

19. American's spend a lower percentage of our income on health care now than in 1950.
ANS: F PTS: 1 REF: p. 45
20. In the United States there is some backlash against technology and social media stirring.
ANS: T PTS: 1 REF: p. 48
21. The MIT Media Lab Research Group studies how to give computers human-like intuition.
ANS: T PTS: 1 REF: p. 48
22. Secondary research is conducted by personal interview.
ANS: F PTS: 1 REF: p. 50
23. Trade associations are a good source of industry data.
ANS: T PTS: 1 REF: p. 51
24. Magazine media kits provide statistics about their readers.
ANS: T PTS: 1 REF: p. 51
25. Media kits will not give you demographic or psychographic information.
ANS: F PTS: 1 REF: p. 51
26. The Directory of Periodicals is a good place to start primary research.
ANS: F PTS: 1 REF: p. 54
27. Primary research involves interacting with the world directly.
ANS: T PTS: 1 REF: p. 54
28. New Eyes research provides a variety of fresh ways to look at a business.
ANS: T PTS: 1 REF: p. 55
29. A Business Plan begins with the industry overview.
ANS: T PTS: 1 REF: p. 55
30. Brainstorming involves setting strict rules on content.
ANS: F PTS: 1 REF: p. 57
31. If entering a market in the embryo stage, be ready to meet and beat the competition head on.
ANS: F PTS: 1 REF: p. 58

32. Trends usually develop overnight.

ANS: F PTS: 1 REF: p. 60

MULTIPLE CHOICE

1. Which of the following is false?
 - a. Apple Computer started with \$13,500.00
 - b. Dell Computers started with \$1,000.00
 - c. Nike started with \$1,000.00
 - d. Walt Disney started in his garage

ANS: A PTS: 1 REF: p. 27

2. Which of the following is not one of the five major environmental variables?
 - a. Price
 - b. Competition
 - c. Social/Cultural
 - d. Legal/Political

ANS: A PTS: 1 REF: p. 30

3. Which of the following characteristics describe today's changing family?
 - a. More households headed by women
 - b. People having children later in life
 - c. More people remarrying and forming blended families
 - d. All of the above

ANS: D PTS: 1 REF: p. 32

4. Which statement accurately reflects the baby boomer generation?
 - a. They control over 70% of the financial assets in the United States
 - b. On average 1,000 baby boomers a day turn 65
 - c. They control less than half of the nation's discretionary income
 - d. All of the above.

ANS: A PTS: 1 REF: p. 36

5. _____ are entering entrepreneurship at the highest rate of any age group.
 - a. Millennials
 - b. Generation Y
 - c. Baby Boomers
 - d. Echo Boomers

ANS: C PTS: 1 REF: p. 39

6. The middle class:
 - a. Has average debt equal to 50% of their annual income
 - b. Have incomes stagnated at the 1977 level
 - c. Has seen their net worth remain unchanged over the last five years
 - d. All of the above

ANS: B PTS: 1 REF: p. 42

7. Approximately what percentage of children in this country are being raised by grandparents or other relatives?
- a. 9.5%
 - b. 2.5%
 - c. 4.4%
 - d. 6%

ANS: A PTS: 1 REF: p. 43

8. A major growing segment of the United States population is:
- a. Healthy, active 90 year olds
 - b. Middle class Hispanics
 - c. Both of the above
 - d. None of the above

ANS: C PTS: 1 REF: p. 43

9. Which of the following is not an example of Entrepreneur Magazine's top 10 new Franchises for 2012?
- a. Dunkin' Donuts
 - b. Yogurtland
 - c. CPR-Cell Phone Repair
 - d. Smashburger

ANS: A PTS: 1 REF: p. 44

10. When compared to 1950, today Americans spent:
- a. About the same percentage of their income on healthcare
 - b. Approximately 15% more of their income on healthcare
 - c. Approximately 22% more of the income on healthcare
 - d. Approximately 8% less of their income on healthcare

ANS: B PTS: 1 REF: p. 45

11. In Sherry Turkle's new book she explores the growing human tendency to:
- a. Rely more and more on each other
 - b. Depend upon ourselves instead of other people
 - c. Depend upon ourselves instead of technology
 - d. Rely on technology above human interactions

ANS: D PTS: 1 REF: p. 48

12. Secondary research:
- a. Should be completed after primary research
 - b. Is another term for "new eyes" research
 - c. Includes reading what someone else has discovered and published
 - d. All of the above

ANS: C PTS: 1 REF: p. 50

13. When doing industry research:
- a. Only contact trade associations for your industry
 - b. Contact trade associations for your industry and those your customers might belong to
 - c. Contact trade associations for your industry and those your customers and suppliers might

- belong to
d. Do not contact trade associations

ANS: C PTS: 1 REF: p. 51

14. Primary research would include:
a. Reading Business Week
b. Conducting interviews
c. Being a mystery shopper
d. All of the above

ANS: C PTS: 1 REF: p. 54

15. Which of the following is not a life-cycle stage:
a. Niche
b. Embryo
c. Growth
d. Decline

ANS: A PTS: 1 REF: p. 58

SHORT ANSWER

1. Define Target Market.

ANS:

Segment of market most likely to purchase your product or service. Possess desire, dollars, and decision makers.

PTS: 1 REF: p. 26

2. Explain the concept of the environmental variable.

ANS:

Changes within the business and social world occur within five major environmental variables. Each change in the environmental variables and subsequent trends affect how products are manufactured, marketed and delivered to the customer.

PTS: 1 REF: p. 29

3. What are the three key factors that have splintered the mass market for the consumer?

ANS:

(1) A shrinking middle class (2) ethnic groups shifting and growing throughout the United States and (3) living arrangements are changing and evolving

PTS: 1 REF: p. 42

4. Who should you invite to a brainstorming session?

ANS:

Invite people who bring different ideas, backgrounds and experience to the table. Don't be afraid to ask some people who are "wild cards".

PTS: 1 REF: p. 57

5. Explain new eyes research.

ANS:

New eyes research provides a variety of fresh ways to look at a business. It is done when based on your existing knowledge, experience and intuition you play detective.

PTS: 1 REF: p. 55