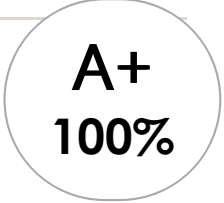


21 Multiple choice questions



A+
100%

1. a concept with the possibility of being translated into a profitable business
 - a. labour intensive
 - b. budget
 - c. **CORRECT: 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. **CORRECT: 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. **CORRECT: goal**

4. a right granted to market the goods or services of a successful business within a certain area or location
 - a. growth
 - b. **CORRECT: franchise**
 - c. franchisees
 - d. franchisor

5. the point where revenue from sales is equal to the total costs of a business
 - a. **CORRECT: 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. **CORRECT: 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. **CORRECT: ABN**

8. a business that employs a high proportion of labour compared to capital equipment
 - a. bottlenecking
 - b. business idea
 - c. **CORRECT: labour intensive**
 - d. four P's

9. the total amount and value of goods and services produced in a nation in one year
 - a. **CORRECT: 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. **CORRECT: budget**
 - b. ABN
 - c. growth
 - d. goal

11. the increase in size and value of a business over time
 - a. budget
 - b. goal
 - c. **CORRECT: 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. **CORRECT: 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. **CORRECT: bottlenecking**
 - c. business idea
 - d. franchise

14. product, price, promotion and place
 - a. franchise
 - b. franchisor
 - c. **CORRECT: four P's**
 - d. franchisees

15. the ratio of debt funding to equity funding in a business
 - a. business idea
 - b. franchisees
 - c. **CORRECT: 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
- bottlenecking
 - business idea
 - break-even point
 - CORRECT: environmental scanning**
17. the owner of the business who licences the business idea to people who are willing to operate a standard business model
- CORRECT: franchisor**
 - growth
 - franchisees
 - franchise
18. a process by which a target business is thoroughly investigated in order to estimate its worth for acquisition
- franchisees
 - CORRECT: due diligence**
 - franchise
 - 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
- break-even point
 - business idea
 - CORRECT: executive summary**
 - competitive advantage
20. set indicators of a goal being achieved, or contribution being made towards a goal
- franchisor
 - franchise
 - franchisees
 - CORRECT: 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. **CORRECT: franchisees**
 - b. growth
 - c. franchise
 - d. franchisor