

The Praxis® Study Companion

# Economics

5911



# Welcome to *The Praxis*® Study Companion

## Prepare to Show What You Know

You have been working to acquire the knowledge and skills you need for your teaching career. Now you are ready to demonstrate your abilities by taking a *Praxis*® test.

Using the *Praxis*® Study Companion is a smart way to prepare for the test so you can do your best on test day. This guide can help keep you on track and make the most efficient use of your study time.

The Study Companion contains practical information and helpful tools, including:

- An overview of the *Praxis* tests
- Specific information on the *Praxis* test you are taking
- A template study plan
- Study topics
- Practice questions and explanations of correct answers
- Test-taking tips and strategies
- Frequently asked questions
- Links to more detailed information

So where should you start? Begin by reviewing this guide in its entirety and note those sections that you need to revisit. Then you can create your own personalized study plan and schedule based on your individual needs and how much time you have before test day.

Keep in mind that study habits are individual. There are many different ways to successfully prepare for your test. Some people study better on their own, while others prefer a group dynamic. You may have more energy early in the day, but another test taker may concentrate better in the evening. So use this guide to develop the approach that works best for you.

Your teaching career begins with preparation. Good luck!

## Know What to Expect

### Which tests should I take?

Each state or agency that uses the *Praxis* tests sets its own requirements for which test or tests you must take for the teaching area you wish to pursue.

Before you register for a test, confirm your state or agency's testing requirements at [www.ets.org/praxis/states](http://www.ets.org/praxis/states).

### How are the *Praxis* tests given?

*Praxis* tests are given on computer. Other formats are available for test takers approved for accommodations (see page 42).

### **What should I expect when taking the test on computer?**

When taking the test on computer, you can expect to be asked to provide proper identification at the test center. Once admitted, you will be given the opportunity to learn how the computer interface works (how to answer questions, how to skip questions, how to go back to questions you skipped, etc.) before the testing time begins. Watch the [What to Expect on Test Day](#) video to see what the experience is like.

### **Where and when are the *Praxis* tests offered?**

You can select the test center that is most convenient for you. The *Praxis* tests are administered through an international network of test centers, which includes Prometric® Testing Centers, some universities, and other locations throughout the world.

Testing schedules may differ, so see the *Praxis* web site for more detailed test registration information at [www.ets.org/praxis/register](http://www.ets.org/praxis/register).

# Table of Contents

*The Praxis® Study Companion guides you through the steps to success*

<b>1. Learn About Your Test .....</b>	<b>5</b>
<i>Learn about the specific test you will be taking</i>	
<b>2. Familiarize Yourself with Test Questions .....</b>	<b>12</b>
<i>Become comfortable with the types of questions you'll find on the Praxis tests</i>	
<b>3. Practice with Sample Test Questions .....</b>	<b>16</b>
<i>Answer practice questions and find explanations for correct answers</i>	
<b>4. Determine Your Strategy for Success .....</b>	<b>25</b>
<i>Set clear goals and deadlines so your test preparation is focused and efficient</i>	
<b>5. Develop Your Study Plan .....</b>	<b>28</b>
<i>Develop a personalized study plan and schedule</i>	
<b>6. Review Study Topics .....</b>	<b>32</b>
<i>Review study topics with questions for discussion</i>	
<b>7. Review Smart Tips for Success .....</b>	<b>40</b>
<i>Follow test-taking tips developed by experts</i>	
<b>8. Check on Testing Accommodations .....</b>	<b>42</b>
<i>See if you qualify for accommodations to take the Praxis test</i>	
<b>9. Do Your Best on Test Day .....</b>	<b>43</b>
<i>Get ready for test day so you will be calm and confident</i>	
<b>10. Understand Your Scores .....</b>	<b>45</b>
<i>Understand how tests are scored and how to interpret your test scores</i>	
<b>Appendix: Other Questions You May Have .....</b>	<b>47</b>

# 1. Learn About Your Test

*Learn about the specific test you will be taking*

## Economics (5911)

Test at a Glance			
<b>Test Name</b>	Economics		
<b>Test Code</b>	5911		
<b>Time</b>	2 hours		
<b>Number of Questions</b>	110		
<b>Format</b>	Selected-response questions		
<b>Test Delivery</b>	Computer delivered		
	<b>Content Categories</b>	<b>Approximate Number of Questions</b>	<b>Approximate Percentage of Examination</b>
	I. Fundamental Economic Concepts	22	20%
	II. Microeconomics	49	45%
	III. Macroeconomics	39	35%

## About This Test

The Economics test is designed for candidates who want to become high school economics teachers. The test focuses on the knowledge and skills a teacher must have to successfully teach economics. The Economics test measures whether entry-level educators have the relevant knowledge, skills, and abilities believed necessary for competent professional practice.

The test covers three major content categories: fundamental economic concepts, microeconomics, and macroeconomics. The test is 120 minutes long and contains 110 selected-response questions. For each question, the test taker is to select only one answer choice from a list of four choices. Use of calculators is not allowed.

The standards used to develop the test specification were last updated by the National Advisory Council (NAC) in 2011. The content of the test is based largely on the Voluntary National Standards in Economics, a framework designed by the Council for Economic Education (CEE), for curriculum developers and economic educators.

This test may contain some questions that will not count toward your score.

## Test Specifications

Test specifications in this chapter describe the knowledge and skills measured by the test. Study topics to help you prepare to answer test questions can be found on page 36.

### I. Fundamental Economic Concepts

1. Understands the concepts of scarcity, choice, and opportunity costs and knows the factors of production
  - a. understands the meaning of scarcity of resources or inputs, goods, and services
  - b. understands the role of land, labor, capital goods, and entrepreneurship in the production of goods and services
  - c. understands the relationship between scarcity, choice, and opportunity costs
2. Knows how to apply marginal cost and marginal benefits analysis to decision-making
  - a. knows how to differentiate between marginal benefit and total benefit
  - b. knows how to differentiate between marginal costs and total costs
  - c. applies marginal analysis to decision-making
  - d. understands how changes in marginal costs and benefits affect decision-making
3. Knows how to use the production possibilities curve to illustrate the concepts of opportunity costs, economic efficiency, and growth
  - a. knows how to use the production possibilities curve to illustrate the concepts of
    - opportunity costs
    - economic efficiency
    - economic growth
    - scarcity
4. Understands absolute advantage, comparative advantage, specialization, interdependence, and gains from trade
  - a. understands and can distinguish between absolute and comparative advantage
  - b. can determine comparative advantage based on opportunity costs
  - c. understands how terms of trade affects gains from trade.
  - d. understands the relationship between trade, specialization, and division of labor
  - e. understands how specialization and trade produce gains in both production and consumption and lead to interdependence
5. Knows the types of economic systems and how the basic economic choices are made in each system
  - a. knows the main characteristics of various economic systems (e.g., market, command, mixed, and traditional)
  - b. knows how various economic systems answer the basic questions of what, how, and for whom
6. Knows the roles of individuals, businesses, and government in a market economy and knows how to use the circular flow model to show how the different sectors are related
  - a. knows that individuals demand goods and services and supply resources, land, labor, and capital
  - b. knows that businesses supply goods and services and demand resources, land, labor, and capital
  - c. knows the role of government in a market economy
  - d. knows how to use the circular flow model to show how different economic sectors are related
7. Knows how to evaluate charts and graphs
  - a. understands graphs that show positive relationship between variables
  - b. understands graphs that show negative relationship between variables
  - c. understands the correspondence between table of numbers and graphs

## II. Microeconomics

### A. Supply and Demand

1. Knows the definition of a market and the role of incentives
  - a. knows what a market is
  - b. understands that buyers and sellers are motivated by individual gains or self-interest
2. Understands the law of demand and the relationship between price and quantity demanded
  - a. understands what the demand curve represents
  - b. understands the relationship between price and quantity demanded
  - c. understands what a supply curve represents
  - d. understands the relationship between price and quantity supplied
3. Knows the difference between individual demand and market demand
  - a. knows how the market demand curve is obtained by aggregating individual consumers' demand curves
4. Knows the difference between firm supply and market supply
  - a. knows how the market supply curve is obtained by aggregating individual firms' supply curves
5. Understands the interaction of demand and supply in determining equilibrium price and quantity
  - a. understands that the equilibrium market price and quantity occurs where quantity demanded equals quantity supplied
  - b. understands that market equilibrium is efficient and maximizes total economic surplus (consumer surplus plus producer surplus)
6. Understands how price guides resource allocation and rations goods and services
  - a. understands that surpluses and shortages are caused by non-equilibrium prices
  - b. understands how the market responds to non-equilibrium prices
  - c. understands how market prices ration goods and services
7. Knows the determinants of demand and supply and how to analyze the effect of a given economic event on equilibrium price and quantity
  - a. understands the factors that cause shifts in the supply curve and the factors that cause shifts in the demand curve
8. Knows how to analyze the effects of government policies (e.g., price ceiling, price floor) on price and output
  - a. knows the definition, purpose, and effects of price floors
  - b. knows the definition, purpose, and effects of price ceilings
  - c. knows the effects of taxes and subsidies
9. Understands the determinants of price elasticity of demand and the meaning of the coefficients of price elasticity of demand
  - a. understands the definition and interpretation of the coefficient of the price elasticity of demand
  - b. understands the classification of price elasticity of demand as elastic, inelastic, or unit elastic
  - c. understands the determinants of the price elasticity of demand
10. Understands how price elasticity of demand affects the relationship between changes in price and total revenue
  - a. understands the effect of a change in price on total revenue, given a price elasticity of demand
11. Knows total utility, marginal utility, and the law of diminishing marginal utility
  - a. knows the definition of total utility and marginal utility
  - b. knows the law of diminishing marginal utility

### B. Product Market

1. Understands the relationship among revenues, costs, and economic profits
  - a. understands the concepts of and distinction between accounting and economic profit
2. Understands the relationship between inputs and outputs and the law of diminishing returns
  - a. understands the distinction between the short run and the long run
  - b. understands the distinctions between fixed and variable inputs
  - c. understands the relationship between total product and marginal product
  - d. understands the law of diminishing returns

3. Understands how changes in productivity and prices of inputs affect costs (e.g., MC, VC, and FC) in the short run
    - a. understands the distinctions between fixed, variable, and total costs and how they change with output
    - b. understands how changes in productivity and the price of inputs affect the firm's costs
    - c. understands the relationship between total, average, and marginal costs
    - d. Knows the shapes of the various cost curves
  4. Understands long-run costs, economies of scale, and diseconomies of scale
    - a. understands the distinction between the short-run average cost curves and the long-run average cost curve
    - b. understands the meaning of the terms constant returns to scale, economies of scale, and diseconomies of scale
  5. Understands that profit-maximizing firms produce where marginal cost equals marginal revenue
    - a. understands that the firm chooses the output level at which marginal cost (MC) equals marginal revenue (MR) to maximize profit
  6. Knows the characteristics of perfect competition and understands the distinction between a firm's demand curve and the market demand curve
    - a. can identify characteristics of perfectly competitive markets
    - b. understands the relationship between a perfectly competitive firm's price and the market equilibrium price
  7. Understands why a firm may continue to operate in the short run while incurring losses
    - a. understands that a firm with losses will continue to produce in the short run if revenues exceed variable costs
    - b. understands why a firm shuts down in the short run if it does not cover its variable costs
  8. Understands the motive of firms for entering or exiting the perfectly competitive market
    - a. understands the role of economic profits and losses in motivating the entry and exit of firms from perfectly competitive markets
    - b. understands why firms in a perfectly competitive market earn zero economic profit in long-run equilibrium
  9. Understands characteristics and sources of a monopoly
    - a. can identify the characteristics and sources of a monopoly
    - b. can identify different sources of monopolies (e.g., patents, natural, geographic)
    - c. understands how a monopoly determines output and price to maximize profit
  10. Understands the characteristics of an oligopoly
    - a. can identify characteristics of an oligopoly and compare them with those of other market structures
    - b. understands how game theory is used to analyze strategic behavior in oligopoly
  11. Understands the characteristics of monopolistic competition
    - a. can identify characteristics of monopolistic competition and compare them with those of other market structures
  12. Understands the difference between monopoly and perfectly competitive market with respect to price, output, and allocative efficiency.
    - a. knows how allocative efficiency is defined
    - b. can compare a perfectly competitive market with a monopoly with respect to price, output, and allocative efficiency
  13. Knows the different forms of business organization
    - a. knows the three types of business organization: sole proprietorship, partnership, and corporation
    - b. knows advantages and disadvantages of each form of business organization
- C. Factor Markets**
1. Understands wage and employment determination in competitive labor markets
    - a. understands what the demand curve for labor represents
    - b. understands the relationship between the wage rate and the quantity of labor demanded
    - c. understands the relationship between the demand for labor and the demand for the product that the labor is used to produce
    - d. understands what the supply curve for labor represents
    - e. understands the relationship between the wage rate and the quantity of labor supplied

