

Business Education (0100)

Test at a Glance

Test Name	Business Education		
Test Code	0100		
Time	2 hours		
Number of Questions	120		
Format	Multiple-choice questions; calculator allowed; calculators with QWERTY keyboards not allowed		
	Content Categories	Approximate Number of Questions	Approximate Percentage of Examination
	I. United States Economic Systems	12	10%
	II. Money Management	17	14%
	III. Business and Its Environment	13	11%
	IV. Professional Business Education	24	20%
	V. Processing Information	20	17%
	VI. Office Procedures and Management, Communications, and Employability Skills	17	14%
	VII. Accounting and Marketing	17	14%

About This Test

The **Business Education** test is intended primarily for persons planning to teach in business education programs at the high school level. The test concentrates on the core of knowledge and cognitive skills common to all business teachers, including content that contributes to business and economic literacy. Also included are questions about professional information related to business education in general and questions about areas of specialization within business education. An examinee planning to take this test should be prepared to encounter ethical and technological concepts as well as emerging trends and issues. Because of the variations among business education programs, some questions may refer to areas that may not have been studied. Therefore, no one is expected to answer all of the questions on the test correctly. In addition, this test may contain some questions that do not count toward your score.

In general, the topics concern areas broadly defined as business and economic literacy; professional business education, including knowledge, comprehension, and application of pedagogical techniques; and business specialization, including specific background and application knowledge considered essential for a business education teacher. The examination is typically taken by examinees who have completed a bachelor's degree program in education with appropriate coursework in business education. The examinee will be allowed to use a calculator during the examination; however, calculators with QWERTY keyboards will not be allowed.

Topics Covered

Representative descriptions of topics covered in each category are provided below.

I. United States Economic Systems

- Free enterprise, entrepreneurship, and business organization/management: forms of business organizations, principles of management, business plans
- Government and banking: fiscal and monetary policies, GDP, taxation, regulations
- Economic principles: inflation, deflation, supply and demand, price systems, international trade, labor-management relations

II. Money Management

- Mathematics for business: calculations related to financial management, interest rates, extensions, budgets, loans
- Consumer education: budgeting, marketplace decisions, information resources, consumer rights
- Finance: banking, investing, credit, current value theory

III. Business and Its Environment

- Job standards, work standards, business ethics and policies: peer relationships, employee evaluations, productivity measures
- Business and consumer law: contracts, agent and principal, insurance, consignment, negotiable instruments, tort law, bankruptcy, consumer legislation, discrimination, negotiation, global economy

IV. Professional Business Education

- Professionalism: work ethics, human relations, professional organizations and literature, public relations
- Current trends and issues: equipment, curriculum, instructional materials, use and interpretation of research

- Methodology/teaching strategies: cooperative, simulation, competency-based, skill areas, group and individual, working with special-needs students, interactive computer software, selecting and/or determining standards for skilled and nonskilled subjects, assessments (including performance assessments)
- Student organizations: FBLA, PBL, DECA, Junior Achievement, Business Professionals of America
- Federal vocational legislation: Carl D. Perkins Vocational Education Act of 1963 and subsequent amendments
- Mission/objectives of business education: occupational preparation, responsibility to the business community, responsibility to society, personal-use skills, economic literacy, training and retraining
- Community relations: advisory committees, partnerships/alliances, visits
- Curriculum planning and program development: technological concerns, needs assessments, prescription of program outcomes, determination of content and materials, determination of teaching strategies, determination of activities, determination of evaluation
- Department management: organization of a department, program evaluation, staffing, budgets, equipment
- Classroom management: record-keeping, equipment safety, organizing and using classroom resources, managing classroom space and time
- Counseling in business education: orientation, career awareness, career exploration, preparation, employment information and trends

V. Processing Information

- Keyboarding
- Production
- Specialized types of information: statistical, legal, and medical (including legal and medical transcription)
- Word processing
- Proofreading
- Editing
- Formatting
- Graphics
- Records management
- Database applications
- Reprographics
- Processing mail
- Simulation productivity
- Equipment use
- Spreadsheets
- Data security
- Entering and verifying data
- Computer literacy
- Internet technology

