

# What are the Fundamentals of Entrepreneurship?

## Worksheet

Entrepreneurship is the process of designing, launching, and running a new business, typically starting as a small enterprise, while bearing financial risk in pursuit of profit and innovation.

## Questions

1. What is the first stage of the entrepreneurial process?
  - A) Launch
  - B) Idea generation
  - C) Resource acquisition
  - D) Business planning
2. Which of these best defines an entrepreneur?
  - A) Someone who only invests in stocks
  - B) Someone who organizes resources and bears risk to start a new venture
  - C) A manager in a large corporation
  - D) A government regulator
3. What does 'opportunity evaluation' test?
  - A) Employee satisfaction
  - B) Whether an idea has real market demand and feasibility
  - C) Tax obligations
  - D) Office location
4. A startup significantly changes its product after customer feedback. This is called a
  - A) Merger
  - B) Pivot
  - C) IPO
  - D) Franchise
5. An entrepreneur notices commuters waste time waiting for buses with no arrival info. What is the first step in the entrepreneurial process here?
6. A founder has a validated idea for a meal-kit delivery service but no funding or team. Which stage of entrepreneurship are they in?
7. A startup has 10,000 users and is profitable in one city. What should it prioritize next?
8. Define: What is entrepreneurship?
9. Define: Name the 5 stages of the entrepreneurial process.
10. Define: What is 'opportunity evaluation'?

## Answer Key

1. B) Idea generation - Every venture starts by identifying a problem or opportunity - idea generation.
2. B) Someone who organizes resources and bears risk to start a new venture - Entrepreneurs create new ventures by combining resources and accepting risk for potential reward.
3. B) Whether an idea has real market demand and feasibility - Before committing resources, entrepreneurs validate that customers actually want the solution.
4. B) Pivot - A pivot is a strategic shift in direction based on market learning.
5. Noticing the problem (unpredictable bus arrival times) is idea generation. Next, they would evaluate whether enough commuters want a solution (opportunity evaluation). Only after validating demand would they plan and build the product.
6. They have passed idea generation and opportunity evaluation (the idea is validated). They are now in business planning / resource acquisition - writing a plan and raising capital or recruiting co-founders. Launch comes only after resources are secured.
7. With product-market fit proven, the entrepreneur is past the launch stage. The next stage is growth - scaling to new cities, adding features, or raising a larger funding round. This is the 'growth' phase of the entrepreneurial process.
8. The process of identifying an opportunity and organizing resources to create a new venture, accepting risk for potential reward.
9. Idea generation, opportunity evaluation, business planning, resource acquisition, launch & growth.
10. Testing whether an idea has real market demand and is feasible before committing resources.

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