



Michigan

TEST FOR TEACHER CERTIFICATION
STUDY GUIDE

32 Business Education



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PART 1: General Information About the MTTC Program and Test Preparation

The first section of the study guide is available in a separate PDF file. Click the link below to view or print this section.

[General Information About the MTTC Program and Test Preparation](#)

PART 2: Test Objectives and Sample Test Questions

INTRODUCTION

This section includes a list of the test objectives, immediately followed by sample test questions and an answer key for the field covered by this study guide.

Test Objectives

As noted, the test objectives are broad, conceptual statements that reflect the knowledge, skills, and understanding an entry-level teacher needs in order to teach effectively in a Michigan classroom. Each field's list of test objectives represents the **only** source of information about what a specific test will cover and, therefore, should be studied carefully.

The test objectives are organized into groups known as "subareas." These subareas define the major content areas of the test. You will find a list of subareas at the beginning of the test objective list. The percentages shown in the list of subareas indicate the approximate weighting of the subareas on the test.

Sample Multiple-Choice Test Questions

The sample multiple-choice test questions included in this section are designed to give the test-taker an introduction to the nature of the test questions included on the MTTC test for each field. The sample test questions represent the various types of test questions you may expect to see on an actual test; however, they are **not** designed to provide diagnostic information to help you identify specific areas of individual strengths and weaknesses or predict your performance on the test as a whole. Use the answer key that follows the sample test questions to check your answers.

To help you identify which test objective is being assessed, the objective statement to which the question corresponds is listed in the answer key. When you are finished with the sample test questions, you may wish to go back and review the entire list of test objectives and descriptive statements once again.

Business Education (32) Field-Specific Information

The last test date for current program participants is July 2011.

TEST OBJECTIVES

Subarea	Approximate Percentage of Questions on Test
Domestic and International Business Management	23%
Economics and Personal Finance	15%
Accounting	16%
Office Administration and Business Communication	15%
Business Technology	16%
Career Planning and Employment	15%

DOMESTIC AND INTERNATIONAL BUSINESS MANAGEMENT

Understand types, structure, and functions of business management.

Includes identifying types and characteristics of organizational structures, including joint ventures and multinational ventures; recognizing characteristics of sole proprietorships, partnerships, and corporations; applying procedures for planning, organizing, directing, and controlling a business; and using business management skills to solve given business-related problems.

Understand entrepreneurship and its role in the economy.

Includes recognizing risks, responsibilities, and benefits of entrepreneurship; identifying procedures related to starting a business; applying procedures related to starting, buying, and operating franchises; and analyzing the role of entrepreneurship and small business in the global economy.

Understand basic principles of marketing.

Includes analyzing the role of marketing in business and in society; identifying the benefits and limitations of using social, cultural, and economic factors that affect marketing decisions; applying procedures and methods for collecting, interpreting, and reporting marketing data (e.g., demographics, economic statistics, market surveys); applying marketing data to make marketing decisions; and analyzing the relationship between consumer behavior and marketing report information.

Understand human resource management, labor relations, and the role of corporate, group, and interpersonal behavior in business management.

Includes analyzing methods of motivating, directing, supervising, hiring, promoting, terminating, and training staff; comparing types and characteristics of management styles; recognizing the importance of a corporate culture and methods of developing and maintaining a corporate culture; recognizing the impact of cultural diversity in the workplace; applying social theory to the workplace (e.g., group dynamics, work groups, conflict resolution methods); evaluating procedures and techniques used in labor-management negotiations; and recognizing legal issues related to human resource management.

Understand the role of ethical and social responsibility in business.

Includes analyzing business situations that involve ethical considerations, recognizing factors that influence ethical decisions in business (e.g., cost-benefit analyses, public relations, government regulations), recognizing ethical and social considerations in international trade, and evaluating the effect of social issues and concerns on business decisions.

Understand principles of business law.

Includes understanding the role of government in regulating business; applying U.S. tort, criminal, and contract law to given situations; applying consumer and environmental law to business situations; understanding laws related to financing, starting, operating, and disposing of businesses and laws regarding personal property, real property, and intellectual property; interpreting employment and agency laws and regulations; and applying U.S. and other law to international trade.

ECONOMICS AND PERSONAL FINANCE**Understand principles of macroeconomics and their application to business.**

Includes analyzing mechanisms by which the U.S. money supply is regulated; identifying characteristics and functions of U.S. and international banking systems; identifying principles of U.S. monetary and fiscal policy; recognizing methods of measuring and influencing economic growth, consumer behavior, and corporate behavior; and analyzing the effects of macroeconomic factors (e.g., unemployment rates, credit rates, monetary exchange rates) on business.

Understand principles of microeconomics and their application to business.

Includes comparing types and characteristics of economic systems; recognizing characteristics and principles of capitalism; identifying characteristics of monopolies; applying principles of supply and demand; analyzing business situations in terms of wants, needs, and resources; and analyzing the roles of utility, opportunity costs, and factors of production in business situations.

Understand international trade and the global economy.

