

## Test Bank

### CHAPTER 2: ACTIVATING AN ENTREPRENEURIAL MINDSET

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#### **Multiple Choice**

1. Mindset has been traditionally described as \_\_\_\_\_.
- a. a person's inherent traits
  - b. a type of personality
  - c. a person's emotional intelligence
  - d. an established set of attitudes held by someone

Ans: D

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: What Is Mindset?

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

2. The text describes two different types of mindsets. They are \_\_\_\_\_.
- a. growth mindset and stunted mindset
  - b. fixed mindset and flexible mindset
  - c. growth mindset and fixed mindset
  - d. positive mindset and negative mindset

Ans: C

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: What Is Mindset?

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

3. People with a fixed mindset \_\_\_\_\_.
- a. perceive their talents and abilities as set traits
  - b. are fixated on perfection and precision
  - c. tend to attribute others' success to greater effort
  - d. take constructive criticism well

Ans: A

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: What Is Mindset?

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

4. Which of the following statements best reflect a growth mindset?
- a. When I'm frustrated, I give up.
  - b. My natural abilities determine my success.
  - c. I can learn anything I want to.
  - d. I don't like to be challenged.

Ans: C

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

5. When Karen is frustrated, she perseveres until she resolves the issue that is causing her frustration. This shows that Karen has a \_\_\_\_\_.
- a. growth mindset
  - b. fixed mindset
  - c. fearful mindset
  - d. right-brained mindset

Ans: A

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Application

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

6. Which of the following statements reflects a fixed mindset?
- a. When I'm frustrated, I persevere.
  - b. I'm either good at something or I'm not.
  - c. I like to be told that I try hard.
  - d. I'm inspired by others' successes.

Ans: B

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

7. Research has shown that overly praising someone simply for their intelligence can \_\_\_\_\_.
- a. create a growth mindset
  - b. create a fixed mindset
  - c. inspire people to try harder

d. encourage people to learn from failure

Ans: B

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: What Is Mindset?

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

8. Research findings suggest that praising someone for how hard they work and practice can \_\_\_\_\_.

a. create a growth mindset

b. create a fixed mindset

c. foster a fear of failure

d. cause people to avoid challenges

Ans: A

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

9. When Georgina is frustrated, she perseveres until she resolves the issue causing her frustration. This shows that Georgina has a \_\_\_\_\_.

a. growth mindset

b. fixed mindset

c. fearful mindset

d. left-brain mindset

Ans: A

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

10. George wants to challenge himself and feels an entrepreneurial venture should be his next challenge. This suggests that George has \_\_\_\_\_.

a. a low tolerance for risk

b. a growth mindset

c. a fearful mindset

d. a left-brain mindset

Ans: B

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application  
Answer Location: What Is Mindset?  
Difficulty Level: Medium  
AACSB Standard: Group and individual behaviors

11. Jenni is fine when she fails, as she sees failure as a way to learn. This shows that Jenni has \_\_\_\_\_.
- a. a growth mindset
  - b. a low tolerance for risk
  - c. fearful mindset
  - d. left-brain mindset

Ans: A

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application  
Answer Location: What Is Mindset?  
Difficulty Level: Medium  
AACSB Standard: Group and individual behaviors

12. Debra is always praised by her faculty as a hard worker. Since she is praised for hard work versus intelligence, Debra is more likely to lead a \_\_\_\_\_.
- a. left-brain mindset
  - b. a low tolerance for risk
  - c. a growth mindset
  - d. a fixed mindset

Ans: C

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application  
Answer Location: What Is Mindset?  
Difficulty Level: Hard  
AACSB Standard: Group and individual behaviors

13. The ways in which people solve problems such as reasoning, analyzing, and experimenting are called \_\_\_\_\_.
- a. cognitive strategies
  - b. mindsets
  - c. paradigm shifts
  - d. thought processes

Ans: A

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application  
Answer Location: The Entrepreneurial Mindset  
Difficulty Level: Medium  
AACSB Standard: Group and individual behaviors

14. Which of the following statements about metacognitive awareness are true?

- a. It is an innate characteristic we are born with (or not).
- b. It can be developed over time through continuous practice.
- c. It is overrated in entrepreneurship.
- d. It is a “genius” quality that few people possess.

