

Name:

Class:

1.5 - Entrepreneurs and Leaders

Test your knowledge of Theme 1.5 by working out whether the following statements are true or false. Ensure that you consider each statement carefully before selecting a response. Precise knowledge is essential for success in A Level Business!

1- An entrepreneur is an individual who sets up a business and takes on the risk of failure hoping to make a profit.	T	F
2- Entrepreneurial roles include: (1) creating and setting up the business, (2) running and developing the business, and (3) being innovative.	T	F
3- Profit satisficing refers to making as much profit as possible, e.g. by reducing costs and raising prices.	T	F
4- Entrepreneurs may set up businesses to make a profit but they may also have social and ethical objectives.	T	F
5- Sole traders are self-employed individuals who do not employ other people.	T	F
6- Sole traders benefit from limited liability.	T	F
7- An entrepreneur may choose to become a sole trader rather than setting up a company as it is simpler and cheaper.	T	F
8- Partnerships are more likely to see conflict in decision-making compared to sole traders.	T	F

9- Public limited companies are always larger than private limited companies.	T	F
10- Public limited companies can sell shares on the stock market through an exchange.	T	F
11- Private limited companies must be registered with Companies House.	T	F
12- Both private and public limited companies have to pay corporation tax on their profits.	T	F
13- Private limited companies have no control over who buys shares.	T	F
14- The share price of a public limited company is dictated by how many people are buying and selling shares in the company.	T	F
15- Hostile takeovers are likely to occur when a business makes employees redundant.	T	F
16- Franchising allows a business to grow rapidly while allowing the original owners to receive 100% of the profit from each outlet.	T	F
17- Lifestyle businesses often focus on profit satisficing.	T	F
18- A trade-off occurs when one option is selected at the expense of another.	T	F
19- The opportunity cost is the value of the next best decision foregone.	T	F
20- Entrepreneurs must develop new skills such as emotional intelligence to become successful leaders.	T	F