1. Many new businesses are formed as a result of the entrepreneur's previous work experience, through which he or she sees ways to improve or modify a product.

2. The general environment is positive in its impact on the small firm and its performance.

3. The franchise disclosure requirements of the Federal Trade Commission specify that franchisors must provide potential franchisees with written disclosures providing important information about the franchisor, the franchised business, and the franchise relationship, and allow them at least ten business days to review it.

4. Financial statements can mislead a potential purchaser trying to develop an accurate business valuation.

MC

1. Know about SWOT.

2. Know about competitive advantage.

3. Know about the study of the National Federation of Independent Business Foundation, and what is most common.

4. Know what idea is the largest number of startups.

5. What happens to people when they have a business idea?

6. Know the differences in a franchise over an independent startup.

7. Know what is the exercise of reasonable care is in a business opportunity.

8. Know about altering financial records.

9. Know about the UFOC.

10. Know who regulates offers and sales of a franchise.

11. Know about the rights to conduct business.