Ans: B

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: The Entrepreneurial Mindset

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

15. Imagine you score low on a math test. If you had a fixed mindset, you’re most likely to say which of the following?

- a. I’ll try harder next time.
- b. I’ll seek out a math tutor to help me.
- c. I’ll never be good at math.
- d. I’ll do more practice problems before the next test.

Ans: C

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

16. Which of the following is a benefit of having a growth mindset in the context of entrepreneurship?

- a. A growth mindset gives entrepreneurs confidence in their natural abilities.
- b. A growth mindset recognizes the importance of fixed traits.
- c. A growth mindset encourages entrepreneurs to take action even in uncertain circumstances.
- d. A growth mindset encourages entrepreneurs to view others’ success as mere luck.

Ans: C

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: What Is Mindset?

Difficulty Level: Hard

AACSB Standard: Group and individual behaviors

17. An entrepreneurial mindset can be described as the ability to \_\_\_\_\_.

- a. avoid failure and mistakes
- b. take action in stable, low-risk environments

- c. develop high-tech solutions in emerging markets
- d. quickly take action and get organized under uncertain conditions

Ans: D

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: The Entrepreneurial Mindset

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

18. What is another term for “thinking about thinking”?

- a. self-efficacy
- b. experimentation
- c. metacognition
- d. effectuation

Ans: C

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: The Entrepreneurial Mindset

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

19. In the context of entrepreneurship, passion is \_\_\_\_\_.

- a. an intense positive emotion that keeps entrepreneurs focused and motivated
- b. the only thing needed to be successful in entrepreneurship
- c. always motivated by an entrepreneur’s financial interests
- d. a sporadic emotion occasionally experienced by the entrepreneur

Ans: A

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: Passion and Entrepreneurship

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

20. In terms of entrepreneurship, what is negative passion?

- a. passion that is based on deception
- b. passion that blinds us to warning signs
- c. passion that is developed rather than found
- d. passion that is malicious

Ans: B

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: Passion and Entrepreneurship

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

21. Barb is trying to take control of her time by using an online time tracking system that tracks her time spent on tasks and projects. She has heard that if you do something for seven weeks it becomes a habit. The activity in our brain that decides whether a behavior should be repeated and stored is \_\_\_\_\_.

- a. a habit
- b. a habit loop
- c. the self-leadership habit
- d. a compulsion in development

Ans: B

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Application

Answer Location: Entrepreneurship as a Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

22. In the context of entrepreneurship, \_\_\_\_\_ is a process whereby people can influence and control their own behavior, actions, and thinking to achieve self-direction and self-motivation.

- a. effectuation
- b. self-leadership
- c. vesting
- d. offering

Ans: B

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

23. Self-leadership involves \_\_\_\_\_.

- a. self-reward
- b. self-preservation
- c. self-sabotage
- d. selflessness

Ans: A

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

24. What is self-cueing?

- a. a process that raises our awareness of how, when, and why we behave the way we do in certain circumstances
- b. a process that involves compensating ourselves when we achieve our goals
- c. a process that gives us the capacity to critique ourselves in order to improve our behaviors
- d. a process of prompting that reminds us of desired goals

Ans: D

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

25. Self-observation is a process of \_\_\_\_\_.

- a. compensating ourselves when we achieve our goals with tangible or intangible rewards
- b. examining our own behaviors in a constructive way in order to reshape these behaviors
- c. raising awareness of how, when, and why we behave the way we do in certain circumstances
- d. setting individual goals for ourselves

Ans: C

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

26. Self-correcting feedback is a process of \_\_\_\_\_.

- a. compensating ourselves when we achieve our goals with tangible or intangible rewards
- b. examining our own behaviors in a constructive way in order to reshape these behaviors
- c. raising awareness of how, when, and why we behave the way we do in certain circumstances
- d. setting individual goals for ourselves

