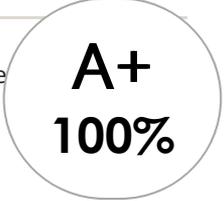


20 Multiple choice questions



A+
100%

1. an advantage over competitors gained by offering consumers greater value, either by means of lower prices, improved quality or by providing greater benefits and service
 - a. **CORRECT: competitive advantage**
 - b. capital gain
 - c. corporatisation
 - d. effective operation

2. where governments retain control over government businesses but put them on a corporate footing, performing in the same way as companies in the private sector
 - a. goods
 - b. capital gain
 - c. exchange rate
 - d. **CORRECT: corporatisation**

3. a commitment by a business to operate ethically and contribute to economic development while improving the quality of life of our workforce and their families, as well as the community at large
 - a. corporatisation
 - b. discretionary spending
 - c. **CORRECT: corporate social responsibility**
 - d. environmental sustainability

4. spending from incomes after tax and essential spending has taken place
 - a. capital gain
 - b. capital-intensive
 - c. **CORRECT: discretionary spending**
 - d. dividend

5. a legal arrangement between a supplier (franchisor) of a well-known product and the franchisee; the franchisee will develop a business using the trade name; once in operation, the supplier must not only maintain a continuing interest but also provide assistance to the franchisee
- capital gain
 - exchange rate
 - entrepreneur
 - CORRECT: franchise business**
6. consists of four distinct stages - establishment, growth, maturity, post-maturity
- exchange rate
 - business environment
 - CORRECT: business life cycle**
 - efficiency
7. between the Australian dollar and another country's currency is the price of that currency in Australian dollars
- entrepreneur
 - capital gain
 - CORRECT: exchange rate**
 - bankruptcy
8. meeting the needs of the present generation without compromising the ability of future generations to meet their needs
- corporate social responsibility
 - capital gain
 - efficient operation
 - CORRECT: environmental sustainability**
9. where a business achieves the greatest possible return or output from an input by using the lowest amount of resources or assets
- bankruptcy
 - entrepreneur
 - CORRECT: efficiency**
 - dividend

10. when an individual has insufficient assets to pay his or her debts
 - a. goods
 - b. **CORRECT: bankruptcy**
 - c. dividend
 - d. efficiency

11. physical products which are tangible - they can be touched or seen, e.g. a car or mobile phone
 - a. bankruptcy
 - b. dividend
 - c. efficiency
 - d. **CORRECT: goods**

12. have an indirect impact on a business, which has very little control over these influences
 - a. entrepreneur
 - b. exchange rate
 - c. **CORRECT: external influences**
 - d. efficiency

13. the share in the net profit of a company (after tax and other expenses) paid to a shareholder
 - a. **CORRECT: dividend**
 - b. efficiency
 - c. goods
 - d. entrepreneur

14. a person who is willing to undertake financial risk in business by innovating and/or starting up new businesses or investing in existing businesses
 - a. efficiency
 - b. bankruptcy
 - c. dividend
 - d. **CORRECT: entrepreneur**

15. the 'profit' made when a person sells an asset for a price higher than the purchase price
- corporatisation
 - capital-intensive
 - CORRECT: capital gain**
 - exchange rate
16. where a business will try to be effective by making sure that customer's needs are met and they are satisfied with the output
- corporatisation
 - efficiency
 - efficient operation
 - CORRECT: effective operation**
17. all of the factors that 'surround' a business and have an impact on it
- entrepreneur
 - dividend
 - CORRECT: business environment**
 - business life cycle
18. where there are relatively few workers in proportion to the machinery used in production
- CORRECT: capital-intensive**
 - capital gain
 - exchange rate
 - dividend
19. the value of the total output of goods and services produced by businesses and governments during a year
- competitive advantage
 - corporatisation
 - business life cycle
 - CORRECT: gross domestic product (GDP)**

20. a business will try to produce its output by using the least amount of input possible
- CORRECT:** efficient operation
 - corporatisation
 - efficiency
 - effective operation