- f. understands the factors that shift the supply curve of labor
- g. understands that the equilibrium wage rate and quantity occurs where quantity demanded of labor equals quantity supplied of labor

#### **D. Government Policy and Regulation of Markets**

1. Understands the problems posed by externalities and what the government can do to correct them
  - a. understands how positive and negative externalities can cause an inefficient allocation of resources
  - b. understands how government actions can improve the allocation of resources
2. Understands the problems posed by public goods and why private markets fail to provide them
  - a. understands the characteristics of public goods
  - b. understands why private markets fail to provide the allocatively efficient level of public goods
  - c. understands the role of government in providing public goods
3. Knows how antitrust laws are used to promote a competitive market environment
  - a. knows the purpose and effects of antitrust laws
4. Knows the different types of taxes and the distinctions among them
  - a. knows the distinctions among different types of progressive, proportional, and regressive taxes
  - b. knows how tax policies can affect the distribution of income
  - c. knows how income inequality can be assessed using Lorenz curve and Gini coefficient.
5. Knows the roles of regulatory agencies (e.g., FDIC, SEC) in overseeing the activities of financial markets
  - a. knows the purpose of regulatory agencies in product, factor, and financial markets

### **III. Macroeconomics**

#### **A. Economic Performance and Fluctuations**

1. Knows the definition and meaning of GDP and measures of standards of living
  - a. can define Gross Domestic Product (GDP)
  - b. knows the shortcomings of GDP as a measure of standard of living
2. Understands the distinction between nominal and real values for variables such as GDP, wages, and interest rates
3. Knows the meaning, types, costs, and measurement of unemployment
  - a. knows the definitions of various types of unemployment and can distinguish among them
  - b. knows how the labor force and the unemployment rate are defined
  - c. knows various costs of unemployment
4. Knows the meaning, measurement, and costs of inflation
  - a. can define inflation
  - b. knows that the price level is measured using a price index such as the consumer price index (CPI)
  - c. knows various costs of inflation
5. Knows how to use a price index (e.g., CPI, GDP deflator) to convert nominal values to real values
  - a. can convert nominal values to real values using a price index, such as the CPI or the GDP deflator
6. Knows the meaning of economic growth and its determinants
  - a. can define economic growth
  - b. can identify the sources of economic growth
7. Understands the relationship between savings, investment, and economic growth
8. Knows the characteristics and phases of the business cycle
  - a. knows how real GDP and unemployment change during each phase of the business cycle
9. Understands the aggregate demand curve and its components
  - a. understands what the aggregate demand curve represents
  - b. understands the components of aggregate demand and the factors that shift the aggregate demand curve

10. Understands the distinction between short-run and long-run aggregate supply and their determinants
  - a. understands what the short-run aggregate supply curve represents
  - b. understands the sources of shifts of the short-run aggregate supply curve
  - c. understands what the long-run aggregate supply curve represents
  - d. understands the sources of shifts of the long-run aggregate supply curve
11. Knows how to apply the aggregate demand and aggregate supply model to determine equilibrium price level and output in the short run and in the long run
  - a. understands that equilibrium output and price level occurs where the short-run aggregate supply curve intersects the aggregate demand curve
  - b. can identify inflationary and recessionary gaps

**B. Money and Banking and the Federal Reserve System**

1. Knows the functions of money and various measures of the money supply
  - a. know the definition and functions of money
  - b. knows the various measures of the money supply
2. Understands how banks create money
  - a. understands how banks create money
  - b. understands the concept of the money multiplier
3. Understands the structure and functions of the Federal Reserve System
  - a. knows the structure of the Federal Reserve System
  - b. understands the role and functions of the Federal Reserve
4. Understands how the Federal Reserve uses the tools of monetary policy
  - a. understands how the Federal Reserve uses the tools of monetary policy to change the money supply
5. Understands the demand for money and its determinants (e.g., interest rates, income)
  - a. understands the demand for money and its determinants
  - b. understands the relationship between the quantity of money demanded and the interest rate

6. Understands the function of financial markets and the basic categories of investment instruments (e.g., stocks, bonds, money markets)
  - a. understands the function of financial markets as they relate to saving and investment
  - b. understands the basic categories of financial assets (e.g., stocks, bonds, money market funds)
  - c. understands the relationship between savings and investment, and the determination of the equilibrium real interest rate in the loanable funds market
7. Knows how to use the money supply-and-demand model to determine the equilibrium interest rate
  - a. knows how equilibrium interest rates are determined in the money market
  - b. knows how the money market adjusts when the interest rate is above or below equilibrium
  - c. knows how changes in money supply or money demand affect equilibrium interest rates
  - d. understands the inverse relationship between interest rates and bond prices

**C. Fiscal and Monetary Policies**

1. Knows the definition of government budget surpluses and deficits and their relationship to debt
2. Understands the multiplied effects of changes in government spending and changes in taxes
  - a. understands the concept of the spending multiplier
  - b. understands how the size of the marginal propensity to consume affects the value of the spending and tax multipliers
3. Understands the goals and tools of fiscal and monetary policies
4. Knows how fiscal and monetary policy actions affect aggregate supply and demand
  - a. knows how fiscal and monetary policies affect aggregate demand in the short and long run
  - b. knows how fiscal and monetary policies affect aggregate supply in the short and long run

5. Knows the appropriate fiscal and monetary policy actions to deal with unemployment (recession) and inflation
  - a. knows fiscal or monetary policy actions to deal with recession
  - b. knows fiscal or monetary policy actions to deal with inflation
6. Knows the strengths and weaknesses of fiscal and monetary stabilization policies
  - a. can identify the strengths and weaknesses of fiscal policies
  - b. can identify the strengths and weaknesses of monetary policies
7. Understands how the economy adjusts to long-run equilibrium in the absence of changes in fiscal or monetary policy
  - a. understands, in the absence of active policy actions, how the economy adjusts to a long-run equilibrium from a recession or inflation
8. Knows the definition of full employment and the natural rate of unemployment
  - a. knows the meaning of full employment and the concept of the natural rate of unemployment
9. Understands the tradeoff between unemployment and inflation in the short run and in the long run

**D. Macroeconomics of the Open Economy**

1. Understands the costs and benefits of free international trade
2. Understands the effects of government policies (e.g., tariffs, quotas, subsidies) on domestic and international markets
  - a. understands the effects of government policies (e.g., tariffs, quotas, subsidies) on domestic and foreign supply and demand
  - b. understands the effects of government policies (e.g., tariffs, quotas, subsidies) on imports and exports
3. Knows how the equilibrium exchange rate is determined and the effects of currency appreciation or depreciation on exports and imports
  - a. knows why the value of the United States dollar increases or decreases relative to other currencies
  - b. knows how trade deficits or surpluses affect financial capital flows and the value of a country's currency in foreign exchange markets
  - c. knows the effect of currency appreciation/ depreciation on exports, imports, and the balance of trade

## 2. Familiarize Yourself with Test Questions

*Become comfortable with the types of questions you'll find on the Praxis tests*

The *Praxis* assessments include a variety of question types: constructed response (for which you write a response of your own); selected response, for which you select one or more answers from a list of choices or make another kind of selection (e.g., by clicking on a sentence in a text or by clicking on part of a graphic); and numeric entry, for which you enter a numeric value in an answer field. You may be familiar with these question formats from taking other standardized tests. If not, familiarize yourself with them so you don't spend time during the test figuring out how to answer them.

### Understanding Computer-Delivered Questions

Questions on computer-delivered tests are interactive in the sense that you answer by selecting an option or entering text on the screen. If you see a format you are not familiar with, read the directions carefully. The directions always give clear instructions on how you are expected to respond.

For most questions, you respond by clicking an oval to select a single answer from a list of answer choices.

However, interactive question types may also ask you to respond by:

- **Clicking more than one oval** to select answers from a list of choices.
- **Typing in an entry box.** When the answer is a number, you may be asked to enter a numerical answer. Some questions may have more than one place to enter a response.
- **Clicking check boxes.** You may be asked to click check boxes instead of an oval when more than one choice within a set of answers can be selected.
- **Clicking parts of a graphic.** In some questions, you will select your answers by clicking on a location (or locations) on a graphic such as a map or chart, as opposed to choosing your answer from a list.
- **Clicking on sentences.** In questions with reading passages, you may be asked to choose your answers by clicking on a sentence (or sentences) within the reading passage.
- **Dragging and dropping answer choices into targets on the screen.** You may be asked to select answers from a list of choices and drag your answers to the appropriate location in a table, paragraph of text or graphic.
- **Selecting answer choices from a drop-down menu.** You may be asked to choose answers by selecting choices from a drop-down menu (e.g., to complete a sentence).

Remember that with every question you will get clear instructions.

Perhaps the best way to understand computer-delivered questions is to view the [Computer-delivered Testing Demonstration](#) on the Praxis web site to learn how a computer-delivered test works and see examples of some types of questions you may encounter.

## Understanding Selected-Response Questions

Many selected-response questions begin with the phrase “which of the following.” Take a look at this example:

**Which of the following is a flavor made from beans?**

- (A) Strawberry
- (B) Cherry
- (C) Vanilla
- (D) Mint

### How would you answer this question?

All of the answer choices are flavors. Your job is to decide which of the flavors is the one made from beans.

Try following these steps to select the correct answer.

- 1) **Limit your answer to the choices given.** You may know that chocolate and coffee are also flavors made from beans, but they are not listed. Rather than thinking of other possible answers, focus only on the choices given (“which of the following”).
- 2) **Eliminate incorrect answers.** You may know that strawberry and cherry flavors are made from fruit and that mint flavor is made from a plant. That leaves vanilla as the only possible answer.
- 3) **Verify your answer.** You can substitute “vanilla” for the phrase “which of the following” and turn the question into this statement: “Vanilla is a flavor made from beans.” This will help you be sure that your answer is correct. If you’re still uncertain, try substituting the other choices to see if they make sense. You may want to use this technique as you answer selected-response questions on the practice tests.

### Try a more challenging example

The vanilla bean question is pretty straightforward, but you’ll find that more challenging questions have a similar structure. For example:

**Entries in outlines are generally arranged according to which of the following relationships of ideas?**

- (A) Literal and inferential
- (B) Concrete and abstract
- (C) Linear and recursive
- (D) Main and subordinate

You’ll notice that this example also contains the phrase “which of the following.” This phrase helps you determine that your answer will be a “relationship of ideas” from the choices provided. You are supposed to find the choice that describes how entries, or ideas, in outlines are related.

