

# MICHIGAN TEST FOR TEACHER CERTIFICATION (MTTC)

## TEST OBJECTIVES FIELD 034: BUSINESS ADMINISTRATION

<b>Subarea</b>	<b>Approximate Percentage of Questions on Test</b>
Business Communication	16%
Accounting, Personal Finance, and Business Mathematics	51%
Management and Business Law	20%
Economics and Employment	13%

### **BUSINESS COMMUNICATION**

#### **Identify sentence structure and proper use of parts of speech.**

Includes the proper use of parts of speech; subjects and predicates; and sentence structure.

#### **Identify proper capitalization and word usage.**

Includes correctly and incorrectly capitalized words and common errors in word usage.

#### **Identify appropriate use of punctuation.**

Includes commas, semicolons, colons, quotation marks, parentheses, brackets, dashes, hyphens, apostrophes, omission marks, periods, question marks, and exclamation points.

#### **Identify proper spelling and abbreviations.**

Includes spelling of words and abbreviations commonly used in business and business education.

#### **Analyze business outlines and summaries.**

Includes development, form, function, style, and other characteristics of business outlines and summaries.

#### **Use business reference sources.**

Includes the use of dictionaries, thesauruses, almanacs, encyclopedias, and business directories.

#### **Analyze the composition of business communications.**

Includes paragraph structure and transitions between paragraphs.

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**Analyze the writing style of business communications.**

Includes unity, coherence, clarity, emphasis, and effectiveness.

**Understand oral communications.**

Includes style and form of oral reports, presentations, interviews, and meetings; and communication skills related to telephone communications.

**ACCOUNTING, PERSONAL FINANCE, AND BUSINESS MATHEMATICS**

**Analyze the accounting equation.**

Includes the form and meaning of the accounting equation; and the effects of transactions in terms of the equation.

**Understand procedures, forms, and equipment used in accounting.**

Includes types and characteristics of forms, procedures, and equipment used in electronic and manual accounting systems.

**Understand the accounting cycle.**

Includes steps in the accounting cycle and their characteristics; forms and sources of data; and the use of the accounting cycle in the accrual basis and cash basis systems of accounting.

**Understand the use of source documents and journals in accounting.**

Includes types, characteristics, and functions of source documents and special journals; procedures for making entries in general and combination journals; and procedures for preparing journals for posting.

**Analyze ledgers and posting procedures in accounting.**

Includes forms, characteristics, and uses of ledgers; procedures for posting form journals; and procedures for proving the accuracy of posting.

**Apply knowledge of work sheets.**

Includes the purpose and characteristics of work sheets; and procedures for making entries and preparing trial balances.

**Apply adjustment procedures to accounting records.**

Includes procedures for recording losses, accrued expenses and revenues, and deferred expenses and revenues; and procedures for updating plant and equipment accounts.

**Understand the fundamentals of partnership, corporate, and cost accounting.**

Includes accounting requirements and procedures for completing financial statements for partnerships and corporations; and the principles of cost accounting.

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**Understand the recording of investment and banking transactions.**

Includes types and characteristics of records; and procedures for recording transactions.

**Understand taxes and tax records.**

Includes types and characteristics of business taxes; tax records and documentation; and related accounting procedures.

**Understand the recording of sales and purchases.**

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

**Apply knowledge of payrolls and paychecks.**

Includes types and characteristics of payroll records; procedures for computing employee earnings and payroll deductions; and the interpretation of paycheck stubs and records.

**Understand the characteristics and functions of office budgets.**

Includes factors involved in developing office budgets; and the functions of office budgets.

**Understand personal budgets.**

Includes considerations and procedures involved in developing and using personal budgets.

**Understand issues of consumerism.**

Includes information provided with products and services and in advertisements; considerations involved in making purchases; and problem solving involving markups and markdowns.

**Understand savings and checking accounts.**

Includes types and characteristics of accounts; factors involved in choosing an account; procedures for writing checks and reconciling a checking account; and problem solving related to banking.

**Understand personal investment options.**

Includes types and characteristics of investments; factors involved in planning an appropriate investment program; and problem solving related to investments.

