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# Business Education: Content Knowledge (5101)



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## Business Education: Content Knowledge (5101)

### Test at a Glance

<b>Test Name</b>	Business Education: Content Knowledge		
<b>Test Code</b>	5101		
<b>Time</b>	2 hours		
<b>Number of Questions</b>	120		
<b>Format</b>	The test consists of a variety of selected-response and numeric entry questions. You can review the question types in Understanding Question Types.		
<b>Test Delivery</b>	Computer Delivered		
	Content Categories	Approximate Number of Questions	Approximate Percentage of Examination
	I. Accounting and Finance	18	15%
	II. Communication and Career Development	18	15%
	III. Economics	12	10%
	IV. Entrepreneurship	12	10%
	V. Information Technology	18	15%
	VI. Law and International Business	12	10%
	VII. Marketing and Management	18	15%
	VIII. Professional Business Education	12	10%

## About The Test

The Praxis Business Education: Content Knowledge test is intended primarily for persons planning to teach in business education programs. The test concentrates on the core of knowledge and cognitive skills common to all business teachers, including content that contributes to general business and economic literacy. Also included are questions about business education in general and questions about areas of specialization within business education. An examinee planning to take this test should be prepared to encounter ethical and technological concepts as well as emerging trends and issues. Because of the variations among business education programs, some questions may refer to areas you may not have studied. Therefore, no one is expected to answer all of the questions on the test correctly. In addition, this test may contain some questions that do not count toward your score. This test has been developed using the *National Business Education Association (NBEA) National Standards for Business Education (2020)*.

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

## Content Topics

This list details the topics that may be included on the test. All test questions cover one or more of these topics.

**Note:** The use of “e.g.” to start a list of examples implies that only a few examples are offered and the list is not exhaustive, whereas the use of “i.e.” to start a list of examples implies that the given list of examples is complete.

## Discussion Questions

In this section, Discussion Questions provide examples of content that may be included in the questions you receive on testing day. They are open-ended questions or statements intended to help test your knowledge of fundamental concepts and your ability to apply those concepts to classroom or real-world situations. We do **not** provide answers for the Discussion Questions but thinking about the answers will help improve your understanding of fundamental concepts and may help you answer a broad range of questions on the test. Most of the questions require you to combine several pieces of knowledge to formulate an integrated understanding and response. They are written to help you gain increased understanding and facility with the test’s subject matter. You may want to discuss these questions with a teacher or mentor.

## I. Accounting and Financing

### A. Accounting

1. Understands the purpose, steps, and applications of the accounting cycle.
2. Knows generally accepted accounting principles (GAAP) and how they are used, including assets, liabilities, equity, revenues, expenses, gains, and losses.
3. Understands how to analyze the financial health of a company through the use and interpretation of financial statements to make informed business decisions.

### B. Personal and Business Finance

1. Understands savings and investment tools and how they relate to the short- and long-term goals of a person’s or a company’s financial plan.
2. Understands how to apply knowledge of credit and risk aversion to make wise decisions about personal finance and successful organizational operations.
3. Is familiar with how to evaluate services and products offered by financial institutions that help a person or company manage their money.

### Discussion Questions: Accounting and Finance

- What are the steps in the accounting cycle?
- How do you create, interpret, and use various financial statements?

- What are the different types of financial institutions and their functions?
- What are the principles of and terminology associated with personal and business financial management?
- What are the characteristics of and services provided by different types of financial institutions?

## II. Communication and Career Development

### A. Foundations of Communications

1. Understands the barriers and obstacles to effective and positive communication.
2. Understands how to utilize techniques to effectively communicate information and ideas.
3. Is familiar with the appropriate application of communication skills in various environments.

### B. Written and Oral Communications

1. Knows how to use written letters to communicate both personal and business messages.
2. Knows how to use memos to communicate in a business atmosphere.
3. Understands the basic features of an e-mail and the appropriate way to use e-mail to communicate in a business setting.
4. Is familiar with techniques for communicating orally using a presentation.
5. Understands how data and reports can be used to communicate results.