Sometimes it helps to put the question in your own words. Here, you could paraphrase the question in this way: “How are outlines usually organized?” Since the ideas in outlines usually appear as main ideas and subordinate ideas, the answer is (D).

**QUICK TIP:** Don't be intimidated by words you may not understand. It might be easy to be thrown by words like "recursive" or "inferential." Read carefully to understand the question and look for an answer that fits. An outline is something you are probably familiar with and expect to teach to your students. So slow down, and use what you know.

### Watch out for selected-response questions containing "NOT," "LEAST," and "EXCEPT"

This type of question asks you to select the choice that does not fit. You must be very careful because it is easy to forget that you are selecting the negative. This question type is used in situations in which there are several good solutions or ways to approach something, but also a clearly wrong way.

### How to approach questions about graphs, tables, or reading passages

When answering questions about graphs, tables, or reading passages, provide only the information that the questions ask for. In the case of a map or graph, you might want to read the questions first, and then look at the map or graph. In the case of a long reading passage, you might want to go ahead and read the passage first, noting places you think are important, and then answer the questions. Again, the important thing is to be sure you answer the questions as they refer to the material presented. So read the questions carefully.

### How to approach unfamiliar formats

New question formats are developed from time to time to find new ways of assessing knowledge. Tests may include audio and video components, such as a movie clip or animation, instead of a map or reading passage. Other tests may allow you to zoom in on details in a graphic or picture.

Tests may also include interactive questions. These questions take advantage of technology to assess knowledge and skills in ways that standard selected-response questions cannot. If you see a format you are not familiar with, **read the directions carefully**. The directions always give clear instructions on how you are expected to respond.

**QUICK TIP:** Don't make the questions more difficult than they are. Don't read for hidden meanings or tricks. There are no trick questions on *Praxis* tests. They are intended to be serious, straightforward tests of your knowledge.

## Understanding Constructed-Response Questions

Constructed-response questions require you to demonstrate your knowledge in a subject area by creating your own response to particular topics. Essays and short-answer questions are types of constructed-response questions.

For example, an essay question might present you with a topic and ask you to discuss the extent to which you agree or disagree with the opinion stated. You must support your position with specific reasons and examples from your own experience, observations, or reading.

Take a look at a few sample essay topics:

- "Celebrities have a tremendous influence on the young, and for that reason, they have a responsibility to act as role models."
- "We are constantly bombarded by advertisements—on television and radio, in newspapers and magazines, on highway signs, and the sides of buses. They have become too pervasive. It's time to put limits on advertising."
- "Advances in computer technology have made the classroom unnecessary, since students and teachers are able to communicate with one another from computer terminals at home or at work."

### Keep these things in mind when you respond to a constructed-response question

- 1) **Answer the question accurately.** Analyze what each part of the question is asking you to do. If the question asks you to describe or discuss, you should provide more than just a list.
- 2) **Answer the question completely.** If a question asks you to do three distinct things in your response, you should cover all three things for the best score. Otherwise, no matter how well you write, you will not be awarded full credit.
- 3) **Answer the question that is asked.** Do not change the question or challenge the basis of the question. You will receive no credit or a low score if you answer another question or if you state, for example, that there is no possible answer.
- 4) **Give a thorough and detailed response.** You must demonstrate that you have a thorough understanding of the subject matter. However, your response should be straightforward and not filled with unnecessary information.
- 5) **Reread your response.** Check that you have written what you thought you wrote. Be sure not to leave sentences unfinished or omit clarifying information.

**QUICK TIP:** You may find that it helps to take notes on scratch paper so that you don't miss any details. Then you'll be sure to have all the information you need to answer the question.

## 3. Practice with Sample Test Questions

Answer practice questions and find explanations for correct answers

### Computer Delivery

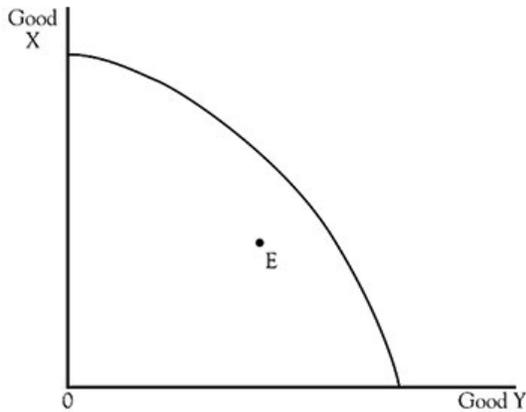
This test is available via computer delivery. The following sample question provides a preview of an actual screen used in a computer-delivered test. For the purposes of this Study Companion, the sample questions are shown as they would appear in a paper-delivered test.

The screenshot shows a computer-delivered test interface. At the top left is the ETS PRAXIS logo. To the right of the logo is a navigation bar with buttons for Calc, Mark, Review, Help, Back, and Next. Below the navigation bar, the text "Mathematics CKT | Question 1 of 52" is displayed on the left, and "01:24:57 Hide Time" is displayed on the right. The main content area contains a question: "Riding on a school bus are 20 students in ninth grade, 10 students in tenth grade, 9 students in eleventh grade, and 7 students in twelfth grade. Approximately what percent of the students on the bus are in ninth grade?" Below the question are four radio button options: 23%, 43%, 46%, and 76%. At the bottom of the question area, there is a grey button that says "Click on your choices."

## Sample Test Questions

The sample questions that follow illustrate the kinds of questions you will find on 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 four suggested answers or completions. Select the one that is best in each case.



- The diagram above shows the production possibilities curve for an economy. Which of the following is true if the economy is currently producing at point E?
  - It is producing the maximum possible output given the scarcity of resources.
  - It is devoting most of its resources to producing Good Y.
  - It is not using its resources fully and efficiently.
  - It can increase the production of Good X only if it decreases the production of Good Y.
- In a command economy, resource allocation is managed primarily by
  - large corporations
  - labor unions
  - competitive markets
  - central planning
- The view that specialization leads to gains from trade is based on which of the following principles?
  - Comparative advantage
  - Absolute advantage
  - Price elasticity
  - Market equilibrium
- In the circular flow model of a market economy, which of the following describes the roles of firms and households in the product markets and in the factor markets?
 

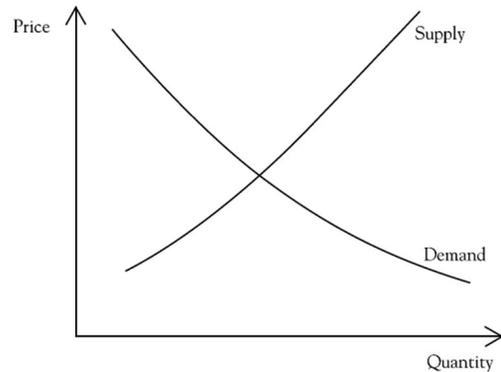
<u>Product Markets</u>	<u>Factor Market</u>
(A) Firms sell goods to households.	Firms sell resources to households.
(B) Firms sell goods to households.	Firms buy resources from households.
(C) Firms buy goods from households.	Firms buy resources from households.
(D) Firms buy goods from households.	Firms sell resources to households.
- Assume that the marginal propensity to consume increased from 0.75 in year 1 to 0.80 in year 2. Based on this information, which of the following is a correct conclusion?
  - In year 1, a \$100 billion increase in government spending would have increased real output by a maximum of \$75 billion.
  - From year 1 to year 2, the spending multiplier increased from 4 to 5.
  - A given change in government spending would have had a more powerful effect in year 1 than in year 2.
  - The marginal propensity to save increased from year 1 to year 2.

6. Assume the money supply is fixed by the Federal Reserve and remains constant. How will an increase in average consumer income affect the demand for money and the nominal interest rate?

	Money Demand	Nominal Interest Rate
(A)	Decrease	Increase
(B)	Decrease	Increase
(C)	Increase	Decrease
(D)	Increase	Decrease

7. Which of the following is true of a profit-maximizing firm in the short run?
- (A) The firm will shut down to minimize losses if product price falls below average total cost.
- (B) The firm will shut down if marginal revenue equals marginal cost but exceeds average variable cost.
- (C) The firm will continue to produce as long as total revenue exceeds total variable cost, even if it incurs loss.
- (D) The firm will continue to produce as long as average variable cost is less than average fixed cost.
8. Which of the following short-run costs always increases as output increases?
- (A) Average total cost
- (B) Marginal cost
- (C) Total fixed cost
- (D) Total variable cost
9. Assume the demand for wheat is relatively price inelastic. An increase in the supply of wheat will result in which of the following?
- (A) A decrease in quantity demanded and an increase in total revenue
- (B) A decrease in quantity demanded and a decrease in total revenue
- (C) An increase in quantity demanded and an increase in total revenue
- (D) An increase in quantity demanded and a decrease in total revenue

**Use the diagram below, which shows the demand and supply curves for leather garments, to answer the next two questions.**



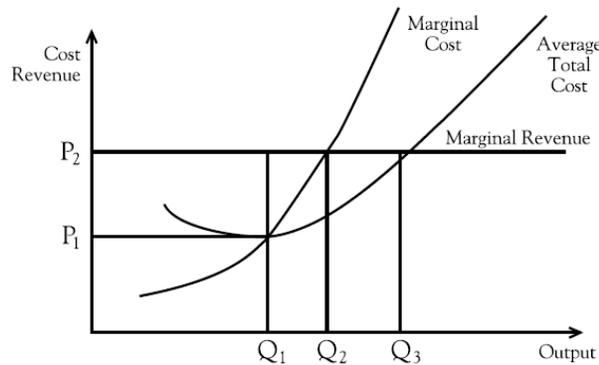
10. Assume that leather garments are a normal good. An increase in the price of leather and a simultaneous increase in consumers' income will most likely have which of the following effects on the equilibrium price and quantity of leather garments?

	Price	Quantity
(A)	Increase	Increase
(B)	Increase	Indeterminate
(C)	Indeterminate	Decrease
(D)	Decrease	Decrease

11. If the government places a price ceiling on leather garments that is below the equilibrium price, which of the following will occur in the market for leather garments?
- (A) There will be a shortage.
- (B) There will be a surplus.
- (C) The demand curve for leather garments will shift leftward.
- (D) The supply curve for leather garments will shift rightward.

12. The primary purpose of antitrust laws is to
- (A) help businesses that are in financial trouble
  - (B) encourage business investment
  - (C) prevent business behavior that hampers competition
  - (D) establish trust between government and businesses
13. When the production of a good generates negative externalities, the private market will
- (A) overproduce the good relative to the socially optimal level of output
  - (B) underproduce the good relative to the socially optimal level of output
  - (C) compensate the third parties harmed by the negative externality
  - (D) charge lower than the market equilibrium price to compensate for the externality
14. Carmen spends her entire weekly income on two goods: X and Y. At her current consumption level of the two goods, the marginal utility of the last dollar spent on good X is 5 and the marginal utility of the last dollar she spent on good Y is 10. To maximize her utility, Carmen should
- (A) maintain her current consumption level of the two goods
  - (B) buy fewer units of X and more units of Y
  - (C) buy fewer units of Y and more units of X
  - (D) buy fewer units of both X and Y
15. In the definition of a public good, the term “nonrival” means that
- (A) one person’s use of the public good does not reduce the amount available to others
  - (B) the public good is produced by the government without any competition
  - (C) the public good is produced at zero marginal cost
  - (D) the public good is mostly consumed by free riders
16. The demand for labor is called derived demand because it is
- (A) dependent on the demand for the final product that the labor is used to produce
  - (B) inversely related to the wage rate
  - (C) dependent on the availability of capital goods
  - (D) directly related to the marginal utility of working
17. Which of the following is true about a monopoly?
- (A) It competes with many firms selling the same product in the market.
  - (B) It has to lower its price on all units to sell more output.
  - (C) Its marginal revenue increases as output sold increases.
  - (D) It sets a price below average variable cost to drive its competitors out of the market.

