**SURVEY OF BUSINESS – FILL-IN-THE BLANK: SESSION 2**

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**Chapter Three: Business in a Borderless World**

Many U.S. firms are finding that international markets provide tremendous opportunities for \_\_\_\_\_\_\_\_\_\_.

Accessing these markets can promote \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ while competition can lead to better and less expensive products.

International Business refers to the buying, selling, and trading of goods and services across national \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Most of the world’s population and two-thirds of its total purchasing power are outside the \_\_\_\_\_\_\_\_\_\_\_.

Nations and businesses engage in international trade to obtain raw materials and goods that are otherwise unavailable to them or are available elsewhere at a lower \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ than that at which they themselves can produce.

Most international trade is based on “comparative advantage”, which occurs when a country specializes in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that it can supply more efficiently or at a lower cost than it can produce other items.

Other countries are also gaining a comparative advantage over the U.S. in the provision of \_\_\_\_\_\_\_\_\_\_\_, such as call-center operations, engineering, and software programming.

As a result, U.S. companies are increasingly \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or transferring manufacturing and other tasks to countries where labor and supplies are less expensive.

To obtain needed goods and services and the funds to pay for them, nations trade by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** is the sale of goods and services to foreign markets.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**is the purchase of goods & services from foreign sources.

When a company decides to do business outside its own country, it will encounter a number of \_\_\_\_\_\_\_\_ to international trade.

When looking at doing business in another country, managers must \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ a number of basic economic factors, such as, economic development, infrastructure, and exchange rates.

When considering doing business abroad, U.S. businesspeople need to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that they cannot take for granted that other countries offer the same things as are found in industrialized nations.

A country’s level of development is determined by its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the physical facilities that support its economic activities, such as, railroads, highways, ports, airfields, utilities, schools, hospitals, communication systems, and distribution systems.

Less-Developed Countries (LDCs) are characterized by low per-capita income, which means that consumers are less likely to purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ products.

The ratio at which one nation’s currency can be exchanged for another nation’s currency is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A company that decides to enter the international marketplace must contend with potentially complex \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ among the different laws of its own nation, international laws, and the laws of the nation with which it will be trading; various trade restrictions imposed on international trade; changing political climates; and different ethical values.

Legal and ethical requirements for successful business are increasing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Once outside U.S. borders, businesspeople are likely to find that the laws of other nations \_\_\_\_\_\_\_\_\_\_\_\_ from those of the U.S.

Tariffs and other trade restrictions are part of a country’s legal structure but may be established or removed for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ reasons.

Countries sometimes levy tariffs for political reasons, as when they impose \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ against other countries to protest their actions.

Critics of protective tariffs argue that their use inhibits free trade and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Supporters of protective \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ say they insulate domestic industries, particularly new ones, against well-established foreign competitors with lower labor costs and other advantages.

An \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ prohibits trade in a particular product.

Embargoes are generally directed at specific goods or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and may be established for political, economic, health, or religious reasons.

Unlike legal issues, political considerations are seldom written down and often \_\_\_\_\_\_\_\_\_\_\_\_\_\_ rapidly.

Businesses engaged in international trade must consider the relative \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of countries.

Political unrest may create a hostile environment for foreign businesses. Natural disasters can cripple a country’s government, making the region even more unstable. A sudden change in power can result in a regime that is hostile to foreign investment.

Most businesspeople engaged in international trade underestimate importance of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ & \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ differences; but these differences can derail an important transaction.

Cultural differences include differences in spoken and written \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Although it is certainly possible to translate words from one language to another, the true meaning is sometimes \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Differences in body language and personal space also \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_international trade.

Although these economic, political, legal, and socio-cultural issues may seem like daunting barriers to international trade, there are organizations and agreements – such as the General Agreement on Tariffs and Trade, the World Bank, and the International Monetary Fund – that foster int’l trade and can help companies get involved in and succeed in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Many companies first get involved in international trade when they \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ goods from other countries for resale in their own businesses.

A business may get involved in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ when called upon to supply a foreign company with a particular product.

Licensing is a trade agreement in which one company: the licensor – allows another company – the licensee to use its company name, products, patents, brands, trademarks, raw materials, and/or production processes in exchange for a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Franchising is a form of licensing in which a company: the franchiser - agrees to provide a franchisee the name, logo, methods of operation, advertising, products, and other elements associated with the franchiser’s business, in return for a financial commitment and agreement to conduct business in accordance with the franchiser’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_ is the transferring of manufacturing or other tasks, such as information technology operations, to companies in countries where labor and supplies are less expensive.

\_\_\_\_\_\_\_\_\_\_\_\_\_ is the relocation of a business process by a company, or a subsidiary, to another country.

A strategic alliance is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ formed to create competitive advantage on a worldwide basis.