Includes recognizing the role and scope of international trade, identifying characteristics of the global economy, applying principles of international trade and finance, evaluating factors that affect international trade and economics (e.g., trade barriers, trade agreements, monetary exchange rates), and analyzing business situations involving international trade.

Understand personal finance.

Includes developing and using personal budgets, identifying types and characteristics of personal investment options, identifying types and characteristics of insurance policies, identifying types and characteristics of personal taxes, applying tax-saving strategies, analyzing issues related to personal credit and consumerism, and evaluating various housing options.

ACCOUNTING**Understand the accounting equation and the accounting cycle.**

Includes recognizing the form, nature, and significance of the accounting equation; identifying steps in the accounting cycle, including adjusting and closing entries; identifying sources of data that contribute to these steps; analyzing the relationship between steps; and understanding the use of the accounting cycle in the accrual basis and cash basis of accounting.

Apply procedures for using and interpreting source documents, ledgers, journals, and work sheets in manual and computerized accounting systems.

Includes identifying types, characteristics, and functions of source documents, journals, ledgers, and work sheets; posting entries in journals; preparing journals; and preparing and analyzing financial statements, trial balances, and reconciliations.

Apply accounting skills related to payroll, taxes, investments, and banking.

Includes applying payroll procedures; identifying types and characteristics of taxes, investments, and banking services; analyzing records and documentation related to payroll, taxes, investments, and banking; and documenting and recording related transactions.

Understand accounting procedures related to sales and purchases.

Includes applying accounting procedures related to cash receipts records, cash payment records, and sales and purchase records; and making entries in accounts payable and accounts receivable ledgers.

OFFICE ADMINISTRATION AND BUSINESS COMMUNICATION**Apply office administration skills.**

Includes applying document-processing skills (e.g., keyboarding, formatting); collecting, recording, organizing, and filing information in the workplace; maintaining employee records; developing and administering office budgets; monitoring and scheduling work flow; scheduling office meetings, business trips, and conferences; processing incoming and outgoing mail; monitoring inventory; administering a petty cash fund; and ordering and allocating supplies.

Apply legal office skills.

Includes recognizing legal terminology, processing legal documents, using legal office procedures (e.g., confidentiality, legal reference materials, legal transcription), and managing legal records (e.g., client files).

Apply medical office skills.

Includes recognizing medical terminology, processing medical documents (e.g., insurance forms, medical transcription, medical forms), using medical office procedures (e.g., patient confidentiality, emergency situations, scheduling), and managing medical records.

Understand principles of business communication.

Includes identifying elements of effective verbal and nonverbal communication, including issues in cross-cultural communication; comparing types and characteristics of communication styles and formats (e.g., interoffice memo, formal report, telephone call); applying logical reasoning; using basic language skills (e.g., grammar, usage, spelling, proofreading); and preparing written and oral presentations that include general and technical information (e.g., preparing outlines and summaries, adapting presentations for different audiences, choosing and using reference materials).

BUSINESS TECHNOLOGY

Understand basic principles of computer technology.

Includes recognizing terms related to computers and computer technology; identifying types and characteristics of computer input devices, output devices, information storage devices, and processing units, and procedures for selecting and operating these devices; identifying types and characteristics of computer systems (e.g., network, workstation, stand-alone PC); understanding the function of a computer operating system; and recognizing advantages and disadvantages of given systems in business-related situations.

Apply skills in using computer software.

Includes identifying types and characteristics of computer software, recognizing appropriate and efficient uses of software, applying strategies and techniques for using common software packages (e.g., database management, spreadsheet, word processing, graphics, desktop publishing, integrated software packages), and analyzing issues related to software compatibility and file sharing.

Understand principles used in transmitting and storing information.

Includes identifying types, characteristics, and operating principles of telecommunications equipment; using telecommunications technology in business applications; understanding procedures, technologies, and equipment (e.g., modem, electronic mail, fax) used to transmit information over lines and cables; identifying equipment and procedures for maintaining security of computer systems and other technological systems; and analyzing issues related to privacy, the transmission of information, and the ownership and sharing of data files.

Understand the application of technology and technology systems in business and issues related to the use of technology.

Includes recognizing the diversity of technologies available in the workplace (e.g., video displays, multimedia equipment, copiers, scanners, voice recognition) and analyzing business-related problems and situations to determine appropriate technological solutions.

CAREER PLANNING AND EMPLOYMENT

Understand procedures and techniques for selecting and preparing for a career in business.

Includes identifying types and characteristics of business careers, matching personal characteristics and needs to business careers, recognizing sources of career-related information and sources of employment, and planning a business-related educational program.

Understand procedures and techniques for obtaining a career in business.

Includes constructing a résumé, writing letters of application, demonstrating appropriate interviewing skills, and accumulating appropriate employment credentials (e.g., portfolios, passports, skills certificates).

Understand procedures and techniques for maintaining a career in business.

Includes identifying employee rights and responsibilities, demonstrating appropriate work habits (e.g., punctuality, ethical behavior), and understanding diversity issues in the workplace.

Understand policies and issues related to the workplace.

