

Entrepreneurship and Management (GB 370) Gentry Test 1 Practice (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	9
Explanations	11
Next Steps	17

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. In strategic planning, which group is typically responsible for intermediate-range planning to implement the strategic plan?**
 - A. Senior executives only**
 - B. Middle level managers**
 - C. Frontline employees**
 - D. External consultants**

- 2. Which statement best defines entrepreneurship?**
 - A. A government subsidy program**
 - B. The act of hiring multiple executives**
 - C. Process of planning, organizing, operating, and assuming risk of a business**
 - D. A method of corporate social responsibility**

- 3. How do small businesses typically relate to large manufacturers?**
 - A. Most products made by large manufacturers are sold to customers by small businesses; small businesses as suppliers provide large firms with essential services, supplies, and raw materials; large firms outsource many routine operations to small businesses**
 - B. They are the primary end sellers for all products**
 - C. They compete with large manufacturers for research funding**
 - D. They focus on local markets and do not interact with large manufacturers**

- 4. What is the best practice for customer discovery interviews?**
 - A. Ask leading questions to confirm your solution.**
 - B. Conduct open-ended conversations to uncover problems and needs; ask neutral questions, record insights, and test assumptions early.**
 - C. Avoid recording insights and proceed with assumptions.**
 - D. Limit interviews to existing customers only.**

- 5. Which statement best describes environmental scanning?**
- A. A process for evaluating employee performance.**
 - B. A method for designing product features.**
 - C. Analyzing the trends and contingencies facing an organization and forecasting future conditions.**
 - D. A financial risk assessment model.**
- 6. Which is Break-even analysis used for?**
- A. Break-even analysis predicts customer demand.**
 - B. Break-even analysis determines the optimal product price.**
 - C. Break-even analysis calculates net present value.**
 - D. Break-even analysis helps determine the level of sales needed to cover costs.**
- 7. Which sequence describes the management process?**
- A. Planning and decision making → Organizing → Leading → Controlling → Repeat**
 - B. Controlling → Leading → Organizing → Planning**
 - C. Planning → Controlling → Organizing → Leading**
 - D. Leading → Planning → Organizing → Controlling**
- 8. According to the material, what is the average number of hours a typical American works per week?**
- A. 40**
 - B. 47**
 - C. 50**
 - D. 45**
- 9. What is the purpose of a value proposition canvas?**
- A. A diagnostic tool linking customer jobs, pains, and gains to products and services to ensure fit.**
 - B. A financial forecast for profitability.**
 - C. A market segmentation framework.**
 - D. A plan for distribution channels.**

10. Which phrase describes Americans' work hours in the material?

- A. Crying at desk, Americans work insane amount of hours**
- B. People work reasonable pace**
- C. Short hours and good balance**
- D. Underworked**

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Answers

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1. B
2. C
3. A
4. B
5. C
6. D
7. A
8. B
9. A
10. A

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Explanations

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1. In strategic planning, which group is typically responsible for intermediate-range planning to implement the strategic plan?

- A. Senior executives only**
- B. Middle level managers**
- C. Frontline employees**
- D. External consultants**

Middle managers coordinate translating strategic direction into actionable programs over the medium term. They take the strategic plan and turn it into departmental goals, resource allocations, schedules, and cross-functional actions that span roughly one to five years. This role sits between top leadership and frontline staff, giving them enough horizon to plan beyond the current quarter while still possessing detailed operational insight to address constraints and capabilities. They monitor progress, adjust plans as needed, and communicate results back up to senior leaders to keep the whole organization aligned with the strategy. Senior executives set the overall direction and governance, guiding what the organization aims to achieve. Frontline employees focus on executing specific tasks and day-to-day activities. External consultants can provide expertise or assist with planning, but the ongoing responsibility for intermediate-range planning typically resides with mid-level managers who bridge strategy and implementation.

2. Which statement best defines entrepreneurship?

- A. A government subsidy program**
- B. The act of hiring multiple executives**
- C. Process of planning, organizing, operating, and assuming risk of a business**
- D. A method of corporate social responsibility**

Entrepreneurship involves creating a new business opportunity and turning it into a viable venture by planning, organizing resources, operating the venture, and taking on the risks to deliver value. The statement that outlines planning, organizing, operating, and assuming risk of a business matches this activity, making it the best definition. External subsidies, hiring a lot of executives, or pursuing corporate social responsibility describe other kinds of activities, not the process of creating and running a new enterprise.

3. How do small businesses typically relate to large manufacturers?

- A. Most products made by large manufacturers are sold to customers by small businesses; small businesses as suppliers provide large firms with essential services, supplies, and raw materials; large firms outsource many routine operations to small businesses**
- B. They are the primary end sellers for all products**
- C. They compete with large manufacturers for research funding**
- D. They focus on local markets and do not interact with large manufacturers**

Large manufacturers rely on a network of smaller firms to bring products to market, provide inputs, and handle routine tasks. Small businesses often serve as retailers who sell the manufacturer's products directly to customers, helping to reach local markets and niche customer bases. They also act as suppliers, offering essential services, components, and raw materials that manufacturers need to produce goods. Additionally, many manufacturers outsource ordinary, non-core operations to smaller firms to stay flexible and control costs. This combination—selling through small retailers, sourcing from small suppliers, and outsourcing work to smaller contractors—is a typical, efficient way large manufacturers operate within an interconnected economy. Other statements don't fit this reality. Small businesses are not the primary end sellers for all products, since distribution channels often involve multiple layers and larger networks. The relationship is not about competing for research funding with large manufacturers, and in reality, small firms frequently interact and collaborate with large manufacturers rather than working in isolation or only serving local markets.