Companies that want more control and are willing to invest considerable resources in international business may consider \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the ownership of overseas facilities.

Planning in a global economy requires businesspeople to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the economic, legal, political, and socio-cultural realities of the countries in which they will operate.

Companies doing business internationally have traditionally used a Multinational \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which is a plan used by international companies, that involves customizing products, promotion, and distribution according to cultural, technological, regional, and national differences.

More and more companies are moving from this customization strategy to a Global Strategy (\_\_\_\_\_\_\_\_), which is a strategy that involves standardizing products, and as much as possible, their promotion and distribution for the whole world, as if it were a single entity.

Before moving outside their borders, companies must conduct environmental \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to evaluate the potential of and problems associated with various markets and to determine what strategy is best for doing business in those markets.

Astute businesspeople today “think \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, act \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”

**Chapter Four: Options for Organizing Business**

All businesses must select a form of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that is most appropriate for their owners and the scope of their business.

A business’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ form of ownership affects how it operates, how much it pays in taxes, and how much control its owners have.

Sole Proprietorships are businesses owned and operated by one individual, and they are the most \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ form of business organization in the U.S.

Sole proprietorships are generally managed by their owners, and because of this simple management structure, the owner/manager can \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ quickly.

This is just one of many advantages of the sole proprietorship. Other advantages include:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For profitable businesses managed by capable owners, many of the following factors do not cause problems. On the other hand, proprietors starting out with little management experience and little money are likely to encounter many of the following disadvantages:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

One way to minimize the disadvantages of the sole proprietorship and maximize its advantages is to have more than one \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is an association of two or more persons who carry on as co-owners of a business for profit.

There are two basic types of partnership:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Partnership: Involves a complete sharing in the management of a business. Each partner has unlimited liability for the debts of the business.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Partnership: Has at least one general partner, who assumes unlimited liability, and at least one limited partner, whose liability is limited to their investment in the business. These partnerships exist for risky investment projects where the chance of loss is great.

Articles of Partnership are legal documents that set forth the basic \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ between partners.

The advantages of partnerships must be compared with those offered by other forms of business organization, and not all apply to every partnership. The recognized advantages of partnerships include:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Partnerships have many advantages compared to sole proprietorships and corporations, but they also have some disadvantages. Major disadvantages of partnerships include the following:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a legal entity, created by the state, whose assets and liabilities are separate from its owners.

Corporations are generally owned by many individuals and organizations who own shares of the business, called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Stockholders can buy, sell, give or receive as gifts, or inherit their shares of stock. As owners, the stockholders are entitled to all the profits that are left after the corporation’s other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ have been paid.

If the corporation does business in the state in which it is chartered, it is known as a domestic corporation. In other states where the corporation does business, it is known as a foreign corporation. If a corporation does business outside the nation in which it is incorporated, it is called an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ corporation.

A corporation may be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ owned.

A private corporation is owned by just one or a few people who are closely \_\_\_\_\_\_\_\_\_\_\_ in the business.

A public corporation is one whose \_\_\_\_\_\_\_\_\_\_\_\_\_ anyone may buy, sell, or trade. In large corporations, stockholders are far removed from the management of the company.

A private corporation that needs more money to expand or take advantage of opportunities may have to obtain financing by “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” through an initial public offering (IPO).

An IPO is the process of becoming a public corporation by selling stock so that it can be \_\_\_\_\_\_\_\_\_\_\_\_\_ in public markets.

Quasi-Public Corporations and Nonprofits are two types of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ corporations.

Quasi-Public Corporations are owned and operated by the federal, state, or local government.

Nonprofit Corporations focus on providing a service rather than earning a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, but they are not owned by a government entity.

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a group of individuals, elected by the stockholders to oversee the general operation of the corporation, who set the corporation’s long-range objectives.

Corporations issue two types of stock:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Stock: A special class of owners, because although they generally do not have any say in the company, they have a claim to profits before any other stockholders do.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Stock: Although these owners do not get preferential treatment with regard to dividends, they do get some say in the operation of the corporation. Their ownership gives them the right to vote for members of the Board of Directors and other important issues.

Because a corporation is a separate legal entity, it has some very specific advantages over other forms of ownership. The biggest advantage may be the limited liability of the owners, nonetheless, the advantages include the following:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Corporations have some distinct disadvantages resulting from tax laws and government regulation.

The following are common disadvantages of corporations:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ is a partnership established for a specific project or for a limited time.

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ Company (LLC) is a form of business ownership that provides limited liability, as in a corporation, but is taxed like a partnership.

Another form of organization in business is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or Co-Op, an organization composed of individuals or small businesses that have banded together to reap the benefits of belonging to a larger organization.