Questions 18 and 19 refer to the following graph which shows the cost and revenue curves for a typical firm operating in a perfectly competitive market.



18. The profit-maximizing price and quantity for the firm whose cost and revenue curves are shown above will be which of the following?

	Price	Quantity
(A)	P <sub>1</sub>	Q <sub>2</sub>
(B)	P <sub>2</sub>	Q <sub>1</sub>
(C)	P <sub>2</sub>	Q <sub>2</sub>
(D)	P <sub>2</sub>	Q <sub>3</sub>

19. Which of the following will occur in the long run?
- (A) The firm will exit the market, and the market price will increase.
  - (B) New firms will enter the market, and the firm will earn zero economic profit.
  - (C) The firm will increase its production.
  - (D) The firm's marginal cost will increase, but its average total cost will decrease.

		Daybreak	
		No Free Wi-Fi	Free Wi-Fi
FreshBrew	No Free Wi-Fi	\$200, \$200	\$25, \$350
	Free Wi-Fi	\$350, \$25	\$100, \$100

20. In a college town, there are two coffee shops—FreshBrew and DayBreak—operating on different corners of the same street. The two shops are considering whether to add free Wi-Fi service to attract customers and increase profits. The payoff matrix above shows the profits associated with the choices of the two shops. The first entry in each cell represents the profits to FreshBrew and the second the profits to DayBreak. Assuming the two shops do not cooperate, which of the following shows the dominant strategy for FreshBrew and for DayBreak?

	FreshBrew	DayBreak
(A)	No free Wi-Fi	Free Wi-Fi
(B)	Free Wi-Fi	No free Wi-Fi
(C)	Free Wi-Fi	Free Wi-Fi
(D)	No free Wi-Fi	No free Wi-Fi

21. Real gross domestic product (GDP) is defined as the ratio of nominal GDP to the
- (A) money supply
  - (B) unemployment rate
  - (C) government's budget deficit
  - (D) GDP deflator
22. The Federal Reserve implements an expansionary policy by doing which of the following?
- (A) Buying Treasury bonds in the open market
  - (B) Raising the federal funds rate
  - (C) Raising the discount rate
  - (D) Raising the required reserve ratio

23. When an economy is in a recession, the actual unemployment rate is
- (A) equal to the natural rate of unemployment
  - (B) less than the natural rate of unemployment
  - (C) greater than the natural rate of unemployment
  - (D) less than the growth rate of the economy

24. If consumers in the United States increase their demand for imports over domestically produced goods, the international value of the United States dollar and United States exports will most likely change in which of the following ways?

International Value of the Dollar	Exports
(A) Appreciate	Increase
(B) Appreciate	Decrease
(C) Depreciate	Increase
(D) Depreciate	Decrease

**Use the information below to answer the next two questions.**

Assume that the required reserve ratio is 20 percent and that a bank is currently fully loaned up. The bank receives a cash deposit of \$500 from a new customer.

25. The maximum amount of loan the bank can make from this deposit is
- (A) \$1,000
  - (B) \$500
  - (C) \$400
  - (D) \$100

26. The maximum increase in the money supply that can be generated from the deposit in the banking system is
- (A) \$400
  - (B) \$500
  - (C) \$2,000
  - (D) \$2,500

27. Which of the following types of inflation would result if the price level rose because of an increase in the price of raw materials?
- (A) Deflation
  - (B) Hyperinflation
  - (C) Demand-pull inflation
  - (D) Cost-push inflation

28. A fiscal policy to combat a recession would call for
- (A) an increase in taxes
  - (B) an increase in government spending
  - (C) a decrease in the reserve requirement
  - (D) a decrease in the discount rate

29. Which TWO of the following are important determinants of economic growth?
- (A) Increases in physical capital
  - (B) Increases in consumer goods
  - (C) Technological improvements
  - (D) Increases in the money supply

30. Which TWO of the following are included in investment spending in the national income and product accounts?
- (A) The purchase of stocks and bonds
  - (B) The purchase of capital goods
  - (C) The construction of new housing
  - (D) Spending on consumption goods

## Answers to Sample Questions

1. The correct answer is (C). The question tests knowledge of how the production possibilities curve (PPC) is used to illustrate the concepts of scarcity, efficiency, and inefficiency (unemployment). The PPC shows the maximum possible combination of two goods an economy can produce when it employs all its resources efficiently. If the economy is producing the combination at point E, it is by definition not fully employing all its resources and can increase production of both goods by moving toward the frontier without changing current techniques of production.

2. The correct answer is (D). The question tests knowledge of the mechanism that different economic systems rely on for allocating resources. In a command economy, the government determines the allocation of resources and the distribution of outputs through central planning.

3. The correct answer is (A). The question tests the knowledge of specialization and how it leads to gains from trade. Comparative advantage is the principle that total output can be increased when individuals or countries specialize in producing goods and services for which they have the lowest opportunity cost.

4. The correct answer is (B). The question tests knowledge of identifying the roles of each agent in the product and factor markets. Firms (businesses) produce goods and sell them to households (consumers). In a market economy, it is assumed that all resources—land, labor, and capital—are owned by households and that firms purchase these resources from households through the factor markets.

5. The correct answer is (B). The question tests whether the student can link the marginal propensity to consume to the calculation of the spending multiplier. The value of the spending multiplier is equal to  $1/(1-MPC)$ . Using this formula, the spending multiplier increases from 4 to 5 between year 1 and year 2.

6. The correct answer is (C). The question tests the understanding of the money market model and how changes in demand for money affect nominal interest rates. With higher consumer income, there will be an increase in the demand for money, as individuals spend more. The increased demand for money shifts the money demand curve to the right and raises nominal interest rates, with a given money supply.

7. The correct answer is (C). The question tests the knowledge of a profit-maximizing firm's behavior in the short run in deciding whether to continue operation or shut down. When the firm's total revenue exceeds total variable cost, the firm's loss is less than its fixed costs, and therefore the firm should continue operating in the short run. This is equivalent to operating in the short run as long as price exceeds average variable cost ( $P > AVC$ ).

8. The correct answer is (D). The question tests the knowledge of the behavior of a firm's short-run costs. Total variable cost is related to the activity of the firm, and it always increases with output.

9. The correct answer is (D). The question tests the knowledge of price elasticity of demand and how price, quantity, and total revenues change following an increase in supply (rightward shift of the supply curve). An increase in supply along a given demand curve reduces the price and increases the quantity demanded; however, total revenue decreases because the demand for wheat is relatively inelastic. The increase in quantity demanded will be proportionately less than the decrease in price, resulting in lower total revenue.

10. The correct answer is (B). The question tests knowledge of market equilibrium. An increase in the price of leather decreases the supply (leftward shift of the curve) of leather garments, and an increase in consumers' income increases the demand (rightward shift of the curve) for leather garments (normal goods). These simultaneous shifts in the curves will result in an increase in price, but the effect on quantity is indeterminate and will depend on the extent of the shift of each curve.

11. The correct answer is (A). The question tests understanding of the impact of a price ceiling on a market. The price ceiling pushes the market price below the equilibrium price causing the quantity demanded to exceed the quantity supplied, thus creating a shortage or an excess demand in the market.

12. The correct answer is (C). The question tests knowledge of the goals of antitrust policies. Antitrust laws are designed to prevent business practices that restrain competition.

13. The correct answer is (A). The question tests knowledge of the impact of negative externalities. Negative externalities impose costs on third parties, and these costs are not reflected in the private market equilibrium price. As a result, goods generating negative externalities are overproduced relative to the socially optimal level of production.

14. The correct answer is (B). The question tests the knowledge of utility maximization. To maximize utility, Carmen should equalize the marginal utilities per dollar spent on the last unit of each good. Since the marginal utility of the last dollar spent on good X, 5, is less than the marginal utility of the last dollar spent on good Y, 10, Carmen is not maximizing her utility, and she should reallocate her income so that she buys fewer units of X and more units of Y. As she buys fewer X and more Y, the marginal utility of good X rises, and the marginal utility of good Y falls. The process will continue until the marginal utilities per dollar spent on each good are equal.

15. The correct answer is (A). The question tests the knowledge of the characteristics of public goods. The term “nonrival” means that one person’s use of a good does not reduce the amount available to others, which is true for public goods.

16. The correct answer is (A). The question tests knowledge of why a demand for labor is called derived demand. The demand for labor depends on the demand for the final product that labor produces. The higher the demand is for the product, the higher the will be demand for labor.

17. The correct answer is (B). A monopolist faces a downward sloping demand curve, which is the same as the market demand curve. To sell additional quantities of output it must lower its price on all units, including those units it has been selling for a higher price.

18. The correct answer is (C). The question tests knowledge of the profit-maximization condition. To maximize profit, the firm will choose the quantity of output at which marginal revenue, which is the same as price in perfect competition, equals marginal cost. The firm will produce  $Q_2$

units of output and charge a price of  $P_2$ . Producing fewer than  $Q_2$  or greater than  $Q_2$  reduces profit.

19. The correct answer is (B). The question tests knowledge of the firm’s behavior in the long run. The firm is earning short-run profits. The existence of economic profits attracts new firms to enter the market, which increases market supply and lowers price to the level of average total cost; therefore all firms in the market earn zero economic profit in the long run.

20. The correct answer is (C). The question tests understanding of the application of game theory in analyzing and predicting behavior of firms in an oligopolistic market. A dominant strategy is when a firm chooses an action (strategy) and maintains that action regardless of what its competitor does. In the scenario described by the question, the dominant strategy is for both firms to offer free Wi-Fi; each firm earns a profit of \$100. Neither firm has an incentive to independently move to another strategy, or cell, in the matrix.

21. The correct answer is (D). The question tests knowledge of the definition of the GDP deflator. Real GDP is calculated by dividing the nominal GDP by the price index, which is the GDP price deflator.

22. The correct answer is (A). The question tests knowledge of monetary policy tools used by the Federal Reserve to conduct expansionary monetary policies. The Federal Reserve conducts expansionary policy to increase the money supply and lower interest rates usually by buying Treasury bonds.

23. The correct answer is (C). The question tests knowledge of the relationship between the actual unemployment rate and the natural rate of unemployment. The natural rate of unemployment is the unemployment rate that prevails when the economy produces the full-employment output. During a recession, the actual level of real output falls below the full-employment output level, and unemployment rises. Therefore, the actual unemployment rate exceeds the natural rate of unemployment.

24. The correct answer is (C). The question tests knowledge and understanding of how changes in imports affect the exchange rate value of a country's currency and the following effect on exports. Favoring imports over domestically produced goods results in an increase in the amount of imports to the United States. This increase in imports increases the supply of United States dollars on foreign exchange markets, resulting in a depreciation of the dollar. The depreciating dollar will make goods produced in the United States relatively less expensive in the world market, causing United States exports to increase.

25. The correct answer is (C). The question tests knowledge of the meaning and application of the required reserve ratio in determining the minimum amount the bank is legally required to hold to meet its deposit liabilities. Given that the required reserve ratio is 20 percent, the bank is legally required to keep 20 percent of it, which is  $0.20 \times \$500 = \$100$  as reserves. The difference between the \$500 deposit and the required reserve of \$100 equals the excess reserve, which is  $\$500 - \$100 = \$400$ .

