



FINAL EXAM

Course # 531001 The Entrepreneurial Myth

based on the book:

The E Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It

by: Michael E. Gerber (1995)



Financial Planning

This exam sheet is made available for your convenience in answering questions while offline. Please note that you will still need to enter your answers on the online exam sheet for grading. Instructions are provided at the end of this document.

Chapter 1 - The Entrepreneurial Myth

1. The E Myth is a misunderstanding.

TRUE

FALSE

2. Most small business are started by ordinary people who have an entrepreneurial seizure.

TRUE

FALSE

3. The following is not part of an entrepreneurial seizure:

Despair

Exhilaration

Comfort

Terror

Chapter 2 - The Entrepreneur, the Manager, and the Technician

4. The personality characterized as the visionary and dreamer is the:

Technician

Manager

GateKeeper

Entrepreneur

5. Everybody who goes into business is actually three people in one.

TRUE

FALSE

6. The Manager is the doer.

TRUE

FALSE

7. The work of an Entrepreneur is to wonder!

TRUE

FALSE

Chapter 3 - Infancy: The Technician's Phase

8. In Infancy, most businesses are operated according to:

what the customer wants.

what the business needs.

what the owner wants.

None of the above

9. In Infancy, you realize that your business has become the boss you thought you left behind.

TRUE

FALSE

10. The Technician in infancy has a strategic rather than tactical view.

TRUE

FALSE

11. The work that's not getting done in Infancy is:

the work that will lead your business forward

the entrepreneurial work

the strategic work

All of the above

Chapter 4 - Adolescence: Getting Some Help

12. Infancy begins at the point in your business when you decide to get some help.

TRUE

FALSE

13. Management by Abdication is in direct contrast to Management by Delegation.

TRUE

FALSE

14. In the Adolescent phase:

The boss always interferes.

Work is never done to the boss' satisfaction.

The Entrepreneur and the Manager within are asleep.

All of the above

Chapter 5 - Beyond the Comfort Zone

15. The Manager's comfort zone is bounded by how much he can do for himself.

TRUE

FALSE

16. The Entrepreneur's comfort zone is bounded by how many technicians he can supervise effectively.

TRUE

FALSE

17. As a business grows beyond its comfort zone, it can:

get small again and return to Infancy.

grow faster and faster and "go for broke".

survive and hang on for dear life.

All of the above

Chapter 6 - Maturity and the Entrepreneurial Perspective

18. Maturity is an inevitable result of the Infancy and Adolescent phases.

TRUE

FALSE

19. The Entrepreneurial Perspective is not about the commodity or the work itself, but rather:

how it looks

how it acts

how it does what it is intended to do.

All of the above

20. According to the Business Franchise Format, the true product of a business is not what it sells but how it sells it.

TRUE

FALSE

Chapter 7 - The Turn-Key Revolution

21. It is in the franchise prototype that every failed franchisor builds his future.

TRUE

FALSE

22. Trade name franchises have increased dramatically over the same period that franchising in general has fallen.

TRUE

FALSE

23. The "Business Format Franchise" boasts that the true product of a business is:

what it sells

how it sells

its brand

None of the above

24. The secret to finding the model you need to make your small business work is in the:

Franchise agreement

Trade Name Franchise

Business Plan

None of the above

25. A system is an integrated whole whose properties cannot be reduced to those of its parts

TRUE

FALSE

26. The Business format franchise has revolutionized American business.

TRUE

FALSE

Chapter 8 - The Franchise Prototype

27. The system runs the business. The people run the system.

TRUE

FALSE

28. A Business Format Franchise is really:

a subset of the trade name franchise

a disciplined work plan

A proprietary operating system.

All of the above

29. To the Manager, the Franchise Prototype provides order and predictability.

TRUE

FALSE

30. To the Entrepreneur, the Franchise Prototype is the medium through which his vision takes form.

TRUE

FALSE

31. The Business Format Franchise is designed to give the franchisee as much operating discretion as possible.

TRUE

FALSE

Chapter 9 - Working On Your Business Not In It

32. Your business and your life are two totally separate things.

TRUE

FALSE

33. The Franchise Prototype involves:

making your business unique

designing your business to serve 5000 smaller businesses

pretending your business is going to serve as a model for 5000 more just like it.