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**Apply knowledge of consumer borrowing.**

Includes factors involved in borrowing; advantages and disadvantages of borrowing; and procedures for obtaining a loan.

**Understand consumer credit and credit ratings.**

Includes types, characteristics, and costs of consumer credit; factors affecting credit rating; and problem solving related to consumer credit.

**Understand the characteristics and costs of various housing options.**

Includes advantages, disadvantages, and costs of various housing options.

**Apply knowledge of personal taxes.**

Includes types and characteristics of personal taxes and tax-saving strategies; procedures for completing an income tax return; and problem solving involving taxes.

**Understand insurance and insurance policies.**

Includes types and characteristics of insurance; the concept of risk and need; the components of policies; and factors involved in selecting insurance.

**Understand financial aspects of retirement and estate distribution.**

Includes the need for and sources of retirement income; and factors involved in estate planning.

**Solve problems involving basic mathematical operations.**

Includes simple operations and word problems involving addition, subtraction, multiplication, and division.

**Solve problems involving fractions, decimals, and percentages.**

Includes simple operations and word problems involving fractions, decimals, and percentages.

**Solve problems involving measurements and comparisons.**

Includes comparisons and measurements; and conversions between systems of measurement.

**TEST OBJECTIVES**  
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**MANAGEMENT AND BUSINESS LAW**

**Analyze business structure and organization.**

Includes types and characteristics of business ownership and organizational structures.

**Analyze business planning procedures used in operational decisions.**

Includes business planning tools and decisions involved in setting long-range goals, short-range goals, and company policies.

**Understand quantity, quality, and cost controls.**

Includes factors involved in setting quantity, quality, and cost controls.

**Understand human resource management and leadership skills.**

Includes methods and procedures for motivating, directing, supervising, hiring, training, and promoting employees; leadership decisions; and labor-management relations.

**Apply knowledge of laws and the courts.**

Includes sources of United States laws; examples and characteristics of tort, criminal, and contract law; and the organizational structure of the United States court system.

**Understand types and characteristics of negotiable instruments.**

Includes types and characteristics of negotiable instruments and endorsements, related laws, and parties liable for negotiable instruments in given situations.

**Identify laws related to purchasing goods and services.**

Includes characteristics of purchasing contracts and warranties; and laws protecting debtors, creditors, and consumers.

**Apply knowledge of laws related to personal and real property.**

Includes characteristics of personal property, real property, bailments, and wills; and laws related to rental contracts and leases.

**Identify laws related to employment and agency.**

Includes characteristics of employment contracts; laws affecting employment; characteristics of an agency; and obligations and liabilities of principals and agents.

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**Analyze government regulation of business.**

Includes laws regulating anticompetitive practices, retail prices, and interstate commerce; and costs and benefits of government regulation.

**ECONOMICS AND EMPLOYMENT**

**Understand the basic principles of economics.**

Includes principles relating to supply and demand; phases and characteristics of the business cycle; the components of the circular flow model; and the factors of production.

**Analyze the roles of business, labor, and consumers in the free enterprise system.**

Includes the roles of business, labor, consumers, and incentives; and the effects of credit and savings on the economy.

**Analyze federal fiscal policy.**

Includes the role of fiscal policy; the causes and effects of a large national debt; the effects of fiscal policy and the national budget on the economy; and the role of taxes in federal fiscal policy.

**Analyze federal monetary policy.**

Includes the Federal Reserve System's structure, functions, and powers; the means by which it controls the money supply; and the effects of the money supply on inflation and deflation.

**Understand the role of the United States in the world economy.**

Includes types and characteristics of economic systems; the effects of world trade on the United States economy; methods for measuring national production; and economic relationships between the United States and other countries.

**Understand principles of international economics.**

Includes the effects of tariffs and other protectionist measures on the United States economy; factors that influence international currency fluctuations; and the principles of balance of trade and comparative/absolute advantage in international economic relations.

**Understand consumer economics.**

Includes the rights and responsibilities of consumers; regulatory mechanisms and agencies that protect investors and depositors; and factors that affect the cost of consumer goods.