

### Management 300: Exam 2 Review:

- Can have 3 pages of notes, typed or hand written, front to back
- Chapter 15/16; 16 questions- 8 true/false and 8 multiple choice
- Chapter 17; 16 question- 8 true/false and 8 multiple choice
- Chapter 4; 18 questions- 9 true/false and 9 multiple choice

### Chapter 15/16 True/ False

- **What is growing global interdependence called**
  - globalization- growing interdependence among elements of the growing economy
- **What is the trend in global sourcing**
  - materials or services are purchased around the world for local use. -- the process of purchasing materials, manufacturing components, or locating business services around the world. It is an international division of labor in which activities are performed in countries where they can be accomplished effectively at low cost
- **What is world 3.0?**
  - a world where nations balance cooperation in the global economy with national identities and interests
- **What are the member nations in NAFTA?**
  - NAFTA is the North American Free Trade Agreement linking Canada, the United States, and Mexico in an economic alliance. NAFTA created a trade zone that frees the flow of goods and services, workers, and investment among the three countries
- **What is a foreign subsidiary?**
  - local operation completely owned by a foreign firm
- **What is the goal of tariffs?**
  - are taxes governments levy on imports from abroad. One goal of most tariffs and protectionism is to protect local firms from foreign competition and save local jobs
- **What is ethnocentrism?**
  - the tendency to consider one's culture superior to others. This displayed ethnocentrism, a tendency to view one's culture as superior to that of others. Some might excuse him as suffering from culture shock. Perhaps he was exhausted after a long international flight.

### Chapter 15/16 Multiple Choice:

- **What are the ways in which business can 'go global'?**
  - 
  - **What are some of the formal roadblocks to international trade?**
  - **What are some of the issues international managers have to contend with?**
  - **What is cultural intelligence?**
  - **What are some of the key differences between cultures?**

### Chapter 17 True/False:

- **What are the characteristics of entrepreneurs?**
  - **Internal focus of control:** Entrepreneurs believe that they are in control of their own destiny; they are self-directing and like autonomy.
  - **High energy level:** Entrepreneurs are persistent, hardworking, and willing to exert extraordinary efforts to succeed
  - **Self-confidence:** Entrepreneurs feel competent, believe in themselves, and are willing to make decisions
  - **Tolerance for ambiguity:** Entrepreneurs are risk takers; they tolerate situations with high degrees of uncertainty
  - **Self-reliance and desire for independence:** Entrepreneurs want independence; they are self-reliant; they want to be their own bosses, not work for others.

- **High need for achievement:** Entrepreneurs are motivated to accomplish challenging goals; they thrive on performance feedback.
- **Flexibility:** Entrepreneurs are willing to admit problems and errors, and are willing to change a course of action when plans aren't working.
- **Passion and action orientation:** Entrepreneurs try to act ahead of problems; they want to get things done and not waste valuable time

- **What are the characteristics of start-ups?**

- A startup is a new and temporary venture that is trying to discover a profitable business model for future success. A startup is just that—a "start"; it's a new venture the entrepreneur is hoping will take shape and prove successful as the business develops and matures
- **Insufficient financing**—not having enough money to maintain operations while still building the business and gaining access to customers and markets
- **Lack of experience**—not having sufficient know-how to run a business in the chosen market or geographic area.
- **Lack of commitment**—not devoting enough time to the requirements of running a competitive business
- **Lack of strategy and strategic leadership**—not taking the time to craft a vision and mission, or formulate and properly implement a strategy
- **Ethical failure**—falling prey to the temptations of fraud, deception, and embezzlement
- **Lack of expertise**—not having expertise in the essentials of business operations, including finance, purchasing, selling, and production.
- **Growing too fast**—not taking the time to consolidate a position, re-tune the organization, and systematically meet the challenges of growth.
- **Poor financial control**—not keeping track of the numbers, and failure to control business finances and use money to best advantage

- **What are the stages in an entrepreneurial firm's life cycle?**

- describes the stages common to the life cycles of entrepreneurial companies. It shows the relatively typical progression from birth to breakthrough to maturity
- **birth stage**—where the entrepreneur struggles to get the new venture established and to survive long enough to test the viability of the underlying business model in the marketplace.
- **breakthrough stage**— where the business model begins to work well, the firm grows, and the complexity of managing the business expands significantly
- **maturity stage**— where the entrepreneur experiences market success and financial stability, while also facing the continuing management challenges associated with remaining competitive in a changing environment

