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Topic: Professional Reports and Proposals

Subtopic: Professional Reports: Business Plans

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Multiple-Choice Question Type

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1. One of the most important sections of a business plan is the Letter of Transmittal. Which of the following should NOT be included in this section of the document?

- a. Information on all of the principals involved.
- b. the purpose of the business plan.
- c. customer acquisition plan.
- d. a pitch letter.

Analysis:

a. Incorrect. Your customer acquisition plan should be located in your Market Analysis, not in your Letter of Transmittal.

b. Incorrect. Your customer acquisition plan should be located in your Market Analysis, not in your Letter of Transmittal.

c. Correct. Your customer acquisition plan should be located in your Market Analysis, not in your Letter of Transmittal.

d. Incorrect. Your customer acquisition plan should be located in your Market Analysis, not in your Letter of Transmittal.

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Level of difficulty: Medium

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2. When writing a business plan you need to include your Mission Statement. How long should a Mission Statement be?

- a. Two pages or less.
- b. At least one half page.
- c. Between two short paragraphs and 8 words.
- d. No more than five words.

Analysis:

- a. Incorrect. Some consultants advise no more than eight words, while others urge absolutely no more than two short paragraphs. The key is to be simple, concise, memorable, and unique to your organization.
- b. Incorrect. Some consultants advise no more than eight words, while others urge absolutely no more than two short paragraphs. The key is to be simple, concise, memorable, and unique to your organization.
- c. Correct. Some consultants advise no more than eight words, while others urge absolutely no more than two short paragraphs. The key is to be simple, concise, memorable, and unique to your organization.
- d. Incorrect. Some consultants advise no more than eight words, while others urge absolutely no more than two short paragraphs. The key is to be simple, concise, memorable, and unique to your organization.

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3. In creating a business plan, when should you be writing your Executive Summary?

- a. last.
- b. first.
- c. immediately after you finish your outline.
- d. it doesn't matter.

Analysis:

- a. Correct. The Executive Summary should be the last thing you write since you are summing up all of the other important points that you have made throughout the business plan.
- b. Incorrect. The Executive Summary should be the last thing you write since you are summing up all of the other important points that you have made throughout the business plan.
- c. Incorrect. The Executive Summary should be the last thing you write since you are summing up all of the other important points that you have made throughout the business plan.
- d. Incorrect. The Executive Summary should be the last thing you write since you are summing up all of the other important points that you have made throughout the business plan.

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4. Which section of your Business Plan identifies whether you are discussing a proprietorship, a partnership, a corporation, or a non-profit organization?

- a. the Product or Service Description
- b. the Company Description.
- c. the Mission Statement.
- d. the Operations and Management section.

Analysis:

- a. Incorrect. The Company Description identifies the kind of organization you are writing about (proprietorship, partnership, corporation, non-profit organization) and the sector of the organization (merchandising, manufacturing, service, and so forth).
- b. Correct. The Company Description identifies the kind of organization you are writing about (proprietorship, partnership, corporation, non-profit organization) and the sector of the organization (merchandising, manufacturing, service, and so forth).
- c. Incorrect. The Company Description identifies the kind of organization you are writing about (proprietorship, partnership, corporation, non-profit organization) and the sector of the organization (merchandising, manufacturing, service, and so forth).
- d. Incorrect. The Company Description identifies the kind of organization you are writing about (proprietorship, partnership, corporation, non-profit organization) and the sector of the organization (merchandising, manufacturing, service, and so forth).

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5. In what section of your Business Plan do you describe the history of your organization including the story of its founding, sales records, growth, and profit?

- a. the Letter of Transmittal.
- b. the Product or Service Description.
- c. the Company Description.
- d. the Market Analysis.

Analysis:

- a. Incorrect. If your Business Plan is for an organization that already exists, rather than a start-up, the history of your organization including the story of its founding, sales records, growth, and profit should appear in your Company Description.
- b. Incorrect. If your Business Plan is for an organization that already exists, rather than a start-up, the history of your organization including the story of its founding, sales records, growth, and profit should appear in your Company Description.

c. Correct. If your Business Plan is for an organization that already exists, rather than a start-up, the history of your organization including the story of its founding, sales records, growth, and profit should appear in your Company Description.

d. Incorrect. If your Business Plan is for an organization that already exists, rather than a start-up, the history of your organization including the story of its founding, sales records, growth, and profit should appear in your Company Description.