Ans: B

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

27. Self-reward is a process of \_\_\_\_\_.

- a. compensating ourselves when we achieve our goals with tangible or intangible rewards

- b. examining our own behaviors in a constructive way in order to reshape these behaviors
- c. raising awareness of how, when, and why we behave the way we do in certain circumstances
- d. setting individual goals for ourselves

Ans: A

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

28. Self-goal setting is a process of \_\_\_\_\_.

- a. compensating ourselves when we achieve our goals with tangible or intangible rewards
- b. examining our own behaviors in a constructive way in order to reshape these behaviors
- c. prompting that acts as a reminder of desired goals and keeps you focused on what you are trying to achieve
- d. setting individual goals for ourselves

Ans: D

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

29. Strategies that endeavor to make aspects of a task or activity more enjoyable by building in certain features or by reshaping perceptions to focus on the most positive aspects of the task and the value it holds are known as \_\_\_\_\_.

- a. extrinsic reward strategies
- b. individual strategies
- c. natural reward strategies
- d. ideal reward strategies

Ans: C

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

30. Brenda is very critical of her own actions; if something goes wrong, she assesses why it went wrong and how she can avoid making the same mistake in the future. This is an example of \_\_\_\_\_.

- a. self-correcting feedback
- b. self-cueing

- c. self-goal setting
- d. self-reward

Ans: A

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Application

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

31. When you stop and deliberately ask yourself questions about what you are accomplishing, what you are not accomplishing, what is standing in your way, and how you feel about it, you are practicing \_\_\_\_\_.

- a. self-goal setting
- b. self-observation
- c. self-cueing
- d. self-correcting feedback

Ans: B

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

32. \_\_\_\_\_ help entrepreneurs form positive and productive ways of thinking that can benefit performance.

- a. Destructive thought patterns
- b. Fixed mindsets
- c. Constructive thought patterns
- d. Right-brain thinking patterns

Ans: C

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

33. Creativity is \_\_\_\_\_.

- a. only expressed by artists and writers
- b. the capacity to produce new ideas, insights, inventions, products, or artistic objects that are of value to others
- c. something we are born with
- d. a rejection of proven ideas and methods in favor of innovation

Ans: B

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Creativity Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

34. \_\_\_\_\_ is among the six main roadblocks that can prevent an entrepreneur from practicing creativity.

- a. Self-reliance
- b. Fear
- c. Motivation
- d. Persistence

Ans: B

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Fear Factor

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

35. \_\_\_\_\_ can cause self-doubt, insecurity, and discomfort and can block us from sharing our creativity with others.

- a. Self-reliance
- b. Fear
- c. Motivation
- d. Persistence

Ans: B

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Fear Factor

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

36. In his book *A Whole New Mind*, author Daniel Pink argues that we live in a(n) \_\_\_\_\_.

- a. conceptual age that requires us to use both the left side and right side of our brains
- b. conceptual age that requires us to use primarily the left side of our brains
- c. conceptual age that requires us to use primarily the right side of our brains
- d. industrial and agricultural age that requires us to use primarily the left side of our brains

Ans: A

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: A Creative Mind

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

37. Left-brain thinking would be most associated with which of the following?

- a. working on an assembly line

- b. painting a mural
- c. designing a cocktail dress
- d. playing the saxophone

Ans: A

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: A Creative Mind

Difficulty Level: Hard

AACSB Standard: Analytical thinking

38. A 2012 study by researchers at the University of Utah found that \_\_\_\_\_.

- a. most of those studied exhibited noticeable left-brain tendencies
- b. most of those studied exhibited noticeable right-brain tendencies
- c. there was no evidence that one side of the brain was more dominant than the other in any given individual
- d. almost exactly 50 percent of those studied were dominantly right-brained and the other 50 percent dominantly left-brained

Ans: C

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: A Creative Mind

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

39. A research study conducted by Mihaly Csikszentmihalyi showed that creative people tend to \_\_\_\_\_.

- a. be right-brained
- b. be left-brained
- c. have polarized traits
- d. have conflicting traits

Ans: C

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: A Creative Mind

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

40. \_\_\_\_\_ is the art of spontaneously creating something without preparation.

