



Michigan
TEST FOR TEACHER CERTIFICATION
STUDY GUIDE

**98 Business,
Management, Marketing,
and Technology**



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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.

TEST OBJECTIVES

Subarea	Approximate Percentage of Questions on Test
Business	25%
Management	25%
Marketing	25%
Technology	25%

BUSINESS

Understand the accounting equation and the accounting cycle.

Includes determining the value of assets, liabilities, and owner's equity and applying the accounting equation to various business situations; demonstrating an understanding of the various steps in the accounting cycle, including adjusting and closing entries; identifying sources of data that contribute to these 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; preparing journals, trial balances, and reconciliations; preparing, interpreting, and analyzing financial statements for service, merchandising, and manufacturing businesses; applying appropriate accounting principles to various forms of ownership; applying payroll procedures; identifying types and characteristics of taxes, investments, and banking services; evaluating the performance of an organization using planning and control principles; and describing the role of accounting in ethical business practices and decision making.

Apply principles of law to business situations.

Includes understanding the role of government in regulating business, the structure of the court system, classifications of procedural law, and classifications of substantive law; analyzing the relationships among contract, sales, consumer, employment, and agency laws; understanding laws related to commercial paper, insurance, secured transactions, and bankruptcy; understanding laws regarding personal property, real property, and intellectual property; analyzing the relationship between ethics and the law; and applying U.S. and other law to national and international markets.

Apply principles of mathematics to analyze and solve business problems.

Includes applying basic mathematical operations to solve problems with and without the use of a calculator; solving problems containing decimals, fractions, percents, ratios, and proportions; using algebraic operations to solve problems; and interpreting data using common statistical procedures (e.g., mean, median, mode).

Apply principles of business communication.

Includes understanding ways to communicate effectively in a clear, courteous, concise, considerate, and correct manner on both personal and professional levels; identifying the concepts, strategies, and systems needed to interact effectively with others; applying appropriate social communication skills in personal and professional situations, including cover letters and résumés in a global environment; using appropriate technology to enhance the effectiveness of communications; demonstrating appropriate leadership, supervisory, customer service, and ethical standards to communicate effectively with business constituents; and demonstrating communication strategies necessary for effective international business relations.

MANAGEMENT**Understand types, structures, and functions of business management.**

Includes demonstrating leadership, communication, planning, controlling, organizing, problem-solving, and self-management skills; and demonstrating an understanding of professional ethics and social responsibility in business.

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

Includes applying human resource principles, systems, and contingency approaches to actual management scenarios; recognizing human resource practices to legally and effectively manage a diverse workforce; and applying social theory (e.g., group dynamics, work groups, roles within teams, conflict resolution methods) to the workplace.

Understand principles of macroeconomics and their application to business.

Includes comparing types and characteristics of economic systems; demonstrating how a free and competitive economy operates through monetary exchange, market pricing, and the law of supply and demand; and describing how the allocation of private and public resources affects the economy.

Understand principles of microeconomics and their application to business.

Includes identifying key U.S. economic measures (e.g., gross domestic product, employment, unemployment rate, inflation, capital spending); identifying types of competition and their roles in the U.S. economy; analyzing the role of opportunity costs for making economic decisions; identifying factors of production that affect productivity in business situations; and identifying the rights and responsibilities of citizens in the U.S. economic system.

Apply principles of personal finance.

Includes developing and using a personal finance plan including debt management, investment options, credit, and consumerism; identifying how to manage economic risks; and using a rational decision-making process as it applies to the roles of citizens, workers, and consumers.

MARKETING**Apply principles of marketing to business situations.**

Includes analyzing the role of product, pricing, placement, and promotion in developing marketing strategies; identifying the concepts and processes needed to obtain, develop, maintain, and improve a product or service mix in response to market opportunities; identifying the concepts and strategies needed to communicate information about products, services, images, and/or ideas to achieve a desired income; identifying the concepts and strategies utilized in determining and adjusting prices to maximize return and meet customers' perceptions of value; understanding the concepts and processes needed to move, store, locate, and/or transfer ownership of goods and services; using technology to implement marketing activities; and applying marketing concepts to international business situations.

Apply financial concepts to marketing decision making.

Includes understanding the economic principles and concepts fundamental to marketing; explaining the concepts, systems, and tools needed to gather, access, synthesize, evaluate, and disseminate information for use in making marketing decisions (e.g., demographics, economic statistics, market surveys); and identifying the strategies needed to determine client needs and wants and then respond through planned, personalized communication that influences purchase decisions and enhances future business opportunities.

Understand entrepreneurship and its role in the economy.

Includes recognizing risks, responsibilities, and benefits of entrepreneurship; identifying procedures related to starting a business, including procedures for creating and carrying out business plans; applying procedures related to starting, buying, and operating franchises; understanding procedures for determining financial start-up projections and methods for generating various types of capital; and analyzing the role of entrepreneurship and small business in the global economy.

Understand international trade and the global economy.

Includes recognizing the role and scope of international trade; evaluating factors that affect international trade and economics (e.g., trade barriers, trade agreements, monetary exchange rates); applying marketing concepts to international business; conducting business at the local, state, national, and international levels; and analyzing business situations involving international trade.

Understand and apply procedures and techniques for selecting and preparing for, obtaining, and maintaining a career in business.

Includes identifying types and characteristics of business careers; assessing personal strengths and weaknesses as they relate to career exploration and development; understanding the concepts and strategies needed for career exploration, