



TEST DESIGN AND FRAMEWORK

TEST DESIGN

Business Education

The **Business Education** assessment consists of **two tests**. Each test contains a section with selected-response questions and a section with constructed-response assignments. Each section counts for a percentage of your total test score. The areas of content assessed by each test, the approximate number of selected-response questions and constructed-response assignments in each content area, and the percentage of your total test score derived from each test section are shown in the tables below. Further information regarding the content included in each subarea can be found in the test framework.

■ Test I (Test Code 042)

Subareas:	Objectives	Approximate Number of Selected-Response Questions	Constructed-Response Assignments
➤ Business Management	0001–0005	28	1
➤ Law, Ethics, and Career Development	0006–0008	16	
➤ Accounting	0009–0011	16	1
TOTAL		60	2
Percentage of Test Score		80%	20%

■ Test II (Test Code 043)

Subareas:	Objectives	Approximate Number of Selected-Response Questions	Constructed-Response Assignments
➤ Economics, International Business, and Personal Finance	0012–0014	16	1
➤ Marketing	0015–0017	16	
➤ Business Communication and Information Technology	0018–0022	28	1
TOTAL		60	2
Percentage of Test Score		80%	20%



Georgia Assessments for the
Certification of Educators®

TEST DESIGN AND FRAMEWORK

TEST FRAMEWORK

Business Education

BUSINESS MANAGEMENT

0001 Understand the functions of business management.

For example:

- demonstrating knowledge of the role of management in business
- demonstrating knowledge of principles and procedures related to business management functions (e.g., planning, organizing, leading, staffing, controlling)
- demonstrating knowledge of how to apply management principles and procedures to meet organizational goals and to solve business-related problems (e.g., related to finance, marketing, sales, inventory, personnel, quality control, scheduling, technology, workplace environment)
- demonstrating knowledge of how to apply the six-step decision-making process to various business situations
- identifying leadership qualities and the role of a leader

0002 Understand organizational structures and their relationship to business management.

For example:

- comparing and analyzing types of organizational structures and models (e.g., tiered, flat, line, staff)
- identifying various management and motivational theories
- applying social and behavioral theories and principles to analyze group structures and behaviors
- identifying and comparing leadership styles and their effectiveness in addressing various business needs and goals
- analyzing the effects of economic, educational, and cultural factors on the business environment
- identifying strategies and management practices that promote flexibility and adaptability in a global business environment
- identifying the importance of the team concept to an organization

0003 Understand human resource management.

For example:

- identifying the role of human resource management within an organization and applying basic principles and procedures of human resource planning (e.g., job analysis and design, training)
- identifying methods for recruiting and selecting employees (e.g., interviewing techniques), analyzing staffing needs (e.g., preparation of job descriptions and job manuals), evaluating staff, and training and developing employees
- analyzing the effects of business decisions (e.g., mergers, relocations, restructuring, downsizing, outsourcing) on human resources
- identifying issues related to labor–management relations (e.g., contract negotiation, grievances and arbitration, collective bargaining)
- recognizing legal issues related to human resource management (e.g., Equal Employment Opportunity Commission [EEOC] regulations, the Americans with Disabilities Act [ADA], diversity in the workplace, employee harassment, drug testing, appropriate behavior when interacting with employees, workplace safety, sexual harassment, termination and demotion of employees, recruitment and selection of employees)

0004 Understand financial management in business.

For example:

- recognizing the importance of financial statements and analyzing financial statements to make effective business decisions
- identifying the steps in preparing and revising a budget
- applying numerical concepts and calculations (e.g., break-even analysis, forecasting) to solve problems using mental, manual, and technological methods and determining profitability by calculating and analyzing key financial ratios (e.g., current, quick, average collection)
- determining methods of financing various business decisions (e.g., stocks, bonds, corporate investment)
- identifying factors involved in operations management and the steps involved in selecting suppliers; receiving, inspecting, and storing inventory; and analyzing the types of situations in which various inventory methods should be used
- identifying and analyzing business and economic indicators and their influence on future business trends

0005 Understand principles and procedures related to entrepreneurship.

For example:

- identifying types of business ownership (e.g., sole proprietorships, partnerships, corporations, franchises) and their characteristics
- identifying the characteristics and functions of entrepreneurs and assessing the advantages and disadvantages of business ownership
- analyzing economic concepts and financial competencies used to make entrepreneurial decisions
- analyzing factors, procedures, and issues related to starting a business (e.g., market analysis, financing, insurance, taxes, e-commerce models)
- demonstrating knowledge of the procedures for developing a business plan
- identifying issues and procedures for starting, buying, and operating franchises

