

## Week 1 Practice Questions (20)

### Entrepreneurship and Small Business fundamentals in Real Estate Market

**Choose the best answer.**

1. The Spring 2024 Creating Sustainable Neighborhood Developers' Program includes twelve modules on (1) Entrepreneurship and Small Business fundamentals, (2) The State of Real Estate Development, (3) Real Estate Acquisition, (4) QuickBooks, (5) Relationship & Team Management, (6) Personal Finance & Funding, (7) Provisional Capacity Assessment, (8) Development & Construction, (9) License-Permits-Certifications-Insurance, (10) Understanding Blueprints, Bidding Projects, and Construction Documentation, (11) \_\_\_\_\_, (12) Bonding Awareness and Project Management.

Fill up the blank using the following.

- A. Contractor Procurement
- B. Xactimate
- C. Strategic planning

2. Which of the following most accurately describes Creating sustainable neighborhood developers' (CSND) program?

- A. the process of renovating and improving a house or district so that it conforms to middle-class taste
- B. the process of training, mentoring, and cultivating individuals who want to improve and develop the community (i.e., houses, subdivisions, community centers, etc.) they belong to.
- C. the process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents

3. Through the CSND program, Southern University College of Business strives to help small and minority businesses bridge society's \_\_\_\_\_ and digital divide and uplift income and wealth creation opportunities.

- A. Economic
- B. Political
- C. Geographical

4. Who can develop neighborhoods?

- A. Individuals
- B. Non-profits
- C. For-profits
- D. You
- E. All-of the above

5. Similar to the broader economy, commercial real estate is a cyclical market. There are four phases to the real estate cycle: Recovery – expansion - hyper-supply - \_\_\_\_\_.

- A. deflation
- B. recession
- C. stagnation

6. Which of the following could be a good indicator of the expansion stage of real estate cycle?

- A. fear in the general population
- B. lower supply of property
- C. lower home mortgage rates

7. There are several factors that significantly affect the Real Estate Market. Which of the following is NOT considered as a major factor?

- A. Interest rates
- B. Demographics
- C. Exchange rates

8. Which of the following best describes entrepreneurship?

- A. Entrepreneurship is a natural talent to create a new business that is formed with a plan and expectation that financial gain will follow.
- B. Entrepreneurship is the use of innovative thinking to develop new products, services and processes that lead to the creation of wealth for individuals and society.
- C. Entrepreneurship is an ability to manage a unincorporated business owned by a single person who is entitled to its profits processes that lead to the creation of wealth for individuals and society.

9. According to the Timmons Model of Entrepreneurship, the three critical factors of a successful entrepreneurial business are opportunities, teams, and \_\_\_\_\_.

- A. business plan
- B. resources.
- C. creativity

10. According to Mr. Cedric Grant, when you as property developers are doing business with municipalities, you need to build relationships and access to decision makers. Which of the following is NOT one of those mentioned in his presentation?

- (A) Mayor
- (B) Community leaders
- (C) Regulators
- (D) Citizens
- (E) Educators

11. Broadly speaking, property developers (i.e., sustainable neighborhood developers) need to know the community issues and priorities such as crime, blight, sanitation, infrastructure, housing, \_\_\_\_\_, and poverty.

- (A) Investors

- (B) Capital
- (C) Homelessness

12. According to Mr. Grant, you as property developers, need to know the related to what they are trying to accomplish. Which of the following considerations is NOT mentioned in his presentation?

- (A) Local Ordinances and Code
- (B) Comprehensive Zoning Code
- (C) Community Development Plans
- (D) Special Drawing Rights
- (E) Special Districts

13. According to Fred E. Foldvary, the average real estate cycle lasts \_\_\_\_\_ , and the current cycle will end by 2025?

- A. 4 years
- B. 8 years
- C. 18 years

14. The real estate market is part of the economy. As a result, the economy and the real estate market, in general, move together. For instance, a decrease in the market interest rate tends to increase the economic investments (i.e. machinery purchases and new plant construction by firms), so does the real estate market. There are also many other factors that affect the real estate market. Which of the following is one of the factors that greatly affect the real estate market?

- A. The Balance of Trade
- B. U.S. Government housing policies
- C. Inflation rates

15. Leading economic indicators can provide valuable insights into the direction of the real estate market. For example, the monthly consumer confidence index of the University of Michigan is a leading economic indicator, which helps us foresee how well or bad the overall economy will be in the near future. Which of the following is not a leading economic indicator?

- A. Gross Domestic Product (GDP) Growth
- B. Housing Affordability Index
- C. Duration of employment
- D. Building permit

16. Ms. Baaheth, former Louisiana Real Estate Commissioner, shared her observations on current housing markets in 2024. Which of the following is contrary to her assessments?

- A. Home values – increasing
- B. New construction – increasing
- C. Days on market - increasing
- D. Investment property – increasing

17. According to Ms. Baaheth, there are two types of real estate investments in a broad sense. Which of the following is considered as a long term real estate investment?

- A. Land Purchases
- B. Flipping real estate properties
- C. Purchasing a real estate funds

18. Local governments can initiate a community's economic planning efforts to build on their official community plan and role of shaping community growth and determining land use. In East Baton Rouge parish, \_\_\_\_\_ guides housing, economic development, transportation, land use, the environment, community design and other areas through the decision-making processes.

- A. Rebuilding Together Baton Rouge Plan
- B. Together EBR Plan
- C. FUTUREBR Plan

19. In East Baton Rouge parish, the Permits & Inspections Division is responsible for the permitting of residential and commercial improvements (plan review and approval); code inspections; and code enforcement for zoning, building, occupancy, mechanical, plumbing, and electrical construction. According to the Division, residential work exceeding \_\_\_\_\_ must be performed by a registered home improvement contractor or licensed residential contractor.

- A. \$7,500
- B. \$5,000
- C. \$1,500

20. An adjudicated property is a property for which a tax sale title is acquired by a political subdivision/ city. An individual interested in a piece of adjudicated property in East Baton Rouge Parish can proceed to purchase it through the Office of the Parish Attorney, \_\_\_\_\_, In My Father's House program, and Mow To Own program.

- A. Netsales Inc
- B. BRAC
- C. CivicSource