

Austin Cupp

1. Why do ethics matter in entrepreneurship?

Ethics are a key factor in entrepreneurship because they can help set up what is known as the backbone of the organization. An organization with a strong ethical background is looked at in a positive manner and can encourage consumers to shop at or use the service the organization provides. Also, an organization with a strong ethical background gives a form of reassurance to stakeholders, retains customers more often than unethical organizations, and can retain employees much easier than an organization with an unethical background. Furthermore, an organization with a strong set of ethics is very likely to avoid moral dilemmas, avoid any financial pitfalls, and avoid running afoul of the law or violating any regulations.

2. How does my own personal budget related to an entrepreneurship budget? How are they different?

My personal budget can relate to an entrepreneurship budget because both budgets have the same core value, and that is to manage money, track income, and determine expenses. When budgeting for myself or for my organization, the key is to determine my objectives, and not overspend the budget. However, one main way a personal budget and an entrepreneurship budget differ is that with a personal budget, the goal is to determine possible savings, while the goal within an entrepreneurship budget is to determine if the organization is making a profit, and if so, how much of a profit is the organization making. How much profit an organization makes also determines whether the current budget, or business model itself, is viable. If an organization is not making a profit, then the entire budget or business model may need to be changed. Taxes are also different between a personal budget and an entrepreneurship budget. Considering a personal budget and filing taxes for myself, I only need to worry about income tax, however in regard to a entrepreneurship budget, financial plans and tax preparations need to comply with local, regional, and federal regulations and laws, and need to factor in income tax, employment tax, and excise tax.

3. Why do businesses need a budget or financial forecast?

Businesses need a budget or a financial forecast so that they can plan out expenses, such as the cost of materials, and can make changes based on operational needs. Payroll, insurance, advertising, professional services are all also key aspects that a business can include in their budget or financial forecast. Some businesses even have rent and loans that may be factored into their budget or financial forecast. Businesses with a strong budget or financial forecast can also attract investors and help themselves meet financial goals. Businesses that do not have either a budget or a financial forecast run the risk of spending more money than they are making, are unable to make long term financial commitments, and can have trouble securing loans.

4. What is your definition of social entrepreneurship? Give an example of an enterprise you read about from the Schwab Foundation website.

Social entrepreneurs focus on creating an overall social and environmental improvement and sustainable system changes. These types of entrepreneurs do not aim to accumulate wealth, but instead aim to improve the greater good of society. Social entrepreneurs may seek to serve an underserved community, focus on philanthropic activities, or produce environmentally friendly products. An example of a social entrepreneurship would be The Front Project. The Front Project an independent national enterprise

focused on better outcomes for Australian children and society. The Front Project's mission has two key parts, which are to ensure all Australian leaders and their communities are committed to placing a new value on the early years for Australian children, and for all Australian children to have the 21st century attributes and necessities that they need in order to thrive.

5. What are the most significant legal issues entrepreneurs face?

One significant legal issue an entrepreneur can face is when a consumer watches a commercial and deems it to contain "misinformation" and then sues the organization for what they feel is false advertising. Neglecting to follow corporate compliance laws is another legal issue entrepreneurs face. It is important that an entrepreneur has regular "checkups" so that their organization is following all internal rules, regulations, procedures, and federal and state laws concerning their organization. Also, to failure to take steps to not infringe on someone else's intellectual property, such as a trademark, is a legal issue an entrepreneur can face. An entrepreneur who infringes on someone else's intellectual property without written permission is very likely to be subjected to a lawsuit.