LAW, ETHICS, AND CAREER DEVELOPMENT

0006 Understand relationships among educational achievement, leadership, employment, and career development.

For example:

- identifying effective ways to connect classroom learning to work-based learning and incorporate relevant experiences into the business curriculum
- demonstrating knowledge of the social and human relations skills and attitudes needed to work effectively in a diverse business environment
- demonstrating knowledge of positive work habits and skills for achieving success in the workplace (e.g., reliability, dependability, professional appearance, accuracy, honesty, initiative, time management, decision making, problem solving, sharing knowledge with others, networking)
- recognizing the purpose, characteristics, and functions of business-related student leadership organizations
- identifying career opportunities in business and the education and training requirements associated with business careers
- demonstrating knowledge of methods for constructing a résumé, writing a letter of application, preparing for an interview, and assembling employment credentials (e.g., portfolio, career plan)
- demonstrating knowledge of state and federal laws, regulations, and policies that affect employment (e.g., Occupational Safety and Health Administration [OSHA], Equal Employment Opportunity Commission [EEOC], Americans with Disabilities Act [ADA], environmental and safety issues)
- demonstrating knowledge of effective strategies for working in teams

0007 Understand principles of business law.

For example:

- demonstrating familiarity with laws related to forming, operating, and dissolving different types of businesses; personal and real property; contracts; copyright protection; the Internet; insurance; the environment; and employment, including Georgia employment laws
- recognizing the nature and significance of business law, legal contracts, the U.S. Constitution, the Bill of Rights and additional Constitutional amendments, and functions of the courts as they apply to business situations
- demonstrating knowledge of employee and consumer rights and protections afforded by law (e.g., consumer protection laws, the Americans with Disabilities Act [ADA], organized labor laws, workplace safety legislation)
- demonstrating knowledge of various types of legal issues that arise in business situations (e.g., the legal responsibility of individuals for the acts of a business organization; laws regarding retail and commercial sales; issues related to trademark and copyright laws, product regulation, and zoning, safety, and environmental laws)

0008 Understand issues related to ethics and social responsibility in business.

For example:

- demonstrating knowledge of the nature and role of ethics in business (e.g., distinguishing between ethical and legal choices, distinguishing between ethical and unethical business practices, recognizing ethical decisions in business situations, identifying ethical character traits)
- identifying the social responsibilities of businesses in relation to the environment, health, safety, and diversity in the workplace
- recognizing the connection between good public relations and a community's perception of ethical standards in business and analyzing factors affecting decisions in these areas
- analyzing business situations that involve ethical considerations (e.g., conflict of interest, consumer rights, worker privacy, environmental effects)
- demonstrating knowledge of ethical considerations (e.g., regarding labor and the environment) in international business

ACCOUNTING

0009 Understand principles of accounting and the accounting cycle.

For example:

- demonstrating knowledge of accounting and financial terminology and principles (e.g., accounting equation, revenue, Generally Accepted Accounting Principles [GAAP])
- applying mathematical concepts (e.g., decimals, fractions, percentages) and procedures (e.g., estimating) to analyze and solve business problems in a variety of areas
- demonstrating familiarity with the accounting cycle (e.g., posting journal entries, preparing trial balances, preparing financial statements)
- identifying the functions of various accounting documents and analyzing business transactions using source documents
- identifying the elements (e.g., adjusting entries, closing entries, postclosing trial balance) and purposes of the closing process
- demonstrating knowledge of various accounting procedures (e.g., depreciation, accounts payable, accounts receivable)

0010 Understand how to prepare, interpret, and analyze financial statements using appropriate accounting principles.

For example:

- demonstrating knowledge of the types and characteristics of financial statements and how those statements are used to evaluate the performance of an organization and to make decisions (e.g., whether to lease or buy an asset, whether to replace equipment, how to select capital investment opportunities)
- calculating and interpreting financial ratios (e.g., profit margin, return on equity, debt to equity) and applying accounting procedures related to inventory, depreciation, disposal of assets, and intangible assets
- recognizing the role of cost accounting in the management process (e.g., controlling operations, long-range planning, inventory and income determination)
- demonstrating familiarity with computerized accounting and identifying relevant software features and capabilities
- identifying current trends in accounting and recognizing current International Accounting Standards (IAS)



0011 Understand accounting principles and procedures related to the forms of business ownership, payroll, banking, and income taxes.

