



THE TIMES 100

Edition 14

CMC Markets : Enterprise in the fast lane

Answer sheet

1. What is an Entrepreneur?
An entrepreneur who spots a gap in the market and acts on it. Someone who is willing to take risks and exploit an opportunity.
2. What are the key qualities that an Entrepreneur should have?
Requires work, focus, the ability to enjoy challenges and not be put off by failure.
3. What is a niche?
A gap in the market with very little competition or products.
4. How important is market research to a business start up?
Extremely important. If they don't know what the customer wants, the price they want to pay, when and where they want to buy it or even if they do want to buy it, success will be minimal.
5. Entrepreneurs have many areas where they can get help and advice. List 2 of them.
Chambers of commerce; Business link; Banks, Friends; Mentors; Business Networks / forums.
6. When an Entrepreneur sets up a business, a business plan is nearly always written. Why is this important?
It keeps the entrepreneur focused as it contains a checklist and plan of what needs to be done, including targets. It ensures that the Entrepreneur has not overlooked anything.
7. What sources of finance are available to an Entrepreneur when setting up a business?
Personal savings; selling of assets; shares in the business; bank loan; venture capitalist; business angels; government grants; Prince's Trust.
8. Using examples, explain what the term opportunity cost means.
Opportunity cost is the cost of giving one thing up over another. E.g. a business may purchase an extra machine, but the cost would be the potential redundancy of an employee which could effect moral and motivation, but alternatively increase productivity and output.



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9. There has never been a better time for setting up a business. To what extent do you agree with this?

Low interest rates, cheap labour, cheaper supplies, government grants - setting up has never been cheaper, depending on the sector there maybe less customers and hence the competition will be more fierce. If there is a genuine need for a product and it is been supplied, anytime is a good time to set up a business.