

## **Short Response Questions:**

### **Chapter 1: Unit 1.1 What is a business?**

1. Define what a business is.
2. List two main objectives of a business.
3. What are the four factors of production?
4. Differentiate between goods and services.
5. What is the role of entrepreneurship in business?

### **Chapter 2: Unit 1.2 Types of Business Entities**

1. What is a sole proprietorship?
2. Define a partnership.
3. What is a limited liability company (LLC)?
4. Differentiate between a private limited company and a public limited company.
5. What is the main advantage of forming a corporation?

### **Chapter 3: Unit 1.3 Business Objectives**

1. What is a business objective?
2. Give an example of a financial business objective.
3. What is the difference between a mission statement and a vision statement?
4. Why are SMART objectives important in business planning?
5. What role do ethical objectives play in business?

### **Chapter 4: Unit 1.4 Stakeholders**

1. Define the term "stakeholder."
2. Name two internal stakeholders of a business.
3. What is the difference between internal and external stakeholders?
4. How might a supplier be affected by the success of a business?
5. What is stakeholder conflict?

### **Chapter 5: Unit 1.5 Growth and Evolution**

1. What is organic growth in a business context?
2. Define the term "economies of scale."
3. What is a merger?
4. Differentiate between vertical and horizontal integration.
5. What is franchising?

### **Chapter 6: Unit 1.6 Multinational Companies (MNCs)**

1. What is a multinational company (MNC)?

2. List two advantages of being a multinational company.
  3. What is meant by the term "globalization" in the context of MNCs?
  4. What role do MNCs play in the economies of host countries?
  5. What are some challenges faced by MNCs when operating in multiple countries?
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## **Long Response Questions:**

### **Chapter 1: Unit 1.1 What is a business?**

1. Discuss the importance of businesses in modern economies.
2. Explain the impact of the factors of production on the operations of a business.
3. Analyze the differences between for-profit and non-profit organizations.
4. How do businesses contribute to the economic development of a country?
5. Evaluate the significance of ethical considerations in business operations.

### **Chapter 2: Unit 1.2 Types of Business Entities**

1. Discuss the advantages and disadvantages of operating as a sole proprietorship.
2. Compare and contrast partnerships and corporations as business entities.
3. Explain the concept of limited liability and its importance in business.
4. Analyze the factors that influence the choice of a business entity.
5. Evaluate the role of government regulations in the formation and operation of different business entities.

### **Chapter 3: Unit 1.3 Business Objectives**

1. Discuss the importance of setting business objectives.
2. Explain how business objectives can change over time and why.
3. Analyze the relationship between business objectives and corporate strategy.
4. Evaluate the impact of conflicting objectives within a business.
5. How do external stakeholders influence the setting of business objectives?

### **Chapter 4: Unit 1.4 Stakeholders**

1. Discuss the importance of stakeholder analysis in business decision-making.
2. Explain how businesses can manage conflicting stakeholder interests.
3. Analyze the role of employees as stakeholders and their impact on business performance.
4. Evaluate the impact of external stakeholders, such as customers and the community, on a business's strategy.
5. How can businesses prioritize stakeholders in their decision-making process?

### **Chapter 5: Unit 1.5 Growth and Evolution**

1. Discuss the benefits and drawbacks of business growth through mergers and acquisitions.
2. Explain the concept of diseconomies of scale and how it can affect large businesses.
3. Analyze the impact of globalization on the growth and evolution of businesses.
4. Evaluate the role of innovation in business growth.
5. How can businesses balance the pursuit of growth with the need for sustainability?

#### **Chapter 6: Unit 1.6 Multinational Companies (MNCs)**

1. Discuss the impact of multinational companies on local businesses in host countries.
2. Explain the concept of "foreign direct investment" (FDI) and its significance for MNCs.
3. Analyze the ethical challenges faced by multinational companies when operating in developing countries.
4. Evaluate the advantages and disadvantages of operating as an MNC in terms of resource allocation and global strategy.
5. Discuss the role of multinational companies in the global supply chain and their influence on local economies.