For example:

- demonstrating knowledge of payroll and banking procedures (e.g., computing gross and net pay, preparing payroll registers, managing petty cash, securing cash, reconciling bank statements)
- demonstrating knowledge of how to apply appropriate techniques for determining personal and corporate income taxes
- demonstrating knowledge of the role, purpose, methods, and characteristics of accounting used in sole proprietorships, partnerships, corporations, government, and not-for-profit companies
- demonstrating familiarity with appropriate accounting techniques for the formation of a business, allocation of earnings, and liquidation of a business

ECONOMICS, INTERNATIONAL BUSINESS, AND PERSONAL FINANCE

0012 Understand basic economic concepts and how the U.S. and international economies operate.

For example:

- identifying basic economic concepts (e.g., scarcity, opportunity cost, supply and demand) and factors related to the economics of a business (e.g., law of diminishing returns, production costs, economies of scale)
- demonstrating knowledge of why societies develop economic systems and recognizing and comparing basic features of different economic systems (e.g., market, traditional, command)
- analyzing and comparing different types of market structures (e.g., oligopoly, monopolistic competition, monopoly) and analyzing the role of competitive markets in the United States and other economies
- recognizing major features (e.g., freedom of exchange, private property, economic incentives) and goals (e.g., price stability, economic growth) of the U.S. economy
- demonstrating knowledge of elements of the Circular Flow Model and its characteristics (e.g., consumers, business, government) and its importance in understanding the U.S. economy
- identifying the effects of governmental policy (e.g., fiscal and monetary policy) on the U.S. economy
- demonstrating knowledge of the business cycle (e.g., expansion and contraction, peak and trough) and economic indicators (e.g., Gross Domestic Product [GDP], Consumer Price Index [CPI], unemployment rate)

0013 Understand international business and the global economy.

For example:

- analyzing social, cultural, political, legal, geographic, and economic factors that affect the international business environment
- identifying basic economic concepts (e.g., specialization, comparative advantage, opportunity cost, effects of different types of economic systems in international trade, effects of exports and imports, foreign exchange markets) as they relate to international business and marketing
- demonstrating knowledge of how to identify and apply business and marketing strategies, principles, and techniques (e.g., quality control, total quality management) to situations involving international markets
- identifying the resources (e.g., ports; trade routes; transportation centers; foreign trade zones; natural, financial, and human resources) of Georgia and its major international trading partners
- recognizing issues and risks involved in entering international markets; laws, rules, and regulations that may affect international business ventures; procedures for planning international business ventures; and strategies for adapting business systems to different cultural environments
- demonstrating knowledge of the international monetary exchange system, the effects of currency exchange fluctuations on international trade, and the role of major international economic institutions in the global economy (e.g., World Bank, International Monetary Fund, World Trade Organization)
- analyzing reasons for the growth in international trade and investments; economic relationships between nations, and the role of international trade, investment, and monetary relations in the global economy

0014 Understand principles of consumer economics and personal finance.

For example:

- demonstrating knowledge of how to apply principles and procedures for personal finance management (e.g., planning a budget, saving money, reconciling bank statements, planning investments, identifying characteristics of wills and trusts)
- recognizing consumer financial issues (e.g., procedures for making major buying decisions, comparative shopping, insurance purchases, personal property acquisitions, personal bankruptcy laws, identity theft)
- identifying types of consumer credit (e.g., regular, revolving) and issues related to consumer credit (e.g., costs of various forms of credit, procedures and qualifications for obtaining credit)
- demonstrating knowledge of procedures for using the services of banking and financial institutions for loans, savings, and investments
- demonstrating knowledge of investment principles (e.g., reinvesting, diversifying, compounding, buying and selling); types of investments (e.g., stocks, bonds, mutual funds, commodities); and the roles, purposes, and characteristics of the Securities and Exchange Commission (SEC), New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), and other securities associations
- identifying consumer rights, responsibilities, and liabilities

MARKETING

0015 Understand basic principles of marketing.

For example:

- demonstrating knowledge of basic concepts in marketing (e.g., market segmentation, market identification, target markets, mass marketing) and their significance
- recognizing the importance, functions, and goals of marketing and management skills and procedures relevant to marketing functions
- identifying characteristics of marketing strategies, the strategic planning process, and procedures for developing a marketing plan
- demonstrating knowledge of the role and purpose of market research (e.g., relationship to marketing plan, identifying markets); steps in conducting market research; and how market research is used to analyze demand, forecast sales, and make decisions
- identifying the characteristics and purposes of a marketing information system (MIS)
- identifying emerging trends in marketing (e.g., e-commerce, product placement, direct marketing)

