**TRUE/FALSE (5 questions)**

**Indicate whether the following sentences or statements are true or false.**

|  |  |  |
| --- | --- | --- |
| 1. | \_\_\_\_\_\_\_ | Most businesses in the U.S. have more than 500 employees. |
| 2. | \_\_\_\_\_\_\_ | Small business impacts everyone on a daily basis. |
| 3. | \_\_\_\_\_\_\_ | Startups are formed with the intention to grow past the original, solo company founder. |
| 4. | \_\_\_\_\_\_\_ | An estimated 25% of new businesses fail in the first five years. |
| 5. | \_\_\_\_\_\_\_ | Finding a need or opportunity in the market and filling it is fundamental to entrepreneurship success. |

## MULTIPLE CHOICE (5 questions)

**Identify the letter of the choice that best completes the statement or answers the question.**

\_\_\_\_\_\_\_1. A \_\_\_\_\_\_\_\_\_\_ is a business structure that protects the individual owner or owners from personal liability.

a. sole proprietorship b. partnership

c. limited liability company (LLC) d. corporation

\_\_\_\_\_\_\_ 2. This is the most common form of legal structure for small businesses.

a. sole proprietorship b. partnership

c. limited liability company (LLC) d. corporation

\_\_\_\_\_\_\_ 3. A \_\_\_\_\_\_\_\_ is a business where an aspiring entrepreneur pays a franchise fee in exchange for the rights to use an established company’s products, services, and branding.

a. sole proprietorship b. partnership

c. limited liability company d. franchise

\_\_\_\_\_\_\_ 4. The highest grossing fast food restaurant chain is:

a. Support b. A business plan

c. Funding d. All of the above

\_\_\_\_\_\_\_ 5. Which of the following is a form of funding where private investors provide entrepreneurs with capital to fund the business, typically in exchange for equity in the company.

a. Shark Tanking b. Venture Capital

c. Crowdfunding d. Small Business Loan

## SHORT ANSWER (3 questions)

1. List three reasons why new businesses fail.

2. List the four most common types of new businesses:

3. Define entrepreneurship.