VI. Office Procedures and Management, Communications, and Employability Skills

- Office procedures and management: workflow topics, assessing references, records management, recordkeeping, managing travel and meetings, handling mail
- Business communications: written communications, oral communications, telecommunications, listening skills, communication barriers
- Employability skills: self-assessment techniques, applications, references, job-search techniques, termination, advancement

VII. Accounting and Marketing

- Accounting: accounting concepts, terminology and applications, accounting systems, basic accounting cycle of source documents, verifications, analyzing, recording, posting, trial balance, and statement
- Marketing: sales techniques, advertising, display, buying, wholesale/retail, distribution, service occupations, market analysis, warehousing, inventory control

Sample Test Questions

The sample questions that follow illustrate the kinds of questions in the test. They are not, however, representative of the entire scope of the test in either content or difficulty. Answers with explanations follow the questions.

Directions: Each of the questions or statements below is followed by five suggested answers or completions. Select the one that is best in each case.

- Which of the following actions by the Federal Reserve System would be most likely to increase consumer spending?
 - Increasing reserve requirements for member banks
 - Increasing the discount rate to member banks
 - Decreasing the discount rate to member banks
 - Selling large amounts of government securities
 - Keeping reserve requirements of member banks constant
- The total retail market value of all the goods and services produced in a nation, usually stated in annual terms, is the
 - ratio of profit to sales
 - current ratio
 - gross domestic product
 - consumer price index
 - trade surplus
- An important source of information on the credit rating of retail businesses is
 - the Retail Merchants Association
 - the Chamber of Commerce
 - Dun and Bradstreet, Inc.
 - the National Retail Credit Association
 - the Federal Trade Commission
- Which of the following is the regulator for all securities firms operating in the United States?
 - Federal Trade Commission
 - Federal Deposit Insurance Corporation
 - Federal Reserve Board
 - Financial Industry Regulatory Authority
 - Federal Exchange Commission
- A six-step procedure is usually associated with the preparation of correspondence for filing. Which of the following is NOT considered a part of the procedure?
 - Inspecting and indexing
 - Date stamping
 - Cross-referencing
 - Sorting and storing
 - Coding
- An accounts payable entry appears in the
 - asset section of the balance sheet
 - liability section of the balance sheet
 - capital section of the balance sheet
 - cost of goods sold section of the income statement
 - operating expense section of the income statement

7. The planning, pricing, promotion, and distribution involved in getting goods or services from producers to consumers is known as
- (A) merchandising
 - (B) retailing
 - (C) wholesaling
 - (D) marketing
 - (E) producing
8. Which of the following statements best reflects a sound approach to teaching production work in keyboarding?
- (A) Extensive practice in self-selected production work in a keyboarding class should be required.
 - (B) A positive relationship must exist between straight-copy work and production work.
 - (C) Only one type of correction process should be introduced in a keyboarding class involved in extensive production work.
 - (D) Production work should incorporate little decision-making, but should stress copying and nonjudgmental tasks.
 - (E) Production work should be practiced and completed from actual source documents obtained from businesses.
9. Which of the following describes the effect of federal vocational legislation on business education in the United States?
- (A) It has had little impact in that business education is not covered by such legislation.
 - (B) It has served to standardize high school business education offerings nationwide.
 - (C) It has placed business education youth organizations, such as FBLA and DECA, under central federal authority.
 - (D) It has provided states with financial assistance for the operation of vocational business education programs.
 - (E) It has provided numerous textbooks and other instructional materials published by the United States Government Printing Office.
10. In connection with the purchase of a house, the term "abstract" refers to a document that
- (A) transfers the title of the property from one party to another
 - (B) provides a history of the ownership of the property
 - (C) quits a claim against a property that one may have held at any time
 - (D) guarantees that there is no encumbrance against the property
 - (E) certifies that the records of the property have been examined

