Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Business & Entrepreneurship TEST #2 Directions & STUDY GUIDE**

**Directions:**

Your TEST #2 (worth 10% of your 1st Semester Final Grade) is Wednesday December 2nd

The test has 100 points. For 25/100 points you must submit your notes/answers to this Study Guide below to Canvas by December 2nd at the start of class. You can write bullet points, notes, sentences, etc. for your answers. It is up to you. You will be graded on effort.

No. You cannot use the study guide while you are taking the test. But the in-class test will only cover the same information as on the Study Guide. So the more details you write on the Study Guide the better prepared you will be on the test. As I discussed many times on your quizzes, Main Ideas will get you a B+ or A-. To get an A+ you need to give specific details and specific examples- especially from the textbook.

One final note: you should be working on this Study Guide 90% by yourself. It is OK to ask others for some help, but you CANNOT just copy and paste another student’s answers as your own or that will be cheating.

SO, HERE IS THE STUDY GUIDE. Upload your answers to Canvas before the test starts on December 2nd for 25 points out of 100 points.

The content on the test is essentially anything we have covered in class since the Unit 1 Test. It includes our textbook Chapters 2, 4, and 5; it also includes anything we have done in class- such as the movie Becoming Warren Buffet and the Nike Sweatshop Debate, etc. But I can only ask you questions from this study guide below:

We will begin with some new information from Chapter 5 in the textbook. So you will need to get a textbook and read to find the answers:

1. Read pages 156-157 and answer: What are some advantages of small-business ownership?
2. Read page 158-160 and answer: What are some disadvantages to small-business ownership?
3. Read Table 5.5 on page 159 and answer: What are some common mistakes that startups and small businesses make?
4. Read page 161 and answer: What is a **Business Plan** for a new small business? What are some things it should contain?
5. Read page 161 and answer: What does it mean for a small business to use **equity financing** to get money to start the business**?**
6. Read page 162 and answer: What does it mean for a small business to use **venture capitalists** to get money to start the business?
7. Read pages 162-163 and answer: What are some things involved when a small business goes to a bank or institution (such as the Small Business Administration) for a **loan** to start the business?
8. Read pages 163-164 and answer: What are some factors, advantages, and disadvantages involved in **franchising** to set up a small business?
9. Read pages 166-168 and answer: What are some **trends** to consider about starting a small business in the USA?

**NOW WE WILL GO BACK TO REVIEW ‘OLD MATERIAL’ from Chapter 2, Chapter 4, and Chapter 5 in our textbook….**

1. Chapter 2: How do you define Business Ethics? How do your define Business Social Responsibility?
2. Chapter 2: Explain Figure 2.3 on Page 52.
3. Explain the main ideas of the Nike Sweatshop debate. What was the concern of some people? Why do some people say Nike should be commended for its handling of this? Why do some people say Nike should be criticized for its handling of this?
4. Chapter 4: What are some advantages and disadvantages to setting up as a **sole proprietorship?**
5. Chapter 4: What are some advantages and disadvantages to setting up as a **partnership?**
6. Chapter 4: Page 129-134: Define these terms:

Corporation

Stock

Dividend

Private vs. public corporation

IPO (initial public offering)

Board of Directors

Preferred stock vs. common stock

1. Pages 135-137: What are some advantages and disadvantages to setting up as a corporation?
2. Pages 137-138: Define these terms:

Joint venture

S corporation

LLC (Limited Liability Company)

1. Page 139: Define these terms:

Horizontal merger

Vertical merger

Conglomerate merger

1. Pages 139-141: Define these terms:

Friendly vs. hostile acquisition

Poison pill

Shark repellant

White knight

1. Pages 140-142: Why do some people say mergers and acquisitions are GOOD and why do some say they are BAD?
2. Chapter 5: pages 152-154: Why are small businesses vital to the US economy?
3. Pages 154-156: What are some industries that attract small business?
4. What are 3 things about Business or Entrepreneurship your learned from the movie *Joy*?
5. What are 3 things about Business or Entrepreneurship you learned from the movie *Becoming Warren Buffet*?
6. What are 3 things about Business or Entrepreneurship your learned from the movie *The Founder?*