- a. Improvisation
- b. Creativity
- c. Self-leadership
- d. Innovation

Ans: A

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Knowledge

Answer Location: The Improvisation Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

41. MRI scans of jazz players improvising show \_\_\_\_\_.
- a. no differences in brain activity
  - b. that musicians tend to switch on the self-censoring part of their brain
  - c. that musicians tend to switch off the self-censoring part of their brain, giving them the ability to express themselves without restriction
  - d. decreased brain activity

Ans: C

Learning Objective: 2.5: Explain how to develop the habit of improvisation

Cognitive Domain: Comprehension

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

42. Which of the following is most appropriate during improvisation?
- a. "I'm not sure, and"
  - b. "No, and"
  - c. "Maybe, and"
  - d. "Yes, and"

Ans: D

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Knowledge

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Interpersonal relations and teamwork

43. A recent study showed that \_\_\_\_\_.
- a. entrepreneurs who displayed signs of improvisational behavior tended to outperform those who did not have the same tendencies
  - b. improvisational behavior was less evident in entrepreneurs starting new ventures
  - c. there was no connection between improvisational behavior and entrepreneurship
  - d. improvisation only matters in the context of comedy

Ans: A

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Comprehension

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

44. Improvisation is defined as the art of \_\_\_\_\_.
- a. spontaneously creating without preparation
  - b. stand-up comedy

- c. creating with deliberate preparation
- d. thinking deeply about complex problems

Ans: A

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Knowledge

Answer Location: The Improvisation Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

45. According to improvisation guidelines, \_\_\_\_\_.

- a. everything is important
- b. anything must be questioned
- c. anything can be rejected
- d. everything is highly scripted

Ans: A

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Knowledge

Answer Location: Table 2.2. Improvisation Guidelines

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

46. Improvisation is connected to the entrepreneurial mindset because it helps develop \_\_\_\_\_.

- a. objective thinking
- b. the ability to change direction quickly
- c. linear thinking
- d. comedic timing

Ans: B

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Comprehension

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

47. James L. Adams identified six main emotional roadblocks to creativity. Which of them has the most detrimental effect on our capacity to be creative?

- a. fear
- b. dislike for incubating ideas
- c. perceived lack of challenge
- d. no appetite for chaos

Ans: A

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Fear Factor

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

48. According to the text, the only way to get results is to \_\_\_\_\_.

- a. think deeply
- b. plan obsessively
- c. take action
- d. avoid risk

Ans: C

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

49. Entrepreneurial self-efficacy is \_\_\_\_\_.

- a. the belief that entrepreneurs have in their ability to begin new ventures
- b. the belief that entrepreneurs are born, not made
- c. the ability to efficiently maximize returns
- d. the ability of entrepreneurs to be self-deprecating despite their successes

Ans: A

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

50. Which of the following is most likely to be stated by someone who scores high on The General Self-Efficacy Scale (GSES)?

- a. If someone opposes me, I usually acquiesce.
- b. Handling unforeseen situations doesn't come easily to me.
- c. When I am confronted with a problem, it's difficult for me to find a solution.
- d. If I am in trouble, I can usually think of a solution.

Ans: D

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

51. Sven somehow always remains calm when facing difficulties. He prides himself on the ability to rely on his coping abilities. This is evidence that Sven \_\_\_\_\_.

- a. has high self-motivation
- b. has low self-motivation

- c. has high self-efficacy
- d. has low self-efficacy

Ans: C

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Application

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

52. Gwen is very resourceful, and she always knows how to handle the unforeseen. She evidently \_\_\_\_\_.

- a. has high self-awareness
- b. has high self-efficacy
- c. has low self-efficacy
- d. has low self-awareness

Ans: B

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Application

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

53. Janis is an intensely focused person who approaches the tasks of her entrepreneurial ventures with positive emotions that help her overcome obstacles. It is Janis's \_\_\_\_\_ that is playing the key role in her success.