11. Which of the following best describes the situation after the price is raised on a product that has an inelastic demand?
- (A) The quantity demand will not change.
 - (B) The quantity demand will increase.
 - (C) The quantity demand will decrease.
 - (D) Total revenue will decrease.
 - (E) Total revenue will not change.
12. If one party to a contract is forced to sign, the contract is defined as
- (A) enforceable
 - (B) executory
 - (C) unenforceable
 - (D) unilateral
 - (E) voidable
13. Ms. Robinson, a new business teacher, looks up the academic profile of every student in her fifth-period class. For each student, she customizes a report containing their contact information, the grades earned in previous business courses, and their current career pathway/cluster. The report is generated from a collection of the student's records called a
- (A) spreadsheet
 - (B) database
 - (C) field
 - (D) table
 - (E) template
14. Which of the following defenses may NOT be used to legally avoid payment on a negotiable instrument?
- (A) Breach of contract
 - (B) Lack of consideration
 - (C) Fraud in the inducement
 - (D) Mental incapacity
 - (E) Diminished economic resources
15. Kahlil scanned a PDF containing simple text into a document to avoid keying in the text. Which of the following allows the text to be scanned into a document rather than entered manually?
- (A) COM
 - (B) DLP
 - (C) OCR
 - (D) NPC
 - (E) TTS
16. The primary objective of teaching advanced lessons on financial statements is to teach students to
- (A) determine how to set up each statement
 - (B) identify common account titles
 - (C) analyze the financial information
 - (D) identify each component of a statement
 - (E) determine which accounts are used in each statement

Answers

- 1.** The best answer is C. A reduction in the discount rate, the rate charged commercial banks to borrow money from the Federal Reserve, encourages banks to lend money, promoting consumer spending.
- 2.** Choice C is the correct answer. Gross domestic product can be defined as the total market value of all final goods and services produced by factors of production located within a country, regardless of who owns them.
- 3.** The correct answer is C. One of the primary services of Dun and Bradstreet, Inc., is to provide credit information on businesses. Choices A, B, and D are organizations made up of member firms with common interests. Choice E is a federal agency with responsibilities involving the regulation of business.
- 4.** The correct answer is D. The Financial Industry Regulatory Authority is the regulator for all securities firms operating in the United States.
- 5.** The correct answer is B. Choices A, C, D and E are all steps in the process of filing (arranging and storing business records according to a systematic plan).
- 6.** Accounts payable show the amount owed to a creditor for goods or services bought on credit. Choice B is the correct answer.
- 7.** The correct answer is D. Marketing is typically defined as the process of planning and implementing the conception, pricing, promotion, and distribution of goods and services to create exchanges in order to satisfy individual and organizational objectives.
- 8.** By definition, production work should include a variety of job-type activities in order to integrate basic skills with knowledge and good work habits. Therefore, E is the correct answer.
- 9.** The correct answer is D. Choice A is incorrect because federal vocational legislation does affect business education. Choices B, C, and E are beyond the scope of federal vocational legislation.
- 10.** The correct answer is B. An abstract of title provides a listing of the transfers of title to land. It is often obtained by a buyer as a means of protection, but it is not a guarantee.
- 11.** The correct answer is A. Choices B and C are incorrect because an increase in the price of a product that has an inelastic demand will not cause a change in the quantity demanded. Total revenue will increase if the price is raised on a product that has an inelastic demand. Therefore choices D and E are incorrect.
- 12.** The correct answer is E. A forced agreement is not a genuine agreement. The contract is voidable due to duress.
- 13.** The correct answer is B. Choice B is the only object listed that will have a collection of information and allow for report creation. Choices A, C, D, and E will not allow for a customized report to be generated. Therefore, A, C, D, and E are incorrect.
- 14.** The correct answer is E. A lack of economic resources does not legally excuse the payment on a negotiable instrument. Choices A, B, C, and D are legal reasons for nonpayment on a negotiable instrument.
- 15.** The correct answer is C. OCR is an optical reader that translates images of letters entered into the computer via a scanner and converts the images into text. Choices A, B, D, and E will not convert images into text that can be manipulated.
- 16.** The correct answer is C. An advance lesson on financial statements would support students using high-level skills to interpret or analyze financial statements created. Choices A, B, D, and E are basic skills in preparing financial statements and would not be taught in an advance lesson. Therefore, they are incorrect.



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