

## 21 Multiple choice questions

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1. a concept with the possibility of being translated into a profitable business
  - a. labour intensive
  - b. budget
  - c. business idea
  - d. franchise
2. any of the aspects of a business that are identified as vital for successful targets to be reached and maintained
  - a. competitive advantage
  - b. business idea
  - c. key performance indicators
  - d. critical issues in business success and failure
3. a subjective, general outline of what the owner would like the business to achieve
  - a. ABN
  - b. growth
  - c. budget
  - d. goal
4. a right granted to market the goods or services of a successful business within a certain area or location
  - a. growth
  - b. franchise
  - c. franchisees
  - d. franchisor
5. the point where revenue from sales is equal to the total costs of a business
  - a. break-even point
  - b. bottlenecking
  - c. fixed costs
  - d. franchise
6. the costs of inputs that do not vary as production or output increases, for example rent, insurance, utility connection costs
  - a. franchisor
  - b. budget
  - c. fixed costs
  - d. franchisees

7. stands for Australian Business Number, which is an 11-digit identifying number for businesses
  - a. budget
  - b. growth
  - c. goal
  - d. ABN
8. a business that employs a high proportion of labour compared to capital equipment
  - a. bottlenecking
  - b. business idea
  - c. labour intensive
  - d. four P's
9. the total amount and value of goods and services produced in a nation in one year
  - a. gross domestic product
  - b. growth
  - c. business idea
  - d. break-even point
10. a plan predicting revenue (from sales or investments) and expenses of a business for a future time period
  - a. budget
  - b. ABN
  - c. growth
  - d. goal
11. the increase in size and value of a business over time
  - a. budget
  - b. goal
  - c. growth
  - d. ABN
12. an advantage over competitors, gained through greater value, lower prices, improved quality or greater benefits or services
  - a. executive summary
  - b. competitive advantage
  - c. bottlenecking
  - d. gearing or leverage

13. occurs when production is unable to continue until certain tasks are performed
  - a. break-even point
  - b. bottlenecking
  - c. business idea
  - d. franchise
14. product, price, promotion and place
  - a. franchise
  - b. franchisor
  - c. four P's
  - d. franchisees
15. the ratio of debt funding to equity funding in a business
  - a. business idea
  - b. franchisees
  - c. gearing or leverage
  - d. due diligence
16. monitoring a business' internal and external environment so that it can gather, analyse and use information for tactical or strategic purposes
  - a. bottlenecking
  - b. business idea
  - c. break-even point
  - d. environmental scanning
17. the owner of the business who licences the business idea to people who are willing to operate a standard business model
  - a. franchisor
  - b. growth
  - c. franchisees
  - d. franchise
18. a process by which a target business is thoroughly investigated in order to estimate its worth for acquisition
  - a. franchisees
  - b. due diligence
  - c. franchise
  - d. budget

19. summarises a report in a way that allows the reader to become rapidly acquainted with the content without having to read it all
- a. break-even point
  - b. business idea
  - c. executive summary
  - d. competitive advantage
20. set indicators of a goal being achieved, or contribution being made towards a goal
- a. franchisor
  - b. franchise
  - c. franchisees
  - d. key performance indicators
21. the business people who operate a standard business model with assistance from the franchisor, pay a regular fee to the franchisor
- a. franchisees
  - b. growth
  - c. franchise
  - d. franchisor