### C. Employment Communication

1. Understands how to use results to inquire about employment opportunities.
2. Knows the benefits of using short application messages to meet prospective employer's needs.
3. Understands how to use interview techniques when meeting with a prospective employer.
4. Understands and applies the appropriate tools when preparing for an employment interview.

### D. Career Research

1. Knows how to evaluate occupational interests through self-assessment and by setting short- and long-term career goals.
2. Knows how to utilize career-research tools and federal government resources to help develop a career information portfolio.

### Discussion Questions: Communication and Career Development

- How do the foundations of communication impact a business setting?
- What are the functions of written and oral communication formats in the workplace?
- What communication tools and skills are important for gaining employment?
- How has social media influenced communication?

### III. Economics

#### A. Allocation of Resources

1. Understands supply and demand and how the United States economy functions on a macroeconomic level.
2. Understands opportunity costs and trade-offs involved in making choices about economic resources.
3. Understands how to explain scarcity and how it relates to present and future choices made by individuals, governments, and societies.
4. Is familiar with the effect of productivity on the factors of production.

#### B. Economic Systems

1. Knows the effect of free enterprise in the US and in international economies.
2. Understands the relationship between market economies and command economies and the effect of each on prices.
3. Understands mixed economies and how they manage competition.

#### C. Market Structures

1. Knows the basic characteristics of a monopoly.
2. Knows about oligopolies and how they are used and regulated.
3. Understands the concept of competition and how it is affected by US laws and regulations.
4. Understands the effects of different marketing structures on pricing and the quality of goods and services.

#### D. Role of Government

1. Knows fiscal policies used by the federal government to regulate the economy.
2. Knows the role of government taxation and its effect on consumers and producers.
3. Understands monetary policies (e.g., open-market securities, reserve requirements, discount rates) used by the Federal Reserve System to regulate the economy.
4. Understands banking regulations in the US and abroad and how they affect both fiscal and monetary policies.

#### E. Economic Indicators

1. Understands growth as it relates to the US economy and how it is measured and used by economists as an indicator.
2. Understands productivity as it relates to the US economy and how it is measured and used by economists as an indicator.
3. Understands employment as it relates to the US economy and how it is measured and used by economists as an indicator.
4. Understands the business cycle as it relates to the US economy and how it is measured and used by economists as an indicator.

#### Discussion Questions: Economics

- What are the basic features of assorted economic systems?
- What are the characteristics and role of government in developing fiscal policies and setting regulations?

- What are the different characteristics of economic indicators?

## IV. Entrepreneurship

### A. Characteristics

1. Understands the personal characteristics needed to be a successful entrepreneur (e.g., vision, confidence, risk-taking, adaptability and motivation).

### B. Entrepreneurial opportunities

1. Understands the different types of business opportunities available to an entrepreneur.

### C. Forms of ownership

1. Understands sole proprietorships, how and when they are used, and their pros and cons.
2. Understands partnerships, how and when they are used, and their pros and cons.
3. Understands corporations, how and when they are used, and their pros and cons.

### D. Business plans

1. Understands the function, uses, and components of a business plan.
2. Understands the rationale of developing a plan to launch and operate a business.

### Discussion Questions: Entrepreneurship

- What are the various types and characteristics of businesses?

- What are the differences between the forms of business ownership, including proprietorships, partnerships, corporations, and franchises?
- What are the major components and functions of a business plan?

## V. Information Technology

### A. Operations and concepts

1. Knows hardware, devices, and components and uses strategies for maintenance and repair.
2. Knows operating systems, software, applications, and programs and uses strategies for their use and application.
3. Is familiar with the design, application, and administration of different types of networks and telecommunication systems.
4. Knows file-management processes and techniques to effectively manage data.
5. Knows effective security and risk-management policies to protect sensitive and personal information.

### B. Human factor

1. Understands the basics of ergonomics and office layout and design, and how they affect office productivity.
2. Understands the benefits of developing an effective office workflow.



