1982

Biz Quiz: Test Your Business IQ

Don P. Diffine Ph.D.
Harding University, ddiffine@harding.edu

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How Do You Rate?

Score ten points for each correct answer.

90 – 100 Start your own company.

70 – 80 Qualified to do your own taxes.

50 – 60 Better marry someone rich.

0 – 40 Hire someone to balance your checkbook.

Courtesy of
The Belden Center for
Private Enterprise Education
College of Business Administration
Harding University, Searcy, Arkansas
1. Some companies pay no income tax.
   True  False

2. In all cases, the individual citizen pays for pollution control.
   True  False

3. The national debt could be substantially reduced by increasing taxes on corporations and individuals with high incomes.
   True  False

4. The free enterprise system has outlived its usefulness and should be replaced with a different economic system.
   True  False

5. Companies are more concerned about profits than people and are unscrupulous in their quest for making money.
   True  False

6. Most manufacturers deliberately create outdated products so the consumer is forced to buy more products and spend more money.
   True  False

7. Big business usually drives out small business to eliminate competition and drive up prices.
   True  False

8. Government ownership of business would result in savings to the consumer.
   True  False

9. Big companies exercise enormous influence and power in our country.
   True  False

10. Government regulation of business should be increased to ensure that business operates more in the public interest.
    True  False
Answers to Business I.Q. Test

1. **True** – No profit, no taxes. In recent years some well-known companies have suffered substantial losses, and consequently have not paid taxes.

2. **True** – Citizens eventually foot the bill for all pollution control as part of product costs and must be reflected in the selling.

3. **False** – If all the income of corporations and wealthy individuals in the U.S. were confiscated, the federal government couldn’t even operate for one year.

4. **False** – The free enterprise system has provided more goods, services and jobs than any other economic system the world has ever known.

5. **False** – Profit is an accounting after all expenses of running a business are paid. Profits are spent for the expansion of the business to create value for customers and jobs for workers.

6. **False and True** – Many customers desire to have the “latest” styles and designs. But remember, no one requires the customer to buy.

7. **False** – Most big companies rely on thousands of thriving small businesses to provide them with raw materials or parts for their products.

8. **False** – Typically, government businesses are inefficient because they have little incentive to keep costs down and become more efficient, nor to be accountable to taxpayers.

9. **True and False** – Power is relative. There are many examples of small companies leaping over the giants of commerce.

10. **False** – For every dollar that government spends on regulation, business is required to spend twenty. Ultimately, the consumer foots the bill for many unnecessary regulations.
Did You Enjoy This Quiz?

We publish this quiz two reasons: 1) most people enjoy them; and 2) many are stimulated to dig deeper into the wealth of interesting and useful information to be found in simplified business economics.

SALUTE TO COMPETITION

My competitors do more for me than my friends do; my friends are too polite to point out my weaknesses; but my competitors go to great expense to advertise them.

My competitors are efficient, diligent, and attentive; they make me search for ways to improve my service and products. My competitors would take my business away from me if they could: this keeps me alert to hold what I have.

If I had no competitors, I would be lazy, incompetent, and inattentive; I need the discipline they enforce upon me. I salute my competitors; they have been good to me. God Bless Them All!

-- author unknown, but wisdom eternal

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D.P. Diffine, Director
HARDING UNIVERSITY
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