

The first function of the manager is _____

Planning

Entrepreneurs have a high _____ for achievement

High

_____ relationship are activities involved in relating effectively with critical elements in the economic environment

Exchange

_____ identified 14 activities carried out by entrepreneurs

Kilby

Productivity improvement is a reason for promoting entrepreneurship.

True

A customer relation is a political administration activity of the entrepreneur.

True