### C. Technology tools

1. Understands the different types of digital communication, including telecommunications, Internet, and social media, as well as netiquette.
2. Understands the process of digital research, including Internet use, search strategies, and databases.
3. Is familiar with problem-solving and decision-making techniques using applications, including word processing, multimedia, spreadsheets, database, desktop publishing, Web design, programming, and collaborative software.
4. Understands the data science method for finding solutions to problems, including gathering data, cleaning data, analyzing data, presenting data, and making recommendations.
5. Is familiar with the use of reporting tools and how these tools provide information for executive decision making.

#### Discussion Questions: Information Technology

- What are the functions and concepts related to operating and maintaining the hardware and software of a computer system?
- How are human factors affected by technology in the workplace?
- What is the impact of information technology on business and society?
- What role does computer technology play in specific business contexts (e.g., product design, sales and marketing, inventory)?

## VI. Law and International Business

### A. Foundations of international business

1. Knows the role of international business in today's world and can identify its benefits and costs.
2. Understands how international business has an impact on business at all levels, including the local, state, national, and international levels.
3. Is familiar with the major differences in business strategies used in international markets compared with those used in domestic markets.

### B. International business environment

1. Understands the social, cultural, political, legal, technological, and economic factors that affect international business in today's world.
2. Understands the impact of a country's infrastructure on its ability to function in the international business environment.

### C. Trade relations

1. Understands imports and exports and how they relate to international trade.
2. Understands the major barriers to trade between countries, including quotas, tariffs, and exchange-rate controls.
3. Understands why balance of trade is important to a country and the effects of a positive or negative trade balance.

**D. Contract law**

1. Knows the basic elements of a contract.
2. Understands the requirements for a contract to be legally enforceable.

**E. Consumer law**

1. Knows the fundamentals of the United States court system and the United States laws and legislation that protect consumers.
2. Understands the concepts of strict liability and product liability.
3. Is familiar with government agencies and their role in protecting consumers.

**F. Computer law**

1. Understands the concept and use of a copyright and how it relates to the trademark.
2. Understands fair use, how it is used, and the US laws and legislation protecting it.
3. Understands the concepts of privacy, cybercrime, and the major US laws and legislation that deal with cybersecurity.

**Discussion Questions: Law and International Business**

- What are the social, cultural, political, legal, and economic factors in relation to the international business environment?
- What are the financial forces and economic theories affecting a country's infrastructure (e.g., effects of foreign exchange markets)?

- What are the trade barriers and trade agreements relevant to international business (e.g., exchange rates, quotas, tariffs, etc.)?
- What are the concepts associated with contract law and laws associated with the use of computers?
- What are the concepts related to consumer law (e.g., consumer protection, legislation)?
- What are the concepts related to business law (e.g., trademark, laws against fraud)?

**VII. Marketing and Management**

**A. Marketing**

1. Understands the concept of marketing, its major principles, and its effect on individuals, businesses, and society.
2. Understands the four components of the marketing mix, their use in the marketing process, and how they affect the marketing plan.
3. Understands consumer behavior, motivations, and characteristics and how they affect the marketing plan.
4. Knows how to segment a market using psychographics, geographics, or consumer behavior.

**B. Management**

1. Knows the functions of management and understands their implementation and integration within the business environment.
2. Understands the function of a human resources department and its importance to an organization's success.

3. Understands the levels of management and their roles in an organization.
4. Knows the concepts of management, including planning, staffing, organizing, controlling, and leading.
5. Understands how to promote the use of business ethics and how following ethics as a guiding principle increases management effectiveness.

#### **Discussion Questions: Marketing and Management**

- What are the basic principles and terminology related to marketing?
- What are the elements included in the marketing mix (e.g., product, price, promotion, place)?
- What are the basic functions of management and its implementation in the business environment (e.g., planning, organizing, directing/leading, controlling)?
- What are the functions of human resource management (e.g., needs analysis, recruitment)?
- How is social media related to marketing?

### **VIII. Professional Business Education**

#### **A. Professional Business Education Organizations**

1. Understands the importance of and can identify the major examples of career and technical student organizations (CTSOs) and can explain the advisor's role in those organizations.