- a. creativity
- b. passion
- c. self-goal setting
- d. fixed mindset

Ans: B

Learning Objective: 2.2: Define "entrepreneurial mindset" and explain its importance to entrepreneurs.

Cognitive Domain: Application

Answer Location: Passion and Entrepreneurship

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

54. A training exercise to deal with limited resources or environmental conditions is \_\_\_\_\_.

- a. improvisation
- b. acting
- c. brainstorming
- d. leadership training

Ans. A

Learning Objective

Cognitive Domain: Application

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

55. The entrepreneurial mindset is about \_\_\_\_\_.

- a. who you know
- b. who knows you
- c. knowing who you are
- d. knowing what you know

Ans: C

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: Passion and Entrepreneurship

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

56. If a new entrepreneur struggles with the many different tasks to figure out each day, the entrepreneur probably has \_\_\_\_\_.

- a. no appetite for chaos
- b. good organizational skills
- c. not found the right team
- d. to spend more time at work

Ans: A

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: The Creativity Habit

Difficulty Level: Medium

AACSB Standard: Analytical thinking

**True/False**

1. Having a strong and effective mindset is important to being a successful entrepreneur.

Ans: T

Learning Objective: 2.1: Appraise the effectiveness of mindset in entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: The Power of Mindset

Difficulty Level: Medium

2. When people believe their talents and abilities are set traits, they have a growth mindset.

Ans: F

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Knowledge

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

3. Someone practicing self-leadership can influence their own behavior, actions, and thinking to achieve the self-motivation needed to build entrepreneurial business ventures.

Ans: T

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

4. Behavior-focused strategies include self-observation, self-goal setting, and self-reward.

Ans: T

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

5. Improvisation is about being spontaneous, imaginative, and dealing with the unexpected.

Ans: T

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Knowledge

Answer Location: The Improvisation Habit

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

6. A person who believes he can learn anything that he wants has a fixed mindset.

Ans: F

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

7. According to the text, opportunities are easily missed when we are not in an entrepreneurial mindset.

Ans: T

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: The Role of Mindset in Opportunity Recognition

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

8. When jazz pianists improvised while in an MRI machine, researchers saw no difference in their brain activity.

Ans: F

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Comprehension

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

9. Self-efficacy can change over time.

Ans: T

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Knowledge

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

10. Csikszentmihalyi's research indicated that highly creative individuals tend to have "dialectic" personalities, meaning they use both left-brained and right-brained thinking.

Ans: T

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: A Creative Mind

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

11. Creativity is something we are born with.

Ans: F

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: The Creativity Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

12. There is a great deal of scientific support for the idea that people are either left-brained or right-brained.

Ans: F

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Comprehension

Answer Location: A Creative Mind

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

13. Self-punishment and self-goal setting are the same behavior strategy.

Ans: F

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

14. Fear can have a detrimental effect on creativity.

Ans: T

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Fear Factor

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

15. Research suggests that when we believe in our ability to succeed in something, we are more likely to actively take the steps to make it happen.

Ans: T

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Knowledge

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

16. If you score low on the General Self-Efficacy Scale (GSES), you are likely to put in a higher level of effort, persist with an idea, and persevere with a task more than those people who possess high levels of self-efficacy.

Ans: F

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

17. According to the text, seeing an opportunity is one of the factors in having an entrepreneurial mindset.

Ans: T

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: The Role of Mindset in Opportunity Recognition

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

18. Franklin Yancey credits his early experiences of risk-taking, his college education, and a supportive family environment for his success in his stadium seating business.

Ans: T

Learning Objective: 2.1: Appraise the effectiveness of mindset in entrepreneurship.

Cognitive Domain: Knowledge

Answer Location: The Power of Mindset

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

19. Constructive thought patterns help entrepreneurs form positive and productive ways of thinking that can benefit performance.

Ans: T

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

20. Self-cueing is a process that raises our awareness of how, when, and why entrepreneurs behave the way they do in certain circumstances.

