

Chapter 4 -- Entrepreneurship

I-Study

An entrepreneur organizes and then operates a business. Advantages of entrepreneurship include a chance to be in charge, job satisfaction, and to earn a high income. Disadvantages of entrepreneurship include financial risk, long hours, competition, and no guarantee of success. Entrepreneurs are decisive and self-motivated, and they see opportunities around them.

You can become a business owner by starting a business, buying an existing business, buying a franchise, or joining a family business. The three legal forms of business ownership are sole proprietorship, partnership, and corporation. Applications to finance businesses require a business plan and a financial plan. Factors that affect business success include financing, location, competition, and management.

I-Quiz

1. What is one trait most entrepreneurs possess?
 - A. shyness
 - B. aggression
 - C. rudeness
 - D. self-motivation
2. The expenses involved in going into business are called
 - A. revenue
 - B. interest
 - C. start-up costs
 - D. profit
3. Which term refers to a business that is completely owned by one person?
 - A. corporation
 - B. sole proprietorship
 - C. partnership
 - D. franchise

Answer Key

1. D
2. C
3. B