2. Knows the different professional and teacher organizations and can discuss the importance of staying actively involved in the profession.

#### **B. Career and Technical Education Legislation (i.e., the Carl D. Perkins Act)**

1. Understands the importance of the Perkins Act in relation to business education at the local and state levels.

#### **C. School and Community Relationships**

1. Knows the role that advisory committees play in the development of CTE programs.
2. Is familiar with the importance of effective student-recruitment techniques.
3. Understands the benefits of and impacts involving the local business community when developing CTE programs.

#### **D. Mission and Objectives of the Business Education Program**

1. Understands the mission of the business education program in comparison to the missions of the school, district, and community.
2. Is familiar with the objectives of the business education program and how they compare to the objectives of the business education advisory committee.

#### **E. Pedagogy**

1. Knows instructional strategies and resources, including inquiry-based instruction, for promoting students' understanding of concepts and skills related to business education.
2. Knows strategies and skills for

- planning, designing, and delivering instruction in business education, including the use of techniques and approaches that meet the needs of diverse learners.
3. Knows effective instructional strategies and assessment methods for promoting student learning and fostering the development of critical-thinking, higher-order-thinking, problem-solving, and performance skills in business education.
  4. Knows strategies and communication methods for creating a productive learning environment using knowledge of student behavior, organizational skills, and classroom-management skills.
  5. Knows strategies for selecting, adapting, and using technological resources to enhance teaching and learning.

#### **F. Work-based learning**

1. Understands school-based enterprises and how they are used to develop life experiences in business enterprises.
2. Knows how to design and plan effective student internships and knows how they help develop student employability.
3. Understands the benefits of a mentorship and how it can influence the personal and professional growth of a student.

4. Understands how to combine classroom-based learning with hands-on experience with cooperative education.
5. Understands how job shadowing provides a quick way for students to observe many potential jobs.

#### **Discussion Questions: Professional Business Education**

- What are the characteristics, functions, and organizational structure of student organizations?
- What is the relationship between classroom learning and student organizations? The relationship between business education programs and advisory committees?
- What are the roles and responsibilities of business education teachers in regard to creating and maintaining community partnerships?
- What are the mission and objectives of the business education program?
- What is the importance of regulations for using work-based learning (e.g., internships, cooperative education, job shadowing)?

## Business Education: Content Knowledge (5101) Sample Test Questions

### Sample Questions

The sample questions that follow represent a number of the types of questions and topics that appear 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:** The test consists of a variety of selected-response questions, where you select one or more answer choices, and questions where you enter a numeric answer in a box.

1. Which of the following actions by the Federal Reserve System would be most likely to increase consumer spending?
  - (A) Increasing the discount rate to member banks
  - (B) Decreasing the discount rate to member banks
  - (C) Selling large amounts of government securities
  - (D) Keeping reserve requirements of member banks constant
  
2. Usually stated in annual terms, which of the following is the total retail market value of all the goods and services produced in a country?
  - (A) Ratio of profit to sales
  - (B) Current ratio
  - (C) Gross domestic product
  - (D) Trade surplus
  
3. Which of the following persons is best to include in a partnership with a high school business education program?
  - (A) An elected county commissioner
  - (B) The chief of the local law enforcement agency
  - (C) A member of the local chamber of commerce
  - (D) The assistant superintendent of the school district

4. Which of the following is the government overseer for all securities firms operating in the United States?
  - (A) Federal Trade Commission
  - (B) Federal Deposit Insurance Corporation
  - (C) Federal Reserve Board
  - (D) Financial Industry Regulatory Authority
  
5. In which of the following does an accounts payable entry appear?
  - (A) The asset section of the balance sheet
  - (B) The liability section of the balance sheet
  - (C) The cost of goods sold section of the income statement
  - (D) The operating expense section of the income statement
  
6. Which of the following best describes the situation after the price is raised on a product that has an inelastic demand?
  - (A) The quantity demanded will not change.
  - (B) The quantity demanded will increase.
  - (C) Total revenue will decrease.
  - (D) Total revenue will not change.
  