- **What is a social enterprise?**

- **Social entrepreneurs** take risks and create **social enterprises** with the mission to help make lives better for underserved populations. **Social enterprises** have a social mission to help make lives better for underserved populations

- **What is a startup?**

- **A startup** is a new and temporary venture that is trying to discover a profitable business model for future success

- **What are the elements of a business plan?**

- **Executive summary**—overview of the business purpose and the business model for making money
- **Industry analysis**—nature of the industry, including economic trends, important legal or regulatory issues, and potential risks
- **Company description**—mission, owners, and legal form
- **Products and services description**—major goods or services, with competitive uniqueness
- **Market description**—size of market, competitor strengths and weaknesses, five-year sales goals
- **Marketing strategy**—product characteristics, distribution, promotion, pricing, and market research
- **Operations description**—manufacturing or service methods, supplies and suppliers, and control procedures.
- **Staffing description**—management and staffing skills needed and available, compensation, and human resource systems.
- **Financial projection**—cash flow projections for one to five years, break-even points, and phased investment capital
- **Capital needs**—amount of funds needed to run the business, amount available, and amount requested from new sources.
- **Milestones**—a timetable of dates showing when key stages of the new venture will be completed

- **What are the different forms of new venture financing?**

- **Debt financing** involves borrowing money that must be repaid over time, with interest
- **Equity financing** involves exchanging ownership shares for outside investment monies.
- **Venture capitalists** make large investments in new ventures in return for an equity stake in the business.

- **An initial public offering**, or IPO, is an initial selling of shares of stock to the public at large
- **An angel investor** is a wealthy individual willing to invest in a new venture in return for an equity stake.
- **crowdfunding**, entrepreneurs starting new ventures go online to get startup financing from crowds of investors

#### Chapter 17 Multiple Choice:

- What are the characteristics of a serial entrepreneur?
- What are the different forms of entrepreneurship?
- What is a business model?
- What are some of the transitions hurdles that business owners contend with?
- What are the stages in the life cycle of an entrepreneurial venture?
- About the various venture ownership models?
- About the various forms that financing can take on?

#### Chapter 4 True/False:

- **What is involved in the management process?**
  - The **management process involves planning, organizing, leading, and controlling** the use of resources to achieve performance objectives.
- **Do you the various forms of planning?**
  - Planning delivers the most benefits when its foundations are strong. Useful planning tools and techniques include
  - **forecasting** □ Forecasting attempts to predict the future. □
  - **contingency planning** □ Contingency planning identifies alternative courses of action to take when things go wrong.)
  - **scenario planning** □ Scenario planning identifies alternative future scenarios and makes plans to deal with each.
  - **benchmarking** □ Benchmarking uses external and internal comparisons to plan for future improvements. □
  - **staff planning** □ As organizations grow, so do their planning challenges and so does the use of staff planners. These specialists are experts in all steps of the planning process, as well as in the use of planning tools and techniques. They can help bring focus and expertise to a wide variety of planning tasks. □
- **The elements of the management process?**
  - The management process involves planning, organizing, leading, and controlling the use of resources to achieve performance objectives. The first of these functions, planning, sets the stage for the others by providing a sense of direction. It is a process of setting objectives and determining how best to accomplish them. At its core, planning involves deciding exactly what needs to be accomplished and how best to go about it
- **The benefits of planning?**
  - The pressures organizations face come from many sources. Externally, these include changing social norms and ethical expectations, government regulations, uncertainties of a global economy, new technologies, and the sheer cost of investments in labor, capital, and other supporting resources. Internally, they include the quest for operating efficiencies, new structures and technologies, alternative work arrangements, greater workplace diversity, and concerns for work–life balance. As you would expect, planning under such conditions has a number of benefits for both organizations and individuals.
    - 1. Planning Improves Focus and Flexibility
    - 2. Planning Improves Action Orientation
    - 3. Planning Improves Coordination and Control
- **What strategic planning is?**
  - **Strategic plans** are focused on the organization as a whole or a major component. They are longer-term plans that set broad action directions and create a frame of reference for allocating resources for maximum performance impact. Strategic plans ideally set forth the goals and objectives needed to accomplish the organization's vision in terms of mission or purpose and what it hopes to be in the future
- **What policies are?**
  - A policy is a standing plan that communicates broad guidelines for decisions and action
- **What procedures are?**
  - A procedure is a rule describing actions that are to be taken in specific situations
- **What benchmarking is?**
  - Benchmarking uses external and internal comparisons to plan for future improvements.