Companies large and small achieve growth and improve profitability by expanding their \_\_\_\_\_\_\_\_\_\_\_\_\_, often by developing and selling new products or selling current products to new groups of customers.

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ occurs when two companies combine to form a new company. An acquisition occurs when one company purchases another, generally by buying most of its stock.

**Chapter Five: Small Business, Entrepreneurship, and Franchising**

Small businesses represent the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of its owners to succeed by providing new or better products and services.

Small businesses are the heart of the U.S. economic and social system because they offer opportunities and demonstrate the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of people to make their own destinies.

Entrepreneurship is the process of creating and managing a business to achieve desired \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A growing trend among small businesses is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Entrepreneurship, which refers to individuals who use entrepreneurship to address social problems.

They operate by the same principles as other entrepreneurs, but view their organizations as vehicles to create social \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A Small Business is an independently \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ business that is not dominant in its competitive area and does not employ more than 500 people.

No matter how you define a small business, one fact is clear: They are vital to the American \_\_\_\_\_\_\_\_\_.

The energy, creativity, and innovative abilities of small-business owners have resulted in \_\_\_\_\_\_\_\_\_\_\_\_ for many people.

Perhaps one of the most significant strengths of small businesses is their ability to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and to bring significant benefits to customers.

Retailers acquire goods from producers or wholesalers and sell them to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Many \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ exist for non-store retailing as well.

Non-store retailing involves selling products outside of the retail facility. There are two types of non-store retailing: (1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ provide both goods and services to producers and retailers. They can assist their customers with almost every business function.

Wholesalers supply products to industrial, retail, and institutional users for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or for use in making other products.

The service sector includes businesses that do not actually produce \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ goods.

Services include intangible products that involve performance, inauguration, or any effort to provide something of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that cannot be physically possessed.

Manufacturing goods can provide unique opportunities for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Small businesses sometimes have an advantage over larger firms because they can \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ products to meet specific consumer needs and wants.

Big Technology is a broad term used to describe businesses that depend heavily on advanced \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ knowledge.

There are many advantages to establishing and running a small business. These can be categorized into personal advantages and business advantages: (1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (3) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (4) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (5) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The rewards associated with running a small business are so enticing that it’s no wonder many people dream of it. However, as with any undertaking, small business ownership has its disadvantages.

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

List (8) Successful Traits of an Entrepreneur: (1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (3) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (4) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (5) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (6) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (7) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (8) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

To start any business, large or small, you must have some kind of general \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Next, you need to devise a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to guide planning and development in the business.

Finally, you must make \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ about form of ownership; the financial resources needed; and whether to acquire an existing business, start a new one, or buy a franchise.

A key element of business success is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_, which is a precise statement of the rationale for the business and a step-by-step explanation of how it will achieve its goals.

The business plan should include an explanation of the business, an analysis of the competition, estimates of income and expenses, and other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

It should also establish a strategy for acquiring sufficient \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to keep the business going.

A good business plan should act as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and reference document – not a shackle that limits the business’s flexibility and decision-making ability.

The business plan must be revised periodically to ensure that the firm’s goals and strategies adapt to changes in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

After developing a business plan, the entrepreneur has to decide on an appropriate legal form of business ownership – whether it is best to operate as a sole proprietorship, partnership, or corporation – and to examine the many \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that affect that decision.

The expression “it takes money to make money” holds especially true in developing a business \_\_\_\_\_\_\_\_.

To make money from a small business, the owner must first provide or obtain money (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) for rental space, equipment, inventory, etc. to get started and to keep it running smoothly.

The most important source of funds for any new business is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Such financing is referred to as \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_, because the owner uses real personal assets rather than borrowing funds from outside sources to get started in a new business.

Venture \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are persons or organizations that agree to provide some funds for a new business in exchange for an ownership interest or stock.

New businesses sometimes borrow more than half of their financial resources. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are the main suppliers of external financing to small business.

Banks and other financial institutions can also grant a small business a Line of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – an agreement by which a financial institution promises to lend a business a predetermined sum on demand.

Starting from Scratch vs. Buying an Existing Business: Although entrepreneurs often start new businesses from scratch, they may select instead to buy an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ business.

Many small-business owners find entry into the business world through \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A \_\_\_\_\_\_\_\_\_\_\_\_\_ to sell another’s products or to use another’s name in business, or both, is a Franchise. The company that sells the franchise is the “franchiser.”

Franchising has both advantages and disadvantages:

Franchisees commonly report the following advantages:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The franchisee must sacrifice some freedom to the franchiser. Some shortcomings experienced by franchisees include:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The continuing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of small businesses through rapidly changing conditions in the business world have led many large corporations to take a closer look at what makes their smaller rivals tick.

More and more firms are emulating small businesses in an effort to improve their own \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.