7. Determining how a product can be useful, identifying the target price, finding a place to sell the product, and deciding how to promote it best exemplify using which of the following?
  - (A) Market research
  - (B) Positioning
  - (C) Marketing mix
  - (D) Segmenting

8. Which of the following negotiable instruments acknowledges a receipt of money by a bank and promises to pay the money back, with interest, on the due date?
  - (A) Bill of exchange
  - (B) Cashier's check
  - (C) Demand note
  - (D) Certificate of deposit
  
9. Which of the following prescribes standards for wages and overtime pay that affect most private and public employment?
  - (A) The Employee Retirement Income Security Act
  - (B) The American Recovery and Reinvestment Act
  - (C) The Fair Labor Standards Act
  - (D) The Federal Employees' Compensation Act
  
10. When a corporation pays out \$300,000 in salaries, which of the following best describes the impact on assets and liabilities?
  - (A) Salary expense is increased by \$300,000; cash is increased by \$300,000
  - (B) Salary expense is increased by \$300,000; cash is decreased by \$300,000
  - (C) Salary expense is decreased by \$300,000; cash is increased by \$300,000
  - (D) Salary expense is decreased by \$300,000; cash is decreased by \$300,000
  
11. What is the most likely impact of an increase in interest rates?
  - (A) Diminished investment levels
  - (B) An increase in employment
  - (C) A decrease in the value of the U.S. dollar
  - (D) A decline in mortgage rates

12. Which of the following is the best description of a consumer checking account?
- (A) An asset for the consumer and a liability for the bank
  - (B) A liability for the consumer and an asset for the bank
  - (C) An asset for both the consumer and the bank
  - (D) A liability for both the consumer and the bank
13. A group of friends wants to form a business entity through which they can raise capital by selling equity shares to the public. Which of the following business structures should they adopt?
- (A) Limited liability corporation
  - (B) Sole proprietorship
  - (C) Corporation
  - (D) Limited liability partnership
14. In a commodity market, which of the following is the most important determinant to consumers?
- (A) Promotion
  - (B) Product placement
  - (C) Price
  - (D) Value proposition
15. Antonio, an entry-level operations specialist, has been paired with Duane, a more experienced coworker from a different department in the same company. Duane offers Antonio general guidance and advice about his career path and development through weekly one-on-one meetings. Which of the following best describes this work-based learning experience?
- (A) A volunteer
  - (B) A mentorship
  - (C) A paid internship
  - (D) A field trip



16. Which of the following protocols is usually associated with hyperinflation?
- (A) A rapid decrease in total spending
  - (B) A rapid increase in money supply
  - (C) A slow increase in exports
  - (D) A slow increase in labor productivity
17. Which **TWO** of the following statements best describe how improvements to a nation's infrastructure can help improve its economy?
- (A) Improved infrastructure causes increases in inventories because materials are easier to access.
  - (B) Productivity can increase, which lowers the overall cost of production.
  - (C) New markets are created that increase competition, resulting in lowered prices.
  - (D) Higher maintenance costs increase taxes, which increases government revenues.
18. Which of the following will best make data-heavy text in a presentation more reader friendly?
- (A) Providing an overview of data
  - (B) Using italics on numbers
  - (C) Using double-spacing for all text
  - (D) Including relevant graphics with text
19. Which of the following is the best source of objective financial information about a publicly traded company?
- (A) Annual reports
  - (B) Press releases
  - (C) Newspaper articles
  - (D) 10-K filings with the SEC