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6. In what section of your Business Plan do you share the strengths and weaknesses of your direct and indirect competitors?

a. the Market Analysis

b. the Letter of Transmittal.

c. the Product or Service Description.

d. the Company Description.

Analysis:

a. Correct. Strengths and weaknesses of your direct and indirect competitors should be discussed in your Market Analysis.

b. Incorrect. Strengths and weaknesses of your direct and indirect competitors should be discussed in your Market Analysis.

c. Incorrect. Strengths and weaknesses of your direct and indirect competitors should be discussed in your Market Analysis.

d. Incorrect. Strengths and weaknesses of your direct and indirect competitors should be discussed in your Market Analysis.

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7. Which of the following should NOT appear in the Market Analysis section of your Business Report?

a. your organizations projected growth.

b. a list of all of your physical locations, and of all equipment and personnel.

c. a breakdown of products or services currently available that would compliment yours that could either enhance or detract from your product or service.

d. the projected growth of your organization.

Analysis:

- a. Incorrect. Lists of all physical locations, equipment, and personnel should be included in the Operations and Management section of your Business Plan.
- b. Correct. Lists of all physical locations, equipment, and personnel should be included in the Operations and Management section of your Business Plan.
- c. Incorrect. Lists of all physical locations, equipment, and personnel should be included in the Operations and Management section of your Business Plan.
- d. Incorrect. Lists of all physical locations, equipment, and personnel should be included in the Operations and Management section of your Business Plan.

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8. In what section of your Business Plan should you identify and discuss any unique and quantifiable customer behaviors?

- a. the Market Analysis
- b. the Letter of Transmittal.
- c. the Financial Analysis.
- d. the Appendix.

Analysis:

- a. Correct. Any quantifiable customer behaviors should be identified and discussed in the Market Analysis section of your Business Plan.
- b. Incorrect. Any quantifiable customer behaviors should be identified and discussed in the Market Analysis section of your Business Plan.
- c. Incorrect. Any quantifiable customer behaviors should be identified and discussed in the Market Analysis section of your Business Plan.
- d. Incorrect. Any quantifiable customer behaviors should be identified and discussed in the Market Analysis section of your Business Plan.

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9. In which section of your Business Report should you indicate projected costs for personnel, insurance, and depreciation?

- a. the Letter of Transmittal.
- b. the Market Analysis.
- c. the Operations and Management section.
- d. the Financial Analysis.

Analysis:

- a. Incorrect. Your projected costs for personnel, insurance, and depreciation should be listed in the Financial Analysis section of your Business Plan.
- b. Incorrect Your projected costs for personnel, insurance, and depreciation should be listed in the Financial Analysis section of your Business Plan.
- c. Incorrect. Your projected costs for personnel, insurance, and depreciation should be listed in the Financial Analysis section of your Business Plan.
- d. Correct. Your projected costs for personnel, insurance, and depreciation should be listed in the Financial Analysis section of your Business Plan.

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10. Which of the following should appear in the Appendix of your Business Plan?

- a. a pitch letter.
- b. a profit and loss statement.
- c. a mission statement.
- d. the type of organization (proprietorship, partnership, corporation, non-profit).

Analysis:

- a. Incorrect. The Appendix of your Business Plan should include the resumes of managers, promotional materials, photographs of products, tables showing sales projections, a personnel plan, anticipated cash flow, profit and loss, as well as a balance sheet.
- b. Correct. The Appendix of your Business Plan should include the resumes of managers, promotional materials, photographs of products, tables showing sales projections, a personnel plan, anticipated cash flow, profit and loss, as well as a balance sheet.
- c. Incorrect. The Appendix of your Business Plan should include the resumes of managers, promotional materials, photographs of products, tables showing sales projections, a personnel plan, anticipated cash flow, profit and loss, as well as a balance sheet.
- d. Incorrect. The Appendix of your Business Plan should include the resumes of managers, promotional materials, photographs of products, tables showing sales projections, a personnel plan, anticipated cash flow, profit and loss, as well as a balance sheet.

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