

Week 3 Journal Entry

1. Why do ethics matter in entrepreneurship?

Ethics are one of, if not the best, forms of advertisement for an entrepreneur. It is often stated that good ethics equate to good business. Many people bring up the scenario and ask someone if they would do business with an unjust and sketchy company. Most people would argue that they would not because it doesn't align well with their values. Good ethics are a balance between trust and confidence that entrepreneurs should greatly consider.

2. How is my budget related to an entrepreneurship budget?

Your personal and entrepreneurship budgets are similar in many ways and work with each other. If an individual practices financial stability they will be able to spend more on things that are involved with their entrepreneur budget. An individual should also consider having enough income to cover both personal and entrepreneurial costs. This way they can still be able to provide for themselves and the business they created.

3. Why do we need budgets?

Budgets are extremely important to keep an entrepreneur's dream alive. Without the correct management of money, things can spiral out of control quickly. An individual should estimate the revenue from sales and set targets to reach. Then, calculate how much of the revenue will be reinvested into the company and how much will be kept for later projects or profit. Entrepreneurs should also consider seasonal trends in their business. This is where budgeting relieves a lot of potential stress. Planning to spend or save more depends on how sales are going.

4. What is social entrepreneurship?

Social entrepreneurship and business entrepreneurship are quite similar, often leading to confusion between the two. However, there is one key difference that sets them apart: the bottom line. Social entrepreneurship emphasizes social improvement and sustainable system change, while business entrepreneurship focuses on wealth accumulation and driving economic progress. It is important to note that social entrepreneurship applies business principles to address the problems that arise.

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

The most significant legal issues entrepreneurs face depend on the legal form under which they created their business. For example, a sole proprietorship's most significant legal issue is that the company's success is 100% dependent on the owner. Additionally, sole proprietors have unlimited liability for all claims against the business. Partnerships, as a legal form, also face legal issues. For instance, each partner is liable for the obligations of other partners in the company. This can harm the business's reputation if one partner engages in misconduct. Furthermore, individual partners can be sued for the full amount of any partnership debt. It is wise to carefully consider the choice of partners when creating a business.