Ans: F

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Knowledge

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

21. Omid is an entrepreneur who is engaged in a meaningful venture from which he gains a great sense of positive emotion which he finds particularly motivating to overcome obstacles. What Omid is experiencing is best described as self-satisfaction.

Ans: F

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension  
Answer Location: Passion and Entrepreneurship  
Difficulty Level: Medium  
AACSB Standard: Group and individual behaviors

22. Feelings of guilt and self-criticism are crucial, necessary components of self-correcting feedback.

Ans: F

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

23. Lai tackles tedious projects by always making sure that she schedules breaks to practice a bit of yoga, something that she enjoys and that she finds invigorating. This is an example of a natural reward strategy.

Ans: T

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

24. Of the six roadblocks that prevent us from practicing creativity, as described by James L. Adams, the one that has the most detrimental effect is the preference for judging over generating ideas.

Ans: F

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Knowledge

Answer Location: The Fear Factor

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

25. Recent research indicates that entrepreneurial self-efficacy (ESE) can actually improve entrepreneurial performance.

Ans: T

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Knowledge

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Easy

AACSB Standard: Group and individual behaviors

## Essay

1. Compare and contrast a growth mindset and fixed mindset.

Ans:

Fixed:

- perceive talents and abilities as set traits
- their brains and talents are enough for success
- go through life with the goal of looking smart all the time

Growth:

- believe that their abilities can be developed through dedication, effort and hard work
- do not believe that brains and talents are the key to success but just a starting point
- eager to improve their lives through learning, training, and practice
- see failure as an opportunity to improve
- tend to persevere rather than giving up

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Analysis

Answer Location: What Is Mindset?

Difficulty Level: Medium

AACSB Standard: Analytical thinking

2. Discuss how the ability to quickly sense, take action, and get organized under uncertain conditions is related to entrepreneurship.

Ans: The entrepreneurial mindset is the ability to quickly sense, take action, and get organized under uncertain conditions. This also includes the ability to persevere, accept, and learn from failure and get comfortable with a certain level of discomfort. This ability to work in uncertain environments “goes with the territory” in entrepreneurship, which demands action and practice. Without this mindset, most entrepreneurs would fail.

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Analysis

Answer Location: What is Mindset?

Answer Location: The Mindset for Entrepreneurship

Difficulty Level: Medium

AACSB Standard: Analytical thinking

3. Define self-leadership and list the components of the self-leadership habit.

Ans: Self-leadership is the process of influencing and controlling one’s own behavior, actions, and thinking. The components of self-leadership are self-observation, self-cueing, self-punishment (or self-correcting feedback), self-reward, and self-goal setting.

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

4. Describe how self-punishment and self-cueing are related.

Ans: Self-punishment (self-correcting feedback) is examining our behaviors in a constructive way to reshape behavior. Self-cueing is using certain environmental cues as a way to establish constructive behaviors and reduce or eliminate destructive ones; for example, making lists, notes, or having motivational posters on your wall. Both are focused on establishing constructive behaviors and both are active measures entrepreneurs can take to change behavior.

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

5. List the six main emotional roadblocks James L. Adams has identified that prevent us from practicing creativity. Then, identify the one that Adams feels is most detrimental. Is this the same one you would choose as the one most detrimental to you personally? Explain your choice. (It may be the one Adams identifies, or you may have circumstances which would make another more detrimental to you.)

Ans: This is Adams' list:

- fear
- no appetite for chaos
- preference for judging over generating ideas
- dislike for incubating ideas
- perceived lack of challenge
- inability to distinguish reality from fantasy

Adams argues that fear is the most detrimental because it can cause self-doubt, insecurity, and discomfort even before the beginning of the creative process.

Individual assessments of which is the most detrimental personally may differ.

Learning Objective: 2.4: Explain how to develop the habit of creativity.

Cognitive Domain: Application

Answer Location: The Fear Factor

Difficulty Level: Medium

AACSB Standard: Reflective thinking

6. List the skills that improvisation can help develop in order to develop an entrepreneurial mindset. How is improvisation connected to mindset?