4. What is the best practice for customer discovery interviews?

- A. Ask leading questions to confirm your solution.**
- B. Conduct open-ended conversations to uncover problems and needs; ask neutral questions, record insights, and test assumptions early.**
- C. Avoid recording insights and proceed with assumptions.**
- D. Limit interviews to existing customers only.**

In customer discovery interviews, the aim is to learn about customers' real problems and needs through open-ended, neutral conversations and to capture insights while testing your assumptions early. Open-ended talks let customers describe their workflows, pains, and goals in their own words, revealing issues you might not anticipate. Asking neutral questions avoids steering responses toward a preconceived solution, reducing bias in what you learn. Recording insights from each interview creates a tangible basis for spotting patterns and validating or challenging your assumptions early, rather than building a product around untested beliefs. It also helps to talk with a mix of potential and existing customers to uncover new problems and broader market signals; sticking to existing customers can miss early indications of demand.

5. Which statement best describes environmental scanning?

- A. A process for evaluating employee performance.**
- B. A method for designing product features.**
- C. Analyzing the trends and contingencies facing an organization and forecasting future conditions.**
- D. A financial risk assessment model.**

Environmental scanning involves watching and interpreting what's happening outside the organization to spot trends, threats, and opportunities that could affect the future. It's about gathering external information—like changes in the market, technology advances, regulatory shifts, and moves by competitors—and using that insight to forecast what conditions might look like down the road. This forward-looking, outside-in view helps a company adjust its strategy before surprises occur. The statement that describes this best says the organization analyzes the trends and contingencies it faces and forecasts future conditions. That captures both the external focus and the anticipatory nature essential to environmental scanning. The other ideas describe internal or unrelated activities—evaluating employee performance is about people management, designing product features is about product development, and a financial risk model focuses on internal financial risks. While external factors can influence these areas, environmental scanning itself is about monitoring the external environment to anticipate what may impact the organization.

6. Which is Break-even analysis used for?

- A. Break-even analysis predicts customer demand.**
- B. Break-even analysis determines the optimal product price.**
- C. Break-even analysis calculates net present value.**
- D. Break-even analysis helps determine the level of sales needed to cover costs.**

Break-even analysis focuses on how much you must sell to cover all costs. It separates costs into fixed costs that stay the same regardless of volume and variable costs that rise with each unit produced. The amount each unit adds to covering fixed costs is the contribution margin, which is price minus variable cost per unit. The break-even point in units is fixed costs divided by the contribution margin per unit (and in revenue terms, fixed costs divided by the contribution margin ratio). Reaching this point means total revenue equals total costs, so there's no profit or loss. This tool helps set sales targets, evaluate how changes in price or costs affect profitability, and assess project viability. It isn't used to forecast customer demand, nor to determine an optimal price by itself, and it doesn't calculate net present value.

7. Which sequence describes the management process?

- A. Planning and decision making → Organizing → Leading → Controlling → Repeat**
- B. Controlling → Leading → Organizing → Planning**
- C. Planning → Controlling → Organizing → Leading**
- D. Leading → Planning → Organizing → Controlling**

Starting with planning and decision making is about setting clear goals and choosing how to use resources to reach them. You need this roadmap before you do anything else, so planning defines what you intend to achieve and how you'll approach it. Next comes organizing, which is about structuring the team, tasks, and systems so the plan can be carried out efficiently. With the framework in place, leading then becomes guiding and motivating people to execute the plan, ensuring everyone knows their role and priorities. Once work is in progress, controlling checks performance against the plan, identifies variances, and signals what adjustments are needed. This feedback loop is essential because conditions change and information becomes available, so you cycle back to planning to refine goals and methods. This sequence—planning and decision making, organizing, leading, controlling, and then repeating—embodies how management activities flow and adapt over time.

8. According to the material, what is the average number of hours a typical American works per week?

- A. 40**
- B. 47**
- C. 50**
- D. 45**

The main idea is that the average number of hours Americans work per week, when you include all workers and job arrangements, tends to be higher than the standard 40 hours. The material states about 47 hours per week as the typical average, reflecting overtime and variability in work schedules across the population. This helps explain why the figure sits in the upper 40s rather than exactly 40. The other numbers are less representative of the overall average: 40 would miss the overtime reality, 50 would suggest a heavier pattern than what the material reports, and 45 is closer to 40 but still under the stated average.

9. What is the purpose of a value proposition canvas?

- A. A diagnostic tool linking customer jobs, pains, and gains to products and services to ensure fit.**
- B. A financial forecast for profitability.**
- C. A market segmentation framework.**
- D. A plan for distribution channels.**

The value proposition canvas helps you diagnose whether what you offer actually aligns with what customers need. It centers on the customer side—the jobs they are trying to get done, the pains they encounter in doing those jobs, and the gains they'd like to achieve. On the other side, it shows how your products and services relieve those pains and create those gains. When these two sides line up, you have a clear signal of product-market fit and a solid basis for messaging and product design. It's a practical, iterative tool you use with the Business Model Canvas to test assumptions and identify gaps between customer needs and what you offer. It's not a financial forecast, a market segmentation framework, or a distribution-channel plan.

10. Which phrase describes Americans' work hours in the material?

- A. Crying at desk, Americans work insane amount of hours**
- B. People work reasonable pace**
- C. Short hours and good balance**
- D. Underworked**

The material describes Americans' work hours as extremely demanding and stressful. The phrase that fits this portrayal best is the one that depicts someone crying at their desk because they're dealing with an insane amount of work. It directly communicates both the high number of hours and the emotional toll that comes with them, which is the point the material is making. The other options suggest a more balanced or lighter workload, which doesn't align with the described reality. So the dramatic, distress-filled description is the clearest reflection of the content.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://gb370gentrytest1.examzify.com>

We wish you the very best on your exam journey. You've got this!

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