26. The correct answer is (C). The question tests knowledge of deposit creation in the banking system. Assuming there are no leakages and the bank does not keep more than the minimum required reserves, the maximum increase in the money supply that can be obtained from the deposit is equal to the money multiplier times the amount of excess reserves. The money multiplier is equal to  $(1/.2) = 5$  and excess reserves are \$400. Thus, the maximum increase in the money supply will be equal to  $5 \times \$400 = \$2,000$ .

27. The correct answer is (D). The question tests knowledge of the factors that cause cost-push inflation. Cost-push inflation comes about because the increased costs of production are passed on to the consumer in the form of higher prices. The prices of raw materials are a cost, and as they rise, the increased prices are pushed on to the consumer.

28. The correct answer is (B). The question tests the knowledge of an appropriate fiscal policy to fight a recession. Expansionary fiscal policy is recommended to fight recession, in this case, an increase in government spending.

29. The correct answers are (A) and (C). Increases in physical capital and new technology raise worker productivity, which is defined as output per hour worked. Higher worker productivity is the main source of economic growth.

30. The correct answers are (B) and (C). The purchase of capital goods and the construction of new housing are included in the gross private domestic investment, which is part of the National Income and Product Accounts.

## 4. Determine Your Strategy for Success

*Set clear goals and deadlines so your test preparation is focused and efficient*

Effective *Praxis* test preparation doesn't just happen. You'll want to set clear goals and deadlines for yourself along the way. Otherwise, you may not feel ready and confident on test day.

### 1) Learn what the test covers.

You may have heard that there are several different versions of the same test. It's true. You may take one version of the test and your friend may take a different version a few months later. Each test has different questions covering the same subject area, but both versions of the test measure the same skills and content knowledge.

You'll find specific information on the test you're taking on page 5, which outlines the content categories that the test measures and what percentage of the test covers each topic. Visit [www.ets.org/praxis/testprep](http://www.ets.org/praxis/testprep) for information on other *Praxis* tests.

### 2) Assess how well you know the content.

Research shows that test takers tend to overestimate their preparedness—this is why some test takers assume they did well and then find out they did not pass.

The *Praxis* tests are demanding enough to require serious review of likely content, and the longer you've been away from the content, the more preparation you will most likely need. If it has been longer than a few months since you've studied your content area, make a concerted effort to prepare.

### 3) Collect study materials.

Gathering and organizing your materials for review are critical steps in preparing for the *Praxis* tests. Consider the following reference sources as you plan your study:

- Did you take a course in which the content area was covered? If yes, do you still have your books or your notes?
- Does your local library have a high school-level textbook in this area? Does your college library have a good introductory college-level textbook in this area?

Practice materials are available for purchase for many *Praxis* tests at [www.ets.org/praxis/testprep](http://www.ets.org/praxis/testprep). Test preparation materials include sample questions and answers with explanations.

### 4) Plan and organize your time.

You can begin to plan and organize your time while you are still collecting materials. Allow yourself plenty of review time to avoid cramming new material at the end. Here are a few tips:

- Choose a test date far enough in the future to leave you plenty of preparation time. Test dates can be found at [www.ets.org/praxis/register/dates\\_centers](http://www.ets.org/praxis/register/dates_centers).
- Work backward from that date to figure out how much time you will need for review.
- Set a realistic schedule—and stick to it.

### 5) Practice explaining the key concepts.

*Praxis* tests with constructed-response questions assess your ability to explain material effectively. As a teacher, you'll need to be able to explain concepts and processes to students in a clear, understandable way. What are the major concepts you will be required to teach? Can you explain them in your own words accurately, completely, and clearly? Practice explaining these concepts to test your ability to effectively explain what you know.

### 6) Understand how questions will be scored.

Scoring information can be found on page 58.

### 7) Develop a study plan.

A study plan provides a road map to prepare for the *Praxis* tests. It can help you understand what skills and knowledge are covered on the test and where to focus your attention. Use the study plan template on page 30 to organize your efforts.

And most important—get started!

## Would a Study Group Work for You?

### Using this guide as part of a study group

People who have a lot of studying to do sometimes find it helpful to form a study group with others who are working toward the same goal. Study groups give members opportunities to ask questions and get detailed answers. In a group, some members usually have a better understanding of certain topics, while others in the group may be better at other topics. As members take turns explaining concepts to one another, everyone builds self-confidence.

If the group encounters a question that none of the members can answer well, the group can go to a teacher or other expert and get answers efficiently. Because study groups schedule regular meetings, members study in a more disciplined fashion. They also gain emotional support. The group should be large enough so that multiple people can contribute different kinds of knowledge, but small enough so that it stays focused. Often, three to six members is a good size.

Here are some ways to use this guide as part of a study group:

- **Plan the group's study program.** Parts of the study plan template, beginning on page 30, can help to structure your group's study program. By filling out the first five columns and sharing the worksheets, everyone will learn more about your group's mix of abilities and about the resources, such as textbooks, that members can share with the group. In the sixth column ("Dates I will study the content"), you can create an overall schedule for your group's study program.
- **Plan individual group sessions.** At the end of each session, the group should decide what specific topics will be covered at the next meeting and who will present each topic. Use the topic headings and subheadings in the Test at a Glance table on page 5 to select topics, and then select practice questions, beginning on page 16.
- **Prepare your presentation for the group.** When it's your turn to present, prepare something that is more than a lecture. Write two or three original questions to pose to the group. Practicing writing actual questions can help you better understand the topics covered on the test as well as the types of questions you will encounter on the test. It will also give other members of the group extra practice at answering questions.

- **Take a practice test together.** The idea of a practice test is to simulate an actual administration of the test, so scheduling a test session with the group will add to the realism and may also help boost everyone's confidence. Remember, complete the practice test using only the time that will be allotted for that test on your administration day.
- **Learn from the results of the practice test.** Review the results of the practice test, including the number of questions answered correctly in each content category. For tests that contain constructed-response questions, look at the Sample Test Questions section, which also contain sample responses to those questions and shows how they were scored. Then try to follow the same guidelines that the test scorers use.
- **Be as critical as you can.** You're not doing your study partner(s) any favors by letting them get away with an answer that does not cover all parts of the question adequately.
- **Be specific.** Write comments that are as detailed as the comments about the sample responses. Indicate where and how your study partner(s) are doing an inadequate job of answering the question. Writing notes in the margins of the answer sheet may also help.
- **Be supportive.** Include comments that point out what your study partner(s) got right.

Then plan one or more study sessions based on aspects of the questions on which group members performed poorly. For example, each group member might be responsible for rewriting one paragraph of a response in which someone else did an inadequate job.

Whether you decide to study alone or with a group, remember that the best way to prepare is to have an organized plan. The plan should set goals based on specific topics and skills that you need to learn, and it should commit you to a realistic set of deadlines for meeting those goals. Then you need to discipline yourself to stick with your plan and accomplish your goals on schedule.

## 5. Develop Your Study Plan

*Develop a personalized study plan and schedule*

Planning your study time is important because it will help ensure that you review all content areas covered on the test. Use the sample study plan below as a guide. It shows a plan for the *Core Academic Skills for Educators: Reading* test. Following that is a study plan template that you can fill out to create your own plan. Use the "Learn about Your Test" and "Test Specifications" information beginning on page 5 to help complete it.

**Use this worksheet to:**

- 1. Define Content Areas:** List the most important content areas for your test as defined in chapter 1.
- 2. Determine Strengths and Weaknesses:** Identify your strengths and weaknesses in each content area.
- 3. Identify Resources:** Identify the books, courses, and other resources you plan to use for each content area.
- 4. Study:** Create and commit to a schedule that provides for regular study periods.

**Praxis Test Name (Test Code):** Core Academic Skills for Educators: Reading (5712)

**Test Date:** 9/15/15

Content covered	Description of content	How well do I know the content? (scale 1–5)	What resources do I have/need for the content?	Where can I find the resources I need?	Dates I will study the content	Date completed
<b>Key Ideas and Details</b>						
Close reading	Draw inferences and implications from the directly stated content of a reading selection	3	Middle school English textbook	College library, middle school teacher	7/15/18	7/15/18
Determining Ideas	Identify summaries or paraphrases of the main idea or primary purpose of a reading selection	3	Middle school English textbook	College library, middle school teacher	7/17/18	7/17/18
Determining Ideas	Identify summaries or paraphrases of the supporting ideas and specific details in a reading selection	3	Middle and high school English textbook	College library, middle and high school teachers	7/20/18	7/21/18
<b>Craft, Structure, and Language Skills</b>						
Interpreting tone	Determine the author's attitude toward material discussed in a reading selection	4	Middle and high school English textbook	College library, middle and high school teachers	7/25/18	7/26/18
Analysis of structure	Identify key transition words and phrases in a reading selection and how they are used	3	Middle and high school English textbook, dictionary	College library, middle and high school teachers	7/25/18	7/27/18
Analysis of structure	Identify how a reading selection is organized in terms of cause/effect, compare/contrast, problem/solution, etc.	5	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/1/18	8/1/18
Author's purpose	Determine the role that an idea, reference, or piece of information plays in an author's discussion or argument	5	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/1/18	8/1/18

(continued on next page)

Content covered	Description of content	How well do I know the content? (scale 1–5)	What resources do I have/need for the content?	Where can I find the resources I need?	Dates I will study the content	Date completed
Language in different contexts	Determine whether information presented in a reading selection is presented as fact or opinion	4	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/1/18	8/1/18
Contextual meaning	Identify the meanings of words as they are used in the context of a reading selection	2	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/1/18	8/1/18
Figurative Language	Understand figurative language and nuances in word meanings	2	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/8/18	8/8/18
Vocabulary range	Understand a range of words and phrases sufficient for reading at the college and career readiness level	2	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/15/18	8/17/18
<b>Integration of Knowledge and Ideas</b>						
Diverse media and formats	Analyze content presented in diverse media and formats, including visually and quantitatively, as well as in words	2	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/22/18	8/24/18
Evaluation of arguments	Identify the relationship among ideas presented in a reading selection	4	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/24/18	8/24/18
Evaluation of arguments	Determine whether evidence strengthens, weakens, or is relevant to the arguments in a reading selection	3	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/27/18	8/27/18
Evaluation of arguments	Determine the logical assumptions upon which an argument or conclusion is based	5	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/28/18	8/30/18
Evaluation of arguments	Draw conclusions from material presented in a reading selection	5	High school textbook, college course notes	College library, course notes, high school teacher, college professor	8/30/18	8/31/18
Comparison of texts	Recognize or predict ideas or situations that are extensions of or similar to what has been presented in a reading selection	4	High school textbook, college course notes	College library, course notes, high school teacher, college professor	9/3/18	9/4/18
Comparison of texts	Apply ideas presented in a reading selection to other situations	2	High school textbook, college course notes	College library, course notes, high school teacher, college professor	9/5/18	9/6/18

## My Study Plan

Use this worksheet to:

1. **Define Content Areas:** List the most important content areas for your test as defined in chapter 1.
2. **Determine Strengths and Weaknesses:** Identify your strengths and weaknesses in each content area.
3. **Identify Resources:** Identify the books, courses, and other resources you plan to use for each content area.
4. **Study:** Create and commit to a schedule that provides for regular study periods.