Ans: The text lists at least five:

- creating something without preparation
- changing direction quickly
- honing the ability to function in an uncertain world
- learning how to better tackle obstacles

- developing the ability to quickly adapt

By developing improvisational skills, entrepreneurs can develop the cognitive ability to rapidly sense and act as well as how to quickly change direction.

Learning Objective: 2.5: Explain how to develop the habit of improvisation.

Cognitive Domain: Comprehension

Answer Location: The Improvisation Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

7. Explain how an entrepreneurial mindset is related to entrepreneurial action.

Ans: Entrepreneurship demands practice to achieve success, and the right mindset is necessary for that practice to be successful. When people believe they can succeed, they are more likely to pursue the right activities to make that happen.

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Analysis

Answer Location: The Role of Mindset in Opportunity Recognition

Difficulty Level: Medium

AACSB Standard: Analytical thinking

8. Define natural reward strategies and give one example of a natural reward strategy.

Ans: Natural reward strategies endeavor to make aspects of a task or activity more enjoyable by building in certain features, or by reshaping perceptions to focus on the most positive aspects of the task and the value it holds. For example, if you are working on a particularly difficult or boring task, you could build in a break to do something you find enjoyable. The “what” you do is not as important as the fact that it is something you find rewarding. In addition, rather than dreading the task in front of you, you could refocus on the benefits of what you are doing and how good it will feel when it is done.

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

9. Explain the possible negative effects of passion.

Ans: There can be a dysfunctional side to passion. It is possible to become blinded by passion and so obsessed by an idea or new venture that we fail to heed the warning signs or refuse to listen to negative information or feedback. This type of negative passion can actually curb business growth and limit the ability to creatively solve problems.

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: Passion and Entrepreneurship  
Difficulty Level: Medium  
AACSB Standard: Group and individual behaviors

10. Explain the relationship between habits and the habit loop.

Ans: A habit is a sometimes, unconscious pattern of behavior that is carried out often and regularly. Good habits can be learned through a “habit loop”—a process by which our brain decides whether or not a certain behavior should be stored and repeated. If we feel rewarded for our behavior, then we are more likely to continue doing it. For example, toothpaste companies instigate a habit loop in consumers by not just advertising the hygiene benefits of brushing teeth, but also the “tingling, clean feeling” we get afterwards—the reward. People are more likely to get into a tooth brushing habit loop as a result.

Ans: D

Learning Objective: 2.2: Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

Cognitive Domain: Comprehension

Answer Location: Entrepreneurship as a Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

11. Describe how behavior-focused strategies can benefit entrepreneurs.

Ans: Behavior-focused strategies help increase self-awareness to manage behaviors particularly when dealing with necessary but unpleasant tasks. These are self-leadership strategies designed to bring about successful outcomes through positive behaviors, and suppress or eliminate those negative behaviors that lead to bad consequences.

Learning Objective: 2.3: Explain how to develop the habit of self-leadership.

Cognitive Domain: Comprehension

Answer Location: The Self-Leadership Habit

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors

12. Explain the benefits and potential risks of high entrepreneurial self-efficacy.

Ans: Self-efficacy is an essential part of the entrepreneurial mindset, and it is thought to be a good indicator of entrepreneurial intentions as well as a strong precursor to action. In fact, recent research suggests that entrepreneurial self-efficacy can enable the entrepreneur to more effectively confront demands or stressors and thus improve entrepreneurial performance. In other words, research suggests that when we believe in our ability to succeed in something, we are more likely to actively take the steps to make it happen. However, sometimes there is a fine line between self-confidence, self-efficacy, and arrogance. Arrogance leads a person to believe that he or she achieved success without help from others; further, the arrogant person may feel entitled to success and entitled to “bend the rules” to get ahead.

Learning Objective: 2.6: Relate the mindset for entrepreneurship to entrepreneurial action.

Cognitive Domain: Comprehension

Answer Location: Self-Efficacy and Entrepreneurial Intentions

Difficulty Level: Medium

AACSB Standard: Group and individual behaviors