20. Which of the following would be provided in the marketing section of a business plan?
- (A) How the products and/or services will be priced
  - (B) The organizational structure of the business
  - (C) Any factors that could affect employee retention
  - (D) The details of the budget plan
21. Which **TWO** of the following actions demonstrate effective listening?
- (A) Making eye contact with the speaker
  - (B) Formulating what to say next
  - (C) Redirecting the conversation if possible
  - (D) Using relaxed and open body language
  - (E) Multitasking as the speaker is talking
22. Which of the following should a computer user do to prevent screen-induced eyestrain?
- (A) Use eye drops regularly
  - (B) Change the choice of software programs
  - (C) Limit the resolution on the monitor
  - (D) Take periodic breaks to view natural lighting
23. To which of the following characteristics do successful entrepreneurs primarily attribute their success?
- (A) Being motivated by money
  - (B) Focusing on the customer and product
  - (C) Taking large risks
  - (D) Being highly skilled managers

24. Which of the following responsibilities of a human resources manager would have the most negative impact on a company if performed incorrectly?
- (A) Recruiting and hiring new employees
  - (B) Providing professional development opportunities for employees
  - (C) Ensuring company compliance with laws and regulations
  - (D) Scheduling opportunities for in-house communications
25. If one party to a contract is forced to sign, the contract is defined as
- (A) enforceable
  - (B) executory
  - (C) unilateral
  - (D) voidable
26. Which of the following does the National Business Education Association (NBEA) primarily provide?
- (A) Lesson plan templates
  - (B) Ideas for new businesses
  - (C) Professional development
  - (D) Legal resources
27. An operating system contains a set of programs that mediates between the hardware and which of the following?
- (A) Application software
  - (B) Booting mechanism
  - (C) Disk defragmenter
  - (D) Central processing unit (CPU)

28. Which of the following are specific words that can be used to expand or narrow search parameters when searching a database or search engine?
- (A) Keywords
  - (B) Boolean operators
  - (C) Subjects
  - (D) Stop words
29. Which of the following is the main purpose of using career interest inventories for career planning and exploration?
- (A) Determining the occupations to be pursued by the students
  - (B) Identifying the students' skills, interests, and values
  - (C) Exposing the students to a wide range of occupations
  - (D) Measuring the students' aptitude for different types of jobs
30. Tom is a young professional who is living in a city and is considered middle class. He purchases and uses only No Grime detergent because he feels it is the only detergent that gets his clothes clean and fresh smelling. He also appreciates that the company donates money to charity. Tom will purchase only No Grime, regardless of how inexpensive the other products are. Which of the following types of market segmentation does Tom represent for No Grime detergent?
- (A) Behavioral segmentation
  - (B) Demographic segmentation
  - (C) Psychographic segmentation
  - (D) Geographic segmentation

## Answers

1. Option (B) is correct. A reduction in the discount rate, the rate commercial banks are charged to borrow money from the Federal Reserve System, encourages banks to lend money, promoting consumer spending.
2. Option (C) is correct. Gross domestic product can be defined as the total market value of all final goods and services produced by factors of production located within a country, regardless of who owns them.
3. Option (C) is correct. A chamber of commerce supports and promotes businesses on a local, state, or national level. It is composed of local business leaders and is a great resource for business education programs.
4. Option (D) is correct. The Financial Industry Regulatory Authority (FINRA) is a government-authorized not-for-profit organization that oversees all securities firms operating in the United States. FINRA is authorized by Congress to protect investors by ensuring the broker-dealer industry operates fairly and honestly.
5. Option (B) is correct. The accounts payable section of the balance sheet shows the amount owed to a creditor for goods or services bought on credit.
6. Option (A) is correct. An increase in the price of a product that has an inelastic demand will not cause a change in the quantity demanded. Inelastic products are usually necessities without acceptable substitutes, such as utilities and medical services.
7. Option (C) is correct. The marketing mix is also known as the four Ps of marketing, which are product, place, price, and promotion. Marketing efforts that are focused on a broad range of areas can reach a wider audience and help make strategic decisions when launching new products or revising existing ones.
8. Option (D) is correct. A certificate of deposit, or CD, usually pays more interest than a savings account does, and it is allowed to be sold, used as collateral for a loan, or used to pay debts. However, if the money is withdrawn before the maturity date, the depositor has to pay a penalty.
9. Option (C) is correct. The Fair Labor Standards Act (FLSA) prescribes standards for wages and overtime pay that affect most private and public employment. The act is administered by the Wage and Hour Division of the Department of Labor. It requires employers to pay covered employees who are not otherwise exempt at least the federal minimum wage and overtime pay of one and one-half times the regular rate of pay.