0016 Understand principles of product and service planning, pricing, and distribution.

For example:

- identifying components of the marketing mix (e.g., product, price, place, promotion) and demonstrating knowledge of how each component contributes to quality assurance and successful marketing
- recognizing the elements and processes of product and service planning, stages of new-product planning, stages of the product life cycle, and the laws and regulations that affect new product development
- analyzing pricing policies, objectives, structures, strategies, and other factors
- identifying and evaluating distribution plans and activities (e.g., transportation, storage, product handling, inventory control) and their significance and cost
- analyzing how distribution channel members (e.g., manufacturers, wholesalers) facilitate the movement of products

0017 Understand principles of product promotion and the selling process.

For example:

- identifying the role of promotion in creating and implementing marketing strategies and in developing, implementing, and evaluating promotional plans and campaigns
- identifying the components of a promotional mix (e.g., advertising, selling, public relations) and analyzing factors affecting promotional activities (e.g., laws, diversity, target groups, consumer characteristics)
- identifying types of advertising; the role of advertising in a competitive environment; and characteristics, advantages, and disadvantages of different types of advertising media
- demonstrating knowledge of factors that influence consumer decision making, the availability and use of consumer credit, and buying and selling behavior
- demonstrating knowledge of selling techniques, sales presentations, steps in the selling process, and methods for closing a sale
- recognizing federal laws that affect selling and the obligations of sellers and buyers under the Uniform Commercial Code (UCC)



BUSINESS COMMUNICATION AND INFORMATION TECHNOLOGY

0018 Understand principles of effective business communications.

For example:

- demonstrating knowledge of the principles and methods of appropriate oral, written, nonverbal, visual, and electronic communication
- demonstrating knowledge of methods for communicating in a clear, courteous, concise, and correct manner on personal and professional levels and how to apply basic social communication skills to personal and professional situations
- identifying and selecting appropriate formats for preparing various types of business communications (e.g., interoffice memo, report, business letter, portfolio, e-mail, multimedia presentation)
- demonstrating knowledge of and respect for business customs and etiquette of various cultures and applying this knowledge in the context of national and international business

0019 Understand principles related to computer concepts, technology, and office equipment.

For example:

- applying knowledge of terminology related to computer technology and other devices (e.g., hardware, software, peripherals)
- identifying characteristics, types, and features of hardware and software
- demonstrating knowledge of the components of the information processing cycle (i.e., input, processing, output, and storage)
- identifying procedures for selecting, operating, and maintaining hardware, software, peripheral devices, and office equipment
- identifying health (e.g., noise, ergonomics) and safety (e.g., wiring, equipment maintenance) issues associated with the use of office technology

0020 Understand principles of information processing, information systems, and technology applications.

For example:

- demonstrating knowledge of the uses of software (e.g., operating systems, word-processing applications, database management systems, simulation applications, spreadsheet programs, presentation software, Web browsers) in various business contexts
- recognizing the role of information technology in specific business contexts (e.g., product design, procurement, manufacturing, sales and marketing, inventory, product delivery, customer service, finance)
- demonstrating knowledge of skills needed for managing information (e.g., maintaining systems for information retrieval and storage, developing and maintaining systems for electronic and manual filing)
- identifying procedures (e.g., graphic design, digital media design, digital media production) for importing graphics, sound, video, worksheets, and text into documents to produce multimedia and presentation products

0021 Understand principles of computer networking, programming, and the Internet.

For example:

- demonstrating knowledge of fundamentals of computer networks (e.g., local area networks [LANs], wide area networks [WANs], peer-to-peer) and their uses in searching for, finding, and exchanging information
- demonstrating familiarity with programming logic, concepts, methodology, and design (e.g., interface, code, execution, language, testing, debugging)
- recognizing the nature and role of e-commerce and identifying procedures for creating and operating an online business
- identifying safety issues related to the use of the Internet
- demonstrating knowledge of Web design

0022 Understand principles and procedures related to confidentiality, security, and data integrity associated with computer technology.

For example:

- identifying concepts, procedures, and issues related to information security (e.g., firewalls, spyware, passwords, virus protection software, user rights, identity theft, voice imprinting)
- analyzing issues related to electronic privacy; security for online transactions; compiling and sharing information; generating, maintaining, and selling data files; and online fraud
- demonstrating knowledge of procedures for recovering data and ensuring the accuracy and integrity of electronic data
- identifying ethical and legal issues relevant to confidentiality in the use of computer information in business (e.g., intellectual property, copyrights, software piracy)