

20 Multiple choice questions

1. a situation where owners decide to close the business through their own choice
 - a. private sector
 - b. standard of living
 - c. value chain
 - d. voluntary cessation

2. they are intangible - they cannot be touched or seen, e.g. transport and communications
 - a. solvency
 - b. risk
 - c. services
 - d. wages

3. when there is a possibility of something 'bad' happening or the entrepreneur being exposed to financial loss
 - a. wages
 - b. rent
 - c. risk
 - d. services

4. the usefulness or the ability of a product to provide satisfaction of wants to consumers
 - a. utility
 - b. wealth
 - c. salary
 - d. time utility

5. an individual, other business or organisation that has a vested interest in the business achieving its objectives
 - a. services
 - b. stakeholder
 - c. wages
 - d. salary

6. the income per head of population valued in terms of the foods and services that income will buy
 - a. standard of living
 - b. voluntary cessation
 - c. stakeholder
 - d. quality of life

7. businesses are privately owned with no government ownership
 - a. profitability
 - b. private sector
 - c. prospectus
 - d. services

8. fixed regular payments, usually paid on a daily or weekly basis by an employer to an employee
 - a. wages
 - b. rent
 - c. wealth
 - d. salary

9. the income received from allowing a business to use property that it does not own
 - a. wealth
 - b. rent
 - c. wages
 - d. risk

10. the process where, as the product of a business moves from one process to the next, value is added
 - a. value chain
 - b. salary
 - c. wealth
 - d. solvency

11. when the owners of a business are fully and personally responsible for the debts of that business
 - a. unlimited liability
 - b. time utility
 - c. profitability
 - d. utility

12. an indicator of well-being and includes environmental factors, health, education, recreation and leisure time as well as wealth and employment
 - a. quality of life
 - b. profitability
 - c. value chain
 - d. time utility

13. refers to the extent to which the current assets of a business exceed the current liabilities of that business
 - a. services
 - b. rent
 - c. solvency
 - d. salary

14. do not have a separate legal identity or existence from their owners; the owners of unincorporated businesses have unlimited liability, meaning they are fully and personally responsible for the debts of the business
 - a. profitability
 - b. private sector
 - c. unlimited liability
 - d. unincorporated businesses

15. huge corporations; they tend not to have a nationally-based parent company; their business transactions take place across borders on a global basis; this gives them the opportunity to take advantages of the differences in laws and financial systems between various countries
 - a. standard of living
 - b. unincorporated businesses
 - c. voluntary cessation
 - d. transnational corporations (TNCs)

16. a written invitation to the public to buy shares in a business
 - a. prospectus
 - b. services
 - c. risk
 - d. rent

17. the production and accumulation of assets which satisfy human wants and needs minus any liabilities that are owed
 - a. utility
 - b. rent
 - c. wealth
 - d. wages

18. where consumers experience satisfaction because the product is available when it is wanted
 - a. wealth
 - b. utility
 - c. time utility
 - d. profitability

19. a fixed yearly payment to an employee which is usually divide up into 26 fortnightly payments
 - a. salary
 - b. solvency
 - c. utility
 - d. wages

20. the ability of a business to make a profit; it refers to the fact that there is a relationship between the sales revenue of a business, its costs of production and the profit it makes
 - a. time utility
 - b. wealth
 - c. profitability
 - d. utility