Praxis Test Name (Test Code): \_\_\_\_\_

Test Date: \_\_\_\_\_

Content covered	Description of content	How well do I know the content? (scale 1–5)	What resources do I have/need for this content?	Where can I find the resources I need?	Dates I will study this content	Date completed

(continued on next page)



## 6. Review Study Topics

*Review study topics with questions for discussion*

### Using the Study Topics That Follow

The Economics test is designed to measure the knowledge and skills necessary for a beginning teacher.

This chapter is intended to help you organize your preparation for the test and to give you a clear indication of the depth and breadth of the knowledge required for success on the test.

Virtually all accredited programs address the topics covered by the test; however, you are not expected to be an expert on all aspects of the topics that follow.

You are likely to find that the topics below are covered by most introductory textbooks. Consult materials and resources, including lecture and laboratory notes, from all your coursework. You should be able to match up specific topics and subtopics with what you have covered in your courses.

Try not to be overwhelmed by the volume and scope of content knowledge in this guide. Although a specific term may not seem familiar as you see it here, you might find you can understand it when applied to a real-life situation. Many of the items on the actual test will provide you with a context to apply to these topics or terms.

### Discussion Areas

Interspersed throughout the study topics are discussion areas, presented as open-ended questions or statements. These discussion areas are intended to help test your knowledge of fundamental concepts and your ability to apply those concepts to situations in the classroom or the real world. Most of the areas require you to combine several pieces of knowledge to formulate an integrated understanding and response. If you spend time on these areas, you will gain increased understanding and facility with the subject matter covered on the test. You may want to discuss these areas and your answers with a teacher or mentor.

Note that this study companion *does not provide answers for the discussion area questions*, but thinking about the answers to them will help improve your understanding of fundamental concepts and will probably help you answer a broad range of questions on the test.

## Study Topics

An overview of the areas covered on the test, along with their subareas, follows.

### I. Fundamental Economic Concepts

1. Understands the concepts of scarcity, choice, and opportunity costs and knows the factors of production
2. Knows how to apply marginal cost and marginal benefits analysis to decision-making
3. Knows how to use the production possibilities curve to illustrate the concepts of opportunity costs, economic efficiency, and growth
4. Understands absolute advantage, comparative advantage, specialization, interdependence, and gains from trade
5. Knows the types of economic systems and how the basic economic choices are made in each system
6. Knows the roles of individuals, businesses, and government in a market economy and knows how to use the circular flow model to show how the different sectors are related
7. Knows how to evaluate charts and graphs

#### Discussion areas: Fundamental Economic Concepts

Covers scarcity, choice and opportunity costs, economic systems, factors of production, marginal analysis, economic efficiency, economic growth, absolute advantage and comparative advantage, specialization and gains from trade, and the circular flow model.

- Define Economics and distinguish between microeconomics and macroeconomics.
- Define opportunity cost, scarcity, and tradeoffs.
- Explain how the problem of scarcity affects the choices people make and the tradeoffs they face?
- Identify and describe the factors of production (e.g., land, labor, physical capital, human capital, entrepreneurship) and give an example of each.
- Explain how changes in marginal costs and marginal benefits affect decision making.
- Define a production possibilities curve and

explain how it is used to illustrate the following concepts: opportunity cost, trade-offs, economic efficiency, and economic growth.

- Distinguish between absolute advantage and comparative advantage.
- Explain how comparative advantage is related to opportunity costs.
- Explain the relationship between division of labor, specialization, trade, and gains from trade.
- Explain how voluntary exchange in a market results in gains for buyers and sellers.
- Compare command, market, and mixed economic systems with regard to ownership and allocation of resources.
- Identify the three basic economic questions.
- Explain how each economic system answers the three basic economic questions.
- Explain how the circular flow model is used to describe the roles and interactions of consumers, businesses, and government in a market economy.

### II. Microeconomics

#### A. Supply and Demand

1. Knows the definition of a market and the role of incentives
2. Understands the law of demand and the relationship between price and quantity demanded
3. Knows the difference between individual demand and market demand
4. Knows the difference between firm supply and market supply
5. Understands the interaction of demand and supply in determining equilibrium price and quantity
6. Understands how price guides resource allocation and rations goods and services
7. Knows the determinants of demand and supply and how to analyze the effect of a given economic event on equilibrium price and quantity
8. Knows how to analyze the effects of government policies (e.g., price ceiling, price floor) on price and output

9. Understands the determinants of price elasticity of demand and the meaning of the coefficients of price elasticity of demand
10. Understands how price elasticity of demand affects the relationship between changes in price and total revenue
11. Knows total utility, marginal utility, and the law of diminishing marginal utility

### **B. Product Market**

1. Understands the relationship among revenues, costs, and economic profits
2. Understands the relationship between inputs and outputs and the law of diminishing returns
3. Understands how changes in productivity and prices of inputs affect costs (e.g., MC, VC, and FC) in the short run
4. Understands long-run costs, economies of scale, and diseconomies of scale
5. Understands that profit-maximizing firms produce where marginal cost equals marginal revenue
6. Knows the characteristics of perfect competition and understands the distinction between a firm's demand curve and the market demand curve
7. Understands why a firm may continue to operate in the short run while incurring losses
8. Understands the motive of firms for entering or exiting the perfectly competitive market
9. Understands the characteristics and sources of a monopoly
10. Understands the characteristics of an oligopoly
11. Understands the characteristics of monopolistic competition
12. Understands the difference between monopoly and perfectly competitive market with respect to price, output, and allocative efficiency.
13. Knows the different forms of business organization

### **C. Factor Markets**

1. Understands wage and employment determination in competitive labor markets

### **D. Government Policy and Regulation of Markets**

1. Understands the problems posed by externalities and what the government can do to correct them

2. Understands the problems posed by public goods and why private markets fail to provide them
3. Knows how antitrust laws are used to promote a competitive market environment
4. Knows the different types of taxes and the distinctions among them
5. Knows the roles of regulatory agencies (e.g., FDIC, SEC) in overseeing the activities of financial markets

### **Discussion areas: Microeconomics**

Covers supply and demand, market efficiency and the role of government (taxes, subsidies, and price controls), and distribution of income, product markets, behavior of firms, and government policy and regulation of markets.

- Define a market and explain the role of incentives.
- What is the law of demand?
- What are the factors that shift demand curve?
- What is supply and what are the factors that shift supply curve?
- Distinguish between a movement along the demand curve and a shift of the demand curve.
- Distinguish between a movement along the supply curve and a shift of the supply curve.
- Using a supply and demand graph demonstrate how equilibrium price and equilibrium quantity are determined in a competitive market.
- Explain how non-equilibrium prices create shortages and surpluses and how a market adjusts to equilibrium.
- Distinguish between a normal and an inferior good.
- Explain how a competitive market in equilibrium maximizes total economic surplus (consumer surplus plus producer surplus).
- Calculate consumer and producer surpluses and deadweight loss
- Distinguish between a substitute and a complementary good.

- Explain how changes (shifts) in supply and demand affect equilibrium price and equilibrium quantity in a market.
- Analyze the effects of government policies such as an effective price ceiling, price floor, or taxes in a market.
- Explain how consumer and producer surpluses and deadweight loss are used to analyze changes in market outcomes.
- Define and calculate the price elasticity of demand.
- Explain the various classifications of the price elasticity of demand such as perfectly elastic, elastic, unit elastic, inelastic, or perfectly inelastic.
- Explain the determinants of the price elasticity of demand.
- Explain how a change in price affects total revenue depends on the price elasticity of demand.
- Define total utility and marginal utility, and explain the law of diminishing marginal utility.
- Distinguish between explicit costs and implicit costs.
- Distinguish between accounting profit and economic profit.
- Distinguish between short run and long run in economic analysis.
- Distinguish between fixed and variable inputs.
- Distinguish between total product and marginal product.
- Define the law of diminishing marginal returns and explain why it occurs.
- Define total cost, fixed costs, variable costs, average total cost, average fixed cost, average variable cost, and marginal cost.
- Explain what economies and diseconomies of scale mean and their relationship with long-run average total cost.
- Explain how firms determine profit-maximizing output by comparing marginal revenue with marginal cost.
- What are the characteristics of perfect competition?
- What is the relationship between a perfectly competitive firm's price and the market equilibrium price?
- What is the shape of an individual firm's demand curve in a competitive market?
- Explain why a firm incurring economic losses continues to operate in the short run.
- Explain how economic profits or losses motivate firms to enter or exit a perfectly competitive market in the long run.
- Explain why firms in perfectly competitive markets earn zero economic profits in the long run.
- Using graphical analysis, show the short-run and the long-run equilibria of a perfectly competitive firm.
- What is allocative efficiency?
- What are the characteristics of monopoly?
- Identify the various sources of monopoly and how they prevent the entry of new firms.
- Explain how a monopoly determines output and price to maximize profits.
- Using graphical analysis, show the short-run equilibrium of a monopoly.
- Compare monopoly and perfectly competitive markets with respect to price, output, and allocative efficiency.
- What are the characteristics of oligopoly?
- Explain how firms in an oligopoly act interdependently and engage in strategic behavior.
- Apply game theory to analyze strategic behavior of firms in oligopoly.
- What are the characteristics of monopolistic competition?

- Compare perfect competition, monopoly, oligopoly, and monopolistic competition with respect to their characteristics?
- What are the three forms of business organizations and what are their advantages and disadvantages?
- Explain how the quantity demanded of labor is related to the wage rate.
- How is the demand for labor related to the demand for the firm's product the labor is used to produce?
- Define derived demand.
- Explain how the quantity supplied of labor is related to the wage rate.
- What are the factors that shift the supply curve and the factors that shift demand curve for labor?
- Using a supply and demand graph demonstrate how the equilibrium wage rate is determined in a labor market.
- Define externalities and distinguish between positive and negative externalities and give examples of each.
- Explain how the existence of externalities leads to inefficient allocation of resources.
- Identify and explain government actions that can be used to improve the allocation of resources.
- What are the characteristics of a public good?
- Explain why private markets fail to provide the optimal level of public goods.
- Explain why governments provide public goods.
- What is an antitrust law and explain its main purpose?
- Distinguish among the different types of taxes: progressive, proportional and regressive taxes.
- Explain how a progressive, a proportional, or a regressive tax affects the distribution of income.
- What are the roles and purposes of regulatory agencies such as FDIC and SEC in financial markets?