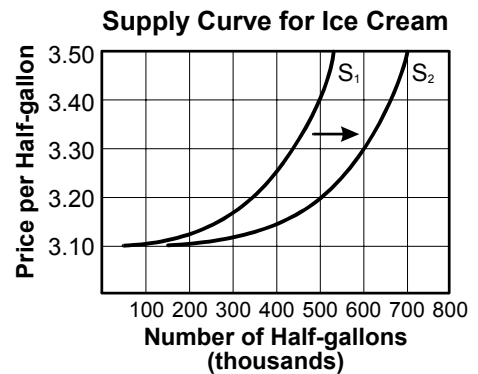
Includes identifying state and federal agencies (e.g., OSHA, EEOC) and laws (e.g., Americans with Disabilities Act, discrimination policies, Affirmative Action); recognizing environmental, health, and safety issues; and analyzing the advantages and disadvantages of various corporate benefits and policies.

SAMPLE MULTIPLE-CHOICE TEST QUESTIONS

1. Which of the following best describes a major advantage of the corporate form of organization?
 - A. Corporations are less heavily regulated than other types of business organization.
 - B. The structure of corporations makes them relatively invulnerable to hostile takeovers by other businesses.
 - C. Corporations pay lower taxes than other types of business organization.
 - D. The liability of corporate investors is limited to their personal investment in the enterprise.
2. A department supervisor at a large company meets with a new employee to provide orientation. The supervisor can best help the new employee succeed in the new job by:
 - A. explaining the role of the department in the company's formal organizational structure.
 - B. introducing the employee to the company's informal power structure.
 - C. discussing performance expectations and standards with the employee.
 - D. explaining the features of the company's employee benefit programs and how to access them.

3. Jason Peters and GERALYN Robbins recently formed an accounting partnership. Peters invested \$50,000; Robbins invested \$60,000. Which of the following describes how the investments should be entered in the partnership's books?
- A. The partners are given separate capital accounts, each of which is credited for the amount that individual invested in the enterprise.
 - B. A single capital account is set up in the name of GERALYN Robbins because the size of her investment makes her the senior partner in the enterprise.
 - C. The partners are given separate capital accounts, each of which is credited for the combined amount invested by the two partners.
 - D. A single capital account is set up because the partnership's assets are owned by the partnership, not by the individual partners.

4. Use the supply curve below to answer the question that follows.



Which of the following developments would most likely prompt an ice cream company to shift output from S_1 to S_2 ?

- A. increased competition from substitute goods
- B. an increase in the price of cream
- C. the introduction of more efficient production methods
- D. a decline in consumer demand for ice cream

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5. Computerized accounting systems differ from manual accounting systems primarily with respect to the:
- A. rules they use for processing accounting data.
 - B. types of financial reports and statements they produce.
 - C. speed and accuracy with which they process data.
 - D. accounting data that serve as inputs to the system.
6. When screening mail for a department head at a sportswear company, it would be most advisable to bring which of the following letters to the executive's personal attention?
- A. a letter from a trade publication advertising a new journal on industry developments
 - B. a letter from a consumer organization requesting information on the company's return policy
 - C. a letter from a customer praising the high quality of the company's products
 - D. a letter from a potential distributor of the company's products responding to a contract proposal
7. Which of the following is the most effective way of communicating in a multinational work environment?
- A. allowing each facility to designate one individual as spokesperson
 - B. sending all business messages by electronic mail
 - C. organizing periodic company-wide seminars on transmitting business information
 - D. avoiding the use of slang or jargon when conveying business information

8. A primary characteristic of integrated software is that it enables users to:
- A. transfer and manipulate data easily across multiple applications.
 - B. store information on CD-ROM.
 - C. input data into a database record simultaneously with other users.
 - D. plan projects and coordinate production schedules.
9. Which of the following is an advantage of touchscreens over computer keyboards?
- A. Touchscreens allow people who have little computer background to access information easily.
 - B. Computer systems with touchscreens cost less because they require less equipment.
 - C. More commercial software is available for use with touchscreen systems.
 - D. Maintenance and repair of touchscreens are easier and less expensive.
10. Which of the following steps is most important for an individual to take in preparing for a job interview?
- A. contacting a current employee of the company to find out how people dress at work
 - B. learning the names and responsibilities of the company's top executives
 - C. phoning the interviewer in advance to determine the kinds of questions he or she will be asking
 - D. learning as much as possible about the company and preparing some questions to ask the interviewer

ANSWER KEY FOR THE SAMPLE MULTIPLE-CHOICE TEST QUESTIONS

Item Number	Correct Response	Objective
1.	D	Understand types, structure, and functions of business management.
2.	C	Understand human resource management, labor relations, and the role of corporate, group, and interpersonal behavior in business management.
3.	A	Apply accounting skills related to payroll, taxes, investments, and banking.
4.	C	Understand principles of microeconomics and their application to business.
5.	C	Apply procedures for using and interpreting source documents, ledgers, journals, and work sheets in manual and computerized accounting systems.
6.	D	Apply office administration skills.
7.	D	Understand principles of business communication.
8.	A	Apply skills in using computer software.
9.	A	Understand the application of technology and technology systems in business and issues related to the use of technology.
10.	D	Understand procedures and techniques for obtaining a career in business.