

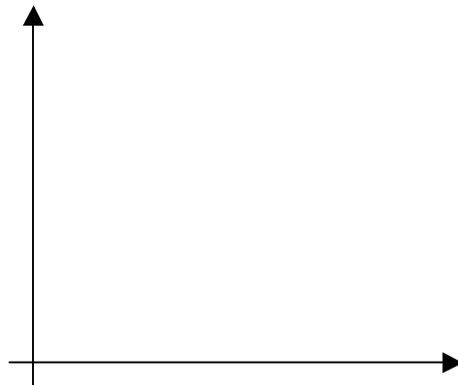
Name _____

AREC 315
Fall 2005

Quiz #1 (Individual)
(100 points)

Read each question carefully. Answer each question completely and concisely. Use diagrams and graphs when they are asked for or when they help you in answering the question. Manage your time wisely.

- (15 Points) 1. Assume that you are a manager of an Auto Zone (car parts) store in Tucson. The store has always been known for its excellent inventory, cleanliness, and excellent business records. However, you have noticed in recent weeks that employees have devoted more of their time to stocking shelves and keeping records than to customer service. So far this lack of balance in employee time allocation has not been a problem but you foresee that it could be in the near future. You recognize that you can either change the employees' preferences through training or you can change their incentives. Use two diagrams to show (1) how a change in preferences and (2) a change in incentives would change the employees' time allocation decisions. Briefly describe your diagrams.



Description



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(10 Points) 2. From the article “The ‘Be, Know, Do’ Model of Leader Development”, briefly describe the “Do” component of leadership giving practical business examples to complement your description.

(10 Points) 3. A leader of a large organization must struggle with two critical leadership issues on a daily basis: agency and public goods. Please describe each of these issues, making it clear what the issue is and giving an example.

(20 Points) 4. As an entrepreneur, you are investigating the feasibility of entering an established industry with a new product. You have chosen Porter's five forces model as a framework for your analysis. Barriers to entry seem to be the logical starting point for your evaluation. Please briefly discuss four barriers to entry and how each may or may not be a deterrent to your entrepreneurial plans.

(10 Points) 5. Many experts argue that a market economy cannot function efficiently and effectively without a well-functioning property rights system. Please describe the four characteristics of an effective property rights system.

(10 Points) 6. Based on our discussion in class, briefly discuss the two key roles of prices in a market economy. Make sure you give an example of each role.

(25 Points) 7. In a few weeks, you will submit your ideas for Phase I of your business plan. In the space below, please present a general outline of the major sections of a business plan and a sentence describing the section. This outline should reflect the outline of a Phase III plan.