

Week 1 Practice Questions (20)

Entrepreneurship and Small Business fundamentals in Real Estate Market

Choose the best answer.

1. The Fall 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 an 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 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

11. 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

12. 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. Consumer Confidence Index
- B. Housing Starts
- C. Duration of unemployment
- D. Building permit

13. 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

14. In the real estate cycle, the hyper-supply phase is presented by all but one:

- A. Sky-rocketing prices
- B. Over-development
- C. Rising number of Vacancies
- D. Accelerating demand

15. 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

16. At the national level, the current US economy is

- A. In expansion
- B. Rising in new construction.
- C. Unemployment has remained stable.
- D. Rising consumer confidence among the general population.
- E. All of the above

17. According to Ms Baaheth, there is a national shortage of ____ million affordable homes for the more than 10.8 million extremely low income families in our country.

- A. 9
- B. 6
- C. 7.5
- D. 6.5

18. In general, a zoning commission is a local government board that makes recommendations to a city or town council on zoning and planning matters. In East Baton Rouge Parish, _____ constitute the Zoning Commission.

- A. The Planning Commission
- B. The Permits & Inspection Division
- C. The Residential Division

19. The Planning Commission governance is appointed by the metropolitan council for a term of:

- A. Four years
- B. 8 years
- C. 12 years

20. Zoning commission 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