None of the above

34. The model will provide consistent value, beyond what is expected.

TRUE

FALSE

35. The model will utilize workers of the highest skill level affordable.

TRUE

FALSE

36. The model will stand out as a place of impeccable order.

TRUE

FALSE

37. Documentation is helpful, but not necessary.

TRUE

FALSE

38. The model will provide service that is unpredictable and exciting.

TRUE

FALSE

39. The model will utilize a uniform color, dress, and facilities code.

- TRUE
 FALSE

Chapter 10 - The Business Development Process

40. Innovation simplifies your business to its critical essentials.

- TRUE
 FALSE

41. Orchestration promotes diversity.

- TRUE
 FALSE

42. A franchise is your unique way of doing things.

- TRUE
 FALSE

45. The Business Development Process should:

- Precede changes in the world
 Anticipate changes in the world
 Be infinitely flexible with regard to changes in the world
 All of the above

46. The Business Development Process is:

- Creativity, Quantification, and Orchestration
 Innovation, Quantification and Orchestration
 Innovation, Quality and Change Management
 Innovation, Analysis and Quantification

47. The business development process is dynamic.

- TRUE

FALSE

Chapter 11 - Your Business Development Program

48. The vehicle through which you create your Franchise Prototype is called the:

- Franchise Method
- Business Impact Model
- Business Development Program
- None of the Above

Chapter 12 - Your Primary Aim

Chapter 13 - Your Strategic Objective

43. Your strategic objective is the vision of the finished product that is and will be your business.

- TRUE
- FALSE

44. Your Business Strategy & Plan should be able to be reduced to a set of simple and clearly stated standards.

- TRUE
- FALSE

49. Your Business Strategy and Plan communicate:

- The direction your business is going
- How your business intends to get where it is going
- The specific benchmarks your business will need to hit in order to get where its going
- All of the above

50. Creating money standards is strategically necessary for your business and your life.

- TRUE

FALSE

51. An "Opportunity Worth Pursuing" is a business that can fulfill:

Your need for creativity

Your dreams

The businesses overall mission with regard to quality and customer satisfaction

The financial standards you've created for your primary aim and your strategic objective.

52. People buy feelings, not commodities.

TRUE

FALSE

53. Your strategic objective is NOT a business plan.

TRUE

FALSE

Chapter 14 - Your Organizational Strategy

54. A position contract includes:

The summary of the results to be achieved by each position in the company

The work that the occupant of that position is accountable for

A list of standards by which the results are to be evaluated.

All of the above

56. Most companies organize around functions rather than around personalities.

TRUE

FALSE

57. Your organization chart flows down from your strategic objective which in turn flows down from your primary aim.

TRUE

FALSE

Chapter 15 - Your Management Strategy

58. The secret to a successful management is NOT in hiring amazingly competent managers.

TRUE

FALSE

Chapter 16 - Your People Strategy

Chapter 17 - Your Marketing Strategy

55. In developing your marketing strategy, you should forget about everything except your customer.

TRUE

FALSE

59. Demographics and psychographics are the two essential supporting pillars of a successful marketing program.

TRUE

FALSE

Chapter 18 - Your Systems Strategy

60. A system is a set of things, actions, ideas, and information that interact with each other, and in so doing, alter other systems.

TRUE

FALSE

Chapter 19 - A Letter to Sarah

Instructions for Submitting Answers Online:

- Sign In at www.ApexCPE.com
- Click the "My CPE" tab at the top of the page.
- Click "My CPE Courses".
- Find the current CPE year and click "Go to My Courses".
- Find this course and click the "Go to Course" link.
- Step 2 on the Course Syllabus page is "Take the Final Exam". Click the "Begin Final Exam" link.
- Enter your answers on the online exam sheet.
- Click the "Grade Exam" button at the bottom of the page. Your exam will be graded automatically. If your score exceeds 70%, a "Create Certificate" button will display. Otherwise, you may continue to retake the exam until you pass.
- A short evaluation page will display. Please provide your feedback for the course.
- Once the evaluation is complete, click the "Submit Evaluation & Create Certificate" button at the top of the page.
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