10. Option (B) is correct. The debit of \$300,000 to salary expense increases expenses; the credit of \$300,000 to cash decreases assets.
11. Option (A) is correct. A rise in interest rates means an increase in the cost of borrowing, which can discourage investment.
12. Option (A) is correct. A checking account is a claim against the bank's assets for the consumer (i.e., an asset of the consumer) and an obligation by the bank to pay (i.e., a liability for the bank).
13. Option (C) is correct. One of the main advantages of a corporation is that it can raise capital through the sale of stock. This is a good choice for medium- or higher-risk businesses and can also be a benefit in attracting employees.
14. Option (C) is correct. In a commodity market where products are close substitutes of one another, the primary basis for competition is price.
15. Option (B) is correct. A mentor is a trusted counselor or guide for a less experienced and often younger person who works for the same company. A mentorship is a mutually beneficial relationship that helps both the mentor and the mentee to build confidence, make better decisions, and gain new perspectives on life and work.
16. Option (B) is correct. Hyperinflation is primarily caused by an extremely rapid increase in the supply of money that is not associated with economic growth. A demand-pull inflation, when demand outpaces supply, may also contribute to hyperinflation.
17. Options (B) and (C) are correct. Infrastructure improvements, especially in developing countries, can lead to better economic conditions because the improvements increase productivity and open new markets.
18. Option (D) is correct. Including graphs, charts, or tables in a data-heavy presentation adds a visual dimension that helps the audience understand the numbers more easily.
19. Option (D) is correct. In annual 10-K filings, publicly traded companies are required by statute to report assets, liabilities, activities, and risks accurately. This report helps keep investors informed of a company's financial position and gives them the appropriate amount of information before purchasing stocks or bonds.
20. Option (A) is correct. Pricing strategy is an essential part of the marketing section of a business plan. This section discusses how the proposed products and/or services are going to be priced and how that relates to competitors and the present situation of the market.

21. Options (A) and (D) are correct. Making eye contact with the speaker acknowledges that the message is interesting and engaging. Also, showing relaxed and welcoming body language puts the speaker at ease and shows the speaker that the audience members are receiving the message.
22. Option (D) is correct. Looking at natural light is known to relieve eyestrain caused by pixilated images.
23. Option (B) is correct. Different entrepreneurs have many different characteristics, but the characteristic most commonly attributed to their success is the ability to maintain a high level of focus on both the customer and product.
24. Option (C) is correct. Making an error in the area of legal compliance could cost a company money (in fines and lawsuits) and its reputation, and the error could have an effect on the viability and future of the company.
25. Option (D) is correct. A forced agreement is not a genuine agreement. The contract is voidable due to duress.
26. Option (C) is correct. The National Business Education Association (NBEA) is the leading professional organization in the United States that is devoted to serving individuals and groups engaged in instruction, administration, research, and dissemination of information for and about business. Linking both the public and private sectors, the NBEA gives business educators the opportunity to stay current with the changing landscape of business education by providing professional development and growth resources.
27. Option (A) is correct. The operating system manages all of the computer's processes and memory and makes it possible to communicate with the computer without knowing how to speak the computer's language. Software applications complete the link between the user and the hardware.
28. Option (B) is correct. Boolean operators connect search words together to either narrow or broaden the results of the search. The three basic Boolean operators are AND, OR, and NOT.
29. Option (B) is correct. Engaging youth in self-exploration—the process of learning to identify skills, interests, and values and how they could be used in various careers—is a critical step in the career development process for all young people. Using a career interest inventory is a great way to begin career planning and exploration.
30. Option (A) is correct. Brand loyalty is a behavioral segmentation strategy. Other behavioral segmentation strategies include rate of use, benefits derived, and occasion response.

## Understanding Question Types

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 selecting a sentence in a text or by selecting 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 seeing them on other standardized tests you have taken. If not, familiarize yourself with them so that you won't have to spend time during the test figuring out how to answer them.