### III. Macroeconomics

#### A. Economic Performance and Fluctuations

1. Knows the definition and meaning of GDP and measures of standards of living
2. Understands the distinction between nominal and real values for variables such as GDP, wages, and interest rates
3. Knows the meaning, types, costs, and measurement of unemployment
4. Knows the meaning, measurement, and costs of inflation
5. Knows how to use a price index (e.g., CPI, GDP deflator) to convert nominal values to real values
6. Knows the meaning of economic growth and its determinants
7. Understands the relationship between savings, investment, and economic growth
8. Knows the characteristics and phases of the business cycle
9. Understands the aggregate demand curve and its components
10. Understands the distinction between short-run and long-run aggregate supply and their determinants
11. Knows how to apply the aggregate demand and aggregate supply model to determine equilibrium price level and output in the short run and in the long run

#### B. Money and Banking and the Federal Reserve System

1. Knows the functions of money and various measures of the money supply
2. Understands how banks create money
3. Understands the structure and functions of the Federal Reserve System
4. Understands how the Federal Reserve uses the tools of monetary policy
5. Understands the demand for money and its determinants (e.g., interest rates, income)
6. Understands the function of financial markets and the basic categories of investment instruments (e.g., stocks, bonds, money markets)
7. Knows how to use the money supply-and-demand model to determine the equilibrium interest rate

**C. Fiscal and Monetary Policies**

1. Knows the definition of government budget surpluses and deficits and their relationship to debt
2. Understands the multiplied effects of changes in government spending and changes in taxes
3. Understands the goals and tools of fiscal and monetary policies
4. Knows how fiscal and monetary policy actions affect aggregate supply and demand
5. Knows the appropriate fiscal and monetary policy actions to deal with unemployment (recession) and inflation
6. Knows the strengths and weaknesses of fiscal and monetary stabilization policies
7. Understands how the economy adjusts to long-run equilibrium in the absence of changes in fiscal or monetary policy
8. Knows the definition of full employment and the natural rate of unemployment
9. Understands the tradeoff between unemployment and inflation in the short run and in the long run

**D. Macroeconomics of the Open Economy**

1. Understands the costs and benefits of free international trade
2. Understands the effects of government policies (e.g., tariffs, quotas, subsidies) on domestic and international markets
3. Knows how the equilibrium exchange rate is determined and the effects of currency appreciation or depreciation on exports and imports

**Discussion areas: Macroeconomics**

Covers measures of economic performance, unemployment, inflation, business cycle, economic growth, fiscal policy, money and banking, monetary policy, international trade, and exchange rates

- What is gross domestic product (GDP)? What are the major components of GDP? How is GDP measured in the United States? What are the shortcomings of GDP?
- What is the difference between real and nominal values such as real and nominal GDP, real and nominal wages, real and nominal interest rates?
- Define unemployment and identify the types of unemployment.

- Explain how the unemployment rate is calculated.
- What are the various costs of unemployment?
- Explain the meaning of full employment and the concept of the natural rate of unemployment.
- Define Inflation.
- What is a price index? How is the consumer price index (CPI) constructed?
- What are the various costs of inflation?
- Explain how a price index (e.g., CPI and GDP deflator) is used to convert nominal values into real values?
- Define economic growth and identify the sources of economic growth.
- Explain the relationship between savings, investment, and economic growth.
- Explain the relationship between savings and investment, and how they determine the equilibrium real interest rate in the loanable funds market.
- Define the business cycle.
- Identify the phases of the business cycle and explain how real GDP and unemployment change in each phase of the cycle.
- Define aggregate demand (AD) and its components
- Draw an aggregate demand curve and explain the relationship between the price level and the real output along the aggregate demand curve.
- What are the factors that shift the aggregate demand curve?
- Define aggregate supply (AS)
- Distinguish between short-run aggregate supply and long-run aggregate supply.
- Draw a short-run aggregate supply curve and explain the relationship between the price level and the real output along the short-run supply curve.

- What are the factors that shift the short-run aggregate supply curve?
- Draw a long-run aggregate supply curve and identify the factors that shift the long-run aggregate supply curve?
- Show the determination of equilibrium price and real output using AD/AS graph in the short run and in the long run.
- Define recessionary and inflationary gaps.
- Use AD/AS graph to illustrate recessionary and inflationary gaps.
- Define money and identify its functions.
- Identify the financial assets included in the money supply measures of M1 and M2?
- What are the different kinds of money demand?
- Explain how banks create money.
- Distinguish between required reserves and excess reserves.
- What is the simple money multiplier?
- Calculate the simple money multiplier (deposit-expansion multiplier).
- What are the major functions of the Federal Reserve System?
- What are the important tools of the Federal Reserve for controlling the supply of money?
- Define each of the following terms: (a) required reserve ratio; (b) discount rate; and (c) open market operations
- Apply the money multiplier to determine the maximum possible expansion of the money supply from (a) the deposits the public make and (b) the Federal Reserve's open market operations.
- Define and list the factors influencing demand of money.
- Explain how the quantity of money demanded is related to interest rates.
- Explain how financial markets coordinates savings and investments.
- Distinguish between stocks, bonds, and other financial assets.
- Using a supply and demand graph illustrate how the equilibrium interest rate is determined in the money market.
- Explain how the money market adjusts if the interest rates are above or below equilibrium.
- Explain how changes in money demand or money supply affect equilibrium interest rates.
- What is the relationship between interest rates and bond prices?
- Distinguish between fiscal policy and monetary policy.
- Identify and explain the goals of fiscal policy and monetary policy.
- Distinguish between government budget deficits and surpluses and explain their effect on national debt.
- Define the marginal propensity to consume (mpc).
- Calculate the simple spending multiplier and explain how it is affected by the value of the marginal propensity to consume.
- Apply the simple spending multiplier to determine the maximum possible change in real output that results from a given change in (a) government spending, and (b) income taxes
- What are the major fiscal policy tools?
- Explain how fiscal and monetary policies affect aggregate demand in the short run and in the long run.
- Explain how fiscal and monetary policies affect aggregate supply in the short run and in the long run.
- Identify the appropriate fiscal and monetary policy actions to address the problem of (a) unemployment (recession) and (b) inflation.
- Assess the effect of fiscal and monetary policy on real output, price level, and the level of employment in the long run and the short run.

- Identify the strengths and weaknesses of (a) fiscal policy and (b) monetary policy
- Explain how the economy adjusts to long-run equilibrium from a recession or inflation in the absence of active fiscal or monetary policy actions.
- Explain the trade-off between unemployment and inflation in the short run and in the long run.
- Explain how trade based on comparative advantage results in gains among trading nations.
- Analyze the effects of government trade policies such as tariffs, quotas, and subsidies on domestic supply and demand for a product.
- Analyze the effects of government trade policies such as tariffs, quotas, and subsidies on imports and exports.
- Using a supply and demand graph, explain how the equilibrium exchange rate is determined in foreign-exchange markets.
- Explain what is meant by currency depreciation and currency appreciation.
- Explain what causes a currency value to change.
- Explain how appreciation or depreciation of a country's currency affects its imports, exports, and balance of trade.

## 7. Review Smart Tips for Success

### *Follow test-taking tips developed by experts*

Learn from the experts. Take advantage of the following answers to questions you may have and practical tips to help you navigate the *Praxis* test and make the best use of your time.

#### **Should I guess?**

Yes. Your score is based on the number of questions you answer correctly, with no penalty or subtraction for an incorrect answer. When you don't know the answer to a question, try to eliminate any obviously wrong answers and then guess at the correct one. Try to pace yourself so that you have enough time to carefully consider every question.

#### **Can I answer the questions in any order?**

You can answer the questions in order or skip questions and come back to them later. If you skip a question, you can also mark it so that you can remember to return and answer it later. Remember that questions left unanswered are treated the same as questions answered incorrectly, so it is to your advantage to answer every question.

#### **Are there trick questions on the test?**

No. There are no hidden meanings or trick questions. All of the questions on the test ask about subject matter knowledge in a straightforward manner.

#### **Are there answer patterns on the test?**

No. You might have heard this myth: the answers on tests follow patterns. Another myth is that there will never be more than two questions in a row with the correct answer in the same position among the choices. Neither myth is true. Select the answer you think is correct based on your knowledge of the subject.

#### **Can I write on the scratch paper I am given?**

Yes. You can work out problems on the scratch paper, make notes to yourself, or write anything at all. Your scratch paper will be destroyed after you are finished with it, so use it in any way that is helpful to you. But make sure to select or enter your answers on the computer.

### **Smart Tips for Taking the Test**

- 1. Skip the questions you find extremely difficult.** Rather than trying to answer these on your first pass through the test, you may want to leave them blank and mark them so that you can return to them later. Pay attention to the time as you answer the rest of the questions on the test, and try to finish with 10 or 15 minutes remaining so that you can go back over the questions you left blank. Even if you don't know the answer the second time you read the questions, see if you can narrow down the possible answers, and then guess. Your score is based on the number of right answers, so it is to your advantage to answer every question.

2. **Keep track of the time.** The on-screen clock will tell you how much time you have left. You will probably have plenty of time to answer all of the questions, but if you find yourself becoming bogged down, you might decide to move on and come back to any unanswered questions later.
3. **Read all of the possible answers before selecting one.** For questions that require you to select more than one answer, or to make another kind of selection, consider the most likely answers given what the question is asking. Then reread the question to be sure the answer(s) you have given really answer the question. Remember, a question that contains a phrase such as “Which of the following does NOT . . .” is asking for the one answer that is NOT a correct statement or conclusion.
4. **Check your answers.** If you have extra time left over at the end of the test, look over each question and make sure that you have answered it as you intended. Many test takers make careless mistakes that they could have corrected if they had checked their answers.
5. **Don’t worry about your score when you are taking the test.** No one is expected to answer all of the questions correctly. Your score on this test is not analogous to your score on the *GRE*<sup>®</sup> or other tests. It doesn’t matter on the *Praxis* tests whether you score very high or barely pass. If you meet the minimum passing scores for your state and you meet the state’s other requirements for obtaining a teaching license, you will receive a license. In other words, what matters is meeting the minimum passing score. You can find passing scores for all states that use the *Praxis* tests at <https://www.ets.org/praxis/institutions/scores/passing/> or on the web site of the state for which you are seeking certification/licensure.
6. **Use your energy to take the test, not to get frustrated by it.** Getting frustrated only increases stress and decreases the likelihood that you will do your best. Highly qualified educators and test development professionals, all with backgrounds in teaching, worked diligently to make the test a fair and valid measure of your knowledge and skills. Your state painstakingly reviewed the test before adopting it as a licensure requirement. The best thing to do is concentrate on answering the questions.

## 8. Check on Testing Accommodations

*See if you qualify for accommodations to take the Praxis test*

### What if English is not my primary language?

*Praxis* tests are given only in English. If your primary language is not English (PLNE), you may be eligible for extended testing time. For more details, visit [www.ets.org/praxis/register/accommodations/plne](http://www.ets.org/praxis/register/accommodations/plne).

### What if I have a disability or other health-related need?

The following accommodations are available for *Praxis* test takers who meet the Americans with Disabilities Act (ADA) Amendments Act disability requirements:

- Extended testing time
- Additional rest breaks
- Separate testing room
- Writer/recorder of answers
- Test reader
- Sign language interpreter for spoken directions only
- Perkins Braille
- Braille slate and stylus
- Printed copy of spoken directions
- Oral interpreter
- Audio test
- Braille test
- Large print test book
- Large print answer sheet
- Listening section omitted

For more information on these accommodations, visit [www.ets.org/praxis/register/disabilities](http://www.ets.org/praxis/register/disabilities).

**Note:** Test takers who have health-related needs requiring them to bring equipment, beverages, or snacks into the testing room or to take extra or extended breaks must request these accommodations by following the procedures described in the *Bulletin Supplement for Test Takers with Disabilities or Health-Related Needs* (PDF), which can be found at [https://www.ets.org/s/praxis/pdf/bulletin\\_supplement\\_test\\_takers\\_with\\_disabilities\\_health\\_needs.pdf](https://www.ets.org/s/praxis/pdf/bulletin_supplement_test_takers_with_disabilities_health_needs.pdf).

You can find additional information on available resources for test takers with disabilities or health-related needs at [www.ets.org/disabilities](http://www.ets.org/disabilities).

## 9. Do Your Best on Test Day

*Get ready for test day so you will be calm and confident*

You followed your study plan. You prepared for the test. Now it's time to prepare for test day.

Plan to end your review a day or two before the actual test date so you avoid cramming. Take a dry run to the test center so you're sure of the route, traffic conditions, and parking. Most of all, you want to eliminate any unexpected factors that could distract you from your ultimate goal—passing the *Praxis* test!

