

ENTREPRENEURSHIP
Selecting a Way of Going into Business

Name _____

Score _____

Match the following with the appropriate advantages and disadvantages.

- A. Buying an Existing Business
- B. Starting a Business from Scratch
- C. Buying a Franchise
- D. Taking over the Family Business

1. _____ Advantages include: proven record, established location, and can be a low purchase price.
2. _____ Disadvantages include: limited control and continual fees.
3. _____ Disadvantages include: may not be your personal "passion"
4. _____ Advantages include: complete freedom to make all decisions and create the image you would like to project
5. _____ Advantages include: initial training and financial assistance.
6. _____ Advantages include: established brand image and proven method of doing business.
7. _____ Disadvantages include: no record and no established clientele.

Fill in the Blanks:

8. A _____ is a legal agreement between a parent company and the entrepreneur.
9. The manufacturer, wholesaler, or service company is referred to as the parent company or the _____.
10. The entrepreneur of a franchise is referred to as the _____.
11. Each month a franchise owner pays an amount equal to a percentage of sales to the franchisor. These fees are more commonly referred to as _____ fees.

Short Answer:

The following short answer questions refer to the options of either:

- Buying an Existing Business
- Starting a Business From Scratch
- Buying a Franchise
- *Taking over the family business*

12. Which type is typically the hardest to obtain a loan for starting?

Explain why?

13. Explain why the hazards of getting into business are not completely eliminated when buying an existing business.

14. Which option is most appealing to you?

Specifically explain why?