### Understanding Selected-Response and Numeric-Entry Questions

For most questions you will respond by selecting an oval to choose a single answer from a list of answer choices.

However, interactive question types may also ask you to respond doing the following:

- Selecting more than one choice from a list of choices.
- Typing in a numeric-entry box. When the answer is a number, you may be asked to enter a numerical answer. Some questions may have more than one entry box to enter a response. Numeric-entry questions typically appear on mathematics-related tests.
- Selecting parts of a graphic. In some questions, you will select your answers by selecting a location (or locations) on a graphic such as a map or chart, as opposed to choosing your answer from a list.
- Selecting sentences. In questions with reading passages, you may be asked to choose your answers by selecting 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 to 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.



## Understanding Constructed-Response Questions

Some tests include constructed-response questions, which require you to demonstrate your knowledge in a subject area by writing your own response to topics. Essay questions and short-answer questions are types of questions that call for a constructed response.

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. For such questions, you must support your position with specific reasons and examples from your own experience, observations, or reading.

Following are a few sample essay topics to review:

- *Brown v. Board of Education of Topeka*

“We come then to the question presented: Does segregation of children in public schools solely on the basis of race, even though the physical facilities and other ‘tangible’ factors may be equal, deprive the children of the minority group of equal educational opportunities? We believe that it does.”

  - A. What legal doctrine or principle, established in *Plessy v. Ferguson* (1896), did the Supreme Court reverse when it issued the 1954 ruling quoted above?
  - B. What was the rationale given by the justices for their 1954 ruling?
- *In his self-analysis, Mr. Payton says that the better-performing students say small-group work is boring and that they learn more working alone or only with students like themselves. Assume that Mr. Payton wants to continue using cooperative learning groups because he believes they have value for all students.*
  - Describe **TWO** strategies he could use to address the concerns of the students who have complained.
  - Explain how each strategy suggested could provide an opportunity to improve the functioning of cooperative learning groups. Base your response on principles of effective instructional strategies.
- *“Minimum-wage jobs are a ticket to nowhere. They are boring and repetitive and teach employees little or nothing of value. Minimum-wage employers take advantage of people who need a job.”*
  - Discuss the extent to which you agree or disagree with this opinion. Support your views with specific reasons and examples from your own experience, observations, or reading.

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 should not be filled with unnecessary information.
5. **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.
6. **Reread your response.** Check that you have written what you intended to write. Do not leave sentences unfinished or omit clarifying information.

## General Assistance For The Test

### ***Praxis*® Interactive Practice Test**

This full-length *Praxis*® practice test lets you practice answering one set of authentic test questions in an environment that simulates the computer-delivered test.

- Timed just like the real test
- Correct answers with detailed explanations
- Practice test results for each content category

ETS provides a free interactive practice test with each test registration. You can learn more [here](#).

### **Doing Your Best**

#### Strategy and Success Tips

Effective *Praxis* test preparation doesn't just happen. You'll want to set clear goals and deadlines for yourself along the way. Learn from the experts. Get practical tips to help you navigate your *Praxis* test and make the best use of your time. Learn more at [Strategy and Tips for Taking a \*Praxis\* Test](#).

#### Develop Your Study Plan

Planning your study time is important to help ensure that you review all content areas covered on the test. View a sample plan and learn how to create your own. Learn more at [Develop a Study Plan](#).

### **Helpful Links**

[Ready to Register](#) – How to register and the information you need to know to do so.

[Disability Accommodations](#) – Testing accommodations are available for test takers who meet ETS requirements.

[PLNE Accommodations \(ESL\)](#) – If English is not your primary language, you may be eligible for extended testing time.

[What To Expect on Test Day](#) – Knowing what to expect on test day can make you feel more at ease.

[Getting Your Scores](#) – Find out where and when you will receive your test scores.

[State Requirements](#) – Learn which tests your state requires you to take.

[Other Praxis Tests](#) – Learn about other *Praxis* tests and how to prepare for them.

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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