On the day of the test, you should:

- be well rested
- wear comfortable clothes and dress in layers
- eat before you take the test
- bring an acceptable and valid photo identification with you
- bring an approved calculator only if one is specifically permitted for the test you are taking (see Calculator Use, at [http://www.ets.org/praxis/test\\_day/policies/calculators](http://www.ets.org/praxis/test_day/policies/calculators))
- be prepared to stand in line to check in or to wait while other test takers check in

You can't control the testing situation, but you can control yourself. Stay calm. The supervisors are well trained and make every effort to provide uniform testing conditions, but don't let it bother you if the test doesn't start exactly on time. You will have the allotted amount of time once it does start.

You can think of preparing for this test as training for an athletic event. Once you've trained, prepared, and rested, give it everything you've got.

### What items am I restricted from bringing into the test center?

You cannot bring into the test center personal items such as:

- handbags, knapsacks, or briefcases
- water bottles or canned or bottled beverages
- study materials, books, or notes
- pens, pencils, scrap paper, or calculators, unless specifically permitted for the test you are taking (see Calculator Use, at [http://www.ets.org/praxis/test\\_day/policies/calculators](http://www.ets.org/praxis/test_day/policies/calculators))
- any electronic, photographic, recording, or listening devices

Personal items are not allowed in the testing room and will not be available to you during the test or during breaks. You may also be asked to empty your pockets. At some centers, you will be assigned a space to store your belongings, such as handbags and study materials. Some centers do not have secure storage space available, so please plan accordingly.

Test centers assume no responsibility for your personal items.

If you have health-related needs requiring you to bring equipment, beverages or snacks into the testing room or to take extra or extended breaks, you need to request accommodations in advance. Procedures for requesting accommodations are described in the [Bulletin Supplement for Test Takers with Disabilities or Health-related Needs \(PDF\)](#).

**Note:** All cell phones, smart phones (e.g., Android® devices, iPhones®, etc.), and other electronic, photographic, recording, or listening devices are strictly prohibited from the test center. If you are seen with such a device, you will be dismissed from the test, your test scores will be canceled, and you will forfeit your test fees. If you are seen *using* such a device, the device will be confiscated and inspected. For more information on what you can bring to the test center, visit [www.ets.org/praxis/test\\_day/bring](http://www.ets.org/praxis/test_day/bring).

### Are You Ready?

Complete this checklist to determine whether you are ready to take your test.

- Do you know the testing requirements for the license or certification you are seeking in the state(s) where you plan to teach?
- Have you followed all of the test registration procedures?
- Do you know the topics that will be covered in each test you plan to take?
- Have you reviewed any textbooks, class notes, and course readings that relate to the topics covered?
- Do you know how long the test will take and the number of questions it contains?
- Have you considered how you will pace your work?
- Are you familiar with the types of questions for your test?
- Are you familiar with the recommended test-taking strategies?
- Have you practiced by working through the practice questions in this study companion or in a study guide or practice test?
- If constructed-response questions are part of your test, do you understand the scoring criteria for these questions?
- If you are repeating a *Praxis* test, have you analyzed your previous score report to determine areas where additional study and test preparation could be useful?

If you answered “yes” to the questions above, your preparation has paid off. Now take the *Praxis* test, do your best, pass it—and begin your teaching career!

# 10. Understand Your Scores

*Understand how tests are scored and how to interpret your test scores*

Of course, passing the *Praxis* test is important to you so you need to understand what your scores mean and what your state requirements are.

## What are the score requirements for my state?

States, institutions, and associations that require the tests set their own passing scores. Visit [www.ets.org/praxis/states](http://www.ets.org/praxis/states) for the most up-to-date information.

## If I move to another state, will my new state accept my scores?

The *Praxis* tests are part of a national testing program, meaning that they are required in many states for licensure. The advantage of a national program is that if you move to another state that also requires *Praxis* tests, you can transfer your scores. Each state has specific test requirements and passing scores, which you can find at [www.ets.org/praxis/states](http://www.ets.org/praxis/states).

## How do I know whether I passed the test?

Your score report will include information on passing scores for the states you identified as recipients of your test results. If you test in a state with automatic score reporting, you will also receive passing score information for that state.

A list of states and their passing scores for each test are available online at [www.ets.org/praxis/states](http://www.ets.org/praxis/states).

## What your *Praxis* scores mean

You received your score report. Now what does it mean? It's important to interpret your score report correctly and to know what to do if you have questions about your scores.

Visit [http://www.ets.org/s/praxis/pdf/sample\\_score\\_report.pdf](http://www.ets.org/s/praxis/pdf/sample_score_report.pdf) to see a sample score report.

To access *Understanding Your Praxis Scores*, a document that provides additional information on how to read your score report, visit [www.ets.org/praxis/scores/understand](http://www.ets.org/praxis/scores/understand).

## Put your scores in perspective

Your score report indicates:

- Your score and whether you passed
- The range of possible scores
- The raw points available in each content category
- The range of the middle 50 percent of scores on the test

If you have taken the same *Praxis* test or other *Praxis* tests over the last 10 years, your score report also lists the highest score you earned on each test taken.

## Content category scores and score interpretation

Questions on the *Praxis* tests are categorized by content. To help you in future study or in preparing to retake the test, your score report shows how many raw points you earned in each content category. Compare your “raw points earned” with the maximum points you could have earned (“raw points available”). The greater the difference, the greater the opportunity to improve your score by further study.

## Score scale changes

ETS updates *Praxis* tests on a regular basis to ensure they accurately measure the knowledge and skills that are required for licensure. When tests are updated, the meaning of the score scale may change, so requirements may vary between the new and previous versions. All scores for previous, discontinued tests are valid and reportable for 10 years, provided that your state or licensing agency still accepts them.

These resources may also help you interpret your scores:

- *Understanding Your Praxis Scores* (PDF), found at [www.ets.org/praxis/scores/understand](http://www.ets.org/praxis/scores/understand)
- *Praxis Passing Scores*, found at <https://www.ets.org/praxis/institutions/scores/passing/>
- State requirements, found at [www.ets.org/praxis/states](http://www.ets.org/praxis/states)

# Appendix: Other Questions You May Have

Here is some supplemental information that can give you a better understanding of the *Praxis* tests.

## What do the *Praxis* tests measure?

The *Praxis* tests measure the specific knowledge and skills that beginning teachers need. The tests do not measure an individual's disposition toward teaching or potential for success, nor do they measure your actual teaching ability. The assessments are designed to be comprehensive and inclusive but are limited to what can be covered in a finite number of questions and question types. Teaching requires many complex skills that are typically measured in other ways, including classroom observation, video recordings, and portfolios.

Ranging from Agriculture to World Languages, there are more than 80 *Praxis* tests, which contain selected-response questions or constructed-response questions, or a combination of both.

## Who takes the tests and why?

Some colleges and universities use the *Praxis* Core Academic Skills for Educators tests (Reading, Writing, and Mathematics) to evaluate individuals for entry into teacher education programs. The assessments are generally taken early in your college career. Many states also require Core Academic Skills test scores as part of their teacher licensing process.

Individuals entering the teaching profession take the *Praxis* content and pedagogy tests as part of the teacher licensing and certification process required by many states. In addition, some professional associations and organizations require the *Praxis* Subject Assessments for professional licensing.

## Do all states require these tests?

The *Praxis* tests are currently required for teacher licensure in approximately 40 states and United States territories. These tests are also used by several professional licensing agencies and by several hundred colleges and universities. Teacher candidates can test in one state and submit their scores in any other state that requires *Praxis* testing for licensure. You can find details at [www.ets.org/praxis/states](http://www.ets.org/praxis/states).

## What is licensure/certification?

Licensure in any area—medicine, law, architecture, accounting, cosmetology—is an assurance to the public that the person holding the license possesses sufficient knowledge and skills to perform important occupational activities safely and effectively. In the case of teacher licensing, a license tells the public that the individual has met predefined competency standards for beginning teaching practice.

Because a license makes such a serious claim about its holder, licensure tests are usually quite demanding. In some fields, licensure tests have more than one part and last for more than one day. Candidates for licensure in all fields plan intensive study as part of their professional preparation. Some join study groups, others study alone. But preparing to take a licensure test is, in all cases, a professional activity. Because a licensure exam surveys a broad body of knowledge, preparing for a licensure exam takes planning, discipline, and sustained effort.

## Why does my state require the *Praxis* tests?

Your state chose the *Praxis* tests because they assess the breadth and depth of content—called the “domain”—that your state wants its teachers to possess before they begin to teach. The level of content knowledge, reflected in the passing score, is based on recommendations of panels of teachers and teacher educators in

each subject area. The state licensing agency and, in some states, the state legislature ratify the passing scores that have been recommended by panels of teachers.

### How were the tests developed?

ETS consulted with practicing teachers and teacher educators around the country during every step of the *Praxis* test development process. First, ETS asked them what knowledge and skills a beginning teacher needs to be effective. Their responses were then ranked in order of importance and reviewed by hundreds of teachers.

After the results were analyzed and consensus was reached, guidelines, or specifications, for the selected-response and constructed-response tests were developed by teachers and teacher educators. Following these guidelines, teachers and professional test developers created test questions that met content requirements and [\*ETS Standards for Quality and Fairness\*](#).\*

When your state adopted the research-based *Praxis* tests, local panels of teachers and teacher educators evaluated each question for its relevance to beginning teachers in your state. During this “validity study,” the panel also provided a passing-score recommendation based on how many of the test questions a beginning teacher in your state would be able to answer correctly. Your state’s licensing agency determined the final passing-score requirement.

ETS follows well-established industry procedures and standards designed to ensure that the tests measure what they are intended to measure. When you pass the *Praxis* tests your state requires, you are proving that you have the knowledge and skills you need to begin your teaching career.

### How are the tests updated to ensure the content remains current?

*Praxis* tests are reviewed regularly. During the first phase of review, ETS conducts an analysis of relevant state and association standards and of the current test content. State licensure titles and the results of relevant job analyses are also considered. Revised test questions are then produced following the standard test development methodology. National advisory committees may also be convened to review and revise existing test specifications and to evaluate test forms for alignment with the specifications.

### How long will it take to receive my scores?

Scores for tests that do not include constructed-response questions are available on screen immediately after the test. Scores for tests that contain constructed-response questions or essays aren’t available immediately after the test because of the scoring process involved. Official score reports are available to you and your designated score recipients approximately two to three weeks after the test date for tests delivered continuously, or two to three weeks after the testing window closes for other tests. See the test dates and deadlines calendar at [www.ets.org/praxis/register/dates\\_centers](http://www.ets.org/praxis/register/dates_centers) for exact score reporting dates.

### Can I access my scores on the web?

All test takers can access their test scores via My *Praxis* Account free of charge for one year from the posting date. This online access replaces the mailing of a paper score report.

The process is easy—simply log into My *Praxis* Account at [www.ets.org/praxis](http://www.ets.org/praxis) and click on your score report. If you do not already have a *Praxis* account, you must create one to view your scores.

**Note:** You must create a *Praxis* account to access your scores, even if you registered by mail or phone.

\*[\*ETS Standards for Quality and Fairness\*](#) (2014, Princeton, N.J.) are consistent with the [\*Standards for Educational and Psychological Testing\*](#), industry standards issued jointly by the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education (2014, Washington, D.C.).

Your teaching career is worth preparing for, so start today!  
Let the *Praxis*® *Study Companion* guide you.

To search for the *Praxis* test prep resources  
that meet your specific needs, visit:

**[www.ets.org/praxis/testprep](http://www.ets.org/praxis/testprep)**

To purchase official test prep made by the creators  
of the *Praxis* tests, visit the ETS Store:

**[www.ets.org/praxis/store](http://www.ets.org/praxis/store)**

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