***Entrepreneur:* A person who *organizes* and *manages* an enterprise, especially a business, usually with considerable *initiative* and *risk*.**

***Initiative:* Readiness and ability in initiating action.**

**The Role of an Entrepreneur:**

1. **Entrepreneurs are innovators**
2. **Entrepreneurs provide choice**
3. **Entrepreneurs provide jobs**
4. **Entrepreneurs help the economy grow.**

Why Become an Entrepreneur?

Desire to be their own boss

desire to pursue their own ideas

Financial rewards

Characteristics of Successful Entrepreneurs

* Passion for the Business
* Product/Customer Focus
* Tenacity Despite Failure
* Execution Intelligence

**The Qualities of an Entrepreneur:**

1. ***Inner Drive to Succeed***
2. ***Strong Belief in themselves***
3. ***Search for New Ideas and Innovation***
4. ***Openness to Change***
5. ***Competitive by Nature***
6. ***Highly Motivated and Energetic***
7. ***Accepting of Constructive Criticism and Rejection***

What is a business model? a design for the successful operation of a business, identifying revenue sources, customer base, products, and details of financing.

**Demand** is the desire, willingness, and ability to buy a good or service.

**demand schedule** is a table that lists the various quantities of a product or service that someone is willing to buy over a range of possible prices.

**law of demand**, quantity demanded and price move in opposite directions.

**principle of diminishing marginal utility** says that our additional satisfaction tends to go down as we consume more and more units.

Change in the quantity demanded due to a price change occurs ALONG the demand curve

Demand Curves can also shift in response to the following factors:

* + **B**uyers (# of): changes in the number of consumers
  + **I**ncome: changes in consumers’ income
  + **T**astes: changes in preference or popularity of product/ service
  + **E**xpectations: changes in what consumers expect to happen in the future
  + **R**elated goods: compliments and substitutes

**Substitute goods**🡪 a substitute is a product that can be used in the place of another.

**Complementary goods**🡪 a compliment is a good that goes well with another good.

**Supply** refers to the various quantities of a good or service that producers are willing to sell at all possible market prices.

A **supply schedule** is a table that shows the quantities producers are willing to supply at various prices

**law of supply** holds that producers will normally offer more for sale at higher prices and less at lower prices.

Change in the quantity supplied due to a price change occurs ALONG the supply curve

Supply Curves can also shift in response to the following factors:

* + **S**ubsidies and taxes: government subsides encourage production, while taxes discourage production
  + **T**echnology: improvements in production increase ability of firms to supply
  + **O**ther goods: businesses consider the price of goods they could be producing
  + **N**umber of sellers: how many firms are in the market
  + **E**xpectations: businesses consider future prices and economic conditions
  + **R**esource costs: cost to purchase factors of production will influence business decisions

A **surplus** is the amount by which the quantity supplied is higher than the quantity demanded.

A **shortage** is the amount by which the quantity demanded is higher than the quantity supplied

**equilibrium price**. At this price, neither a surplus nor a shortage exists.