

10 Lecture - MGT211

Important Mcqs

1. **What is franchising?**

- a. A business model in which a company grants an individual or group the right to use its trademark and business model in exchange for royalties.
- b. A business model in which a company grants an individual or group the right to use its trademark and business model for free.
- c. A business model in which a company grants an individual or group the right to use its trademark and business model in exchange for a one-time fee.

Answer: c.

2. **Which of the following is an advantage of franchising?**

- a. Access to a proven business model.
- b. Complete independence in running the business.
- c. No need for any financial investment.

Answer: a.

3. **Which of the following is a disadvantage of franchising?**

- a. Limited independence in running the business.
- b. No support from the franchisor.
- c. No need for any financial investment.

Answer: a.

4. **Which of the following is a type of franchise?**

- a. Product distribution franchise.
- b. Marketing franchise.
- c. Service franchise.

Answer: a.

5. **What is a product distribution franchise?**

- a. A franchise in which the franchisor provides the franchisee with the products and supplies needed to run the business.
- b. A franchise in which the franchisor provides the franchisee with marketing support.
- c. A franchise in which the franchisor provides the franchisee with training and development programs.

Answer: a.

6. **What is a marketing franchise?**

- a. A franchise in which the franchisor provides the franchisee with marketing support.
- b. A franchise in which the franchisor provides the franchisee with products and supplies

needed to run the business.

c. A franchise in which the franchisor provides the franchisee with training and development programs.

Answer: a.

7. What is a service franchise?

a. A franchise in which the franchisor provides the franchisee with marketing support.

b. A franchise in which the franchisor provides the franchisee with products and supplies needed to run the business.

c. A franchise in which the franchisor provides the franchisee with training and development programs.

Answer: c.

8. Which of the following is a legal document that outlines the terms and conditions of a franchise agreement?

a. Franchise disclosure document.

b. Franchise registration statement.

c. Franchise agreement.

Answer: c.

9. What is a franchise disclosure document?

a. A document that outlines the terms and conditions of a franchise agreement.

b. A document that provides information about the franchisor and the franchise system.

c. A document that outlines the financial obligations of the franchisee.

Answer: b.

10. Which of the following is a fee paid by the franchisee to the franchisor for the use of the franchisor's trademarks and business model?

a. Royalty fee.

b. Initial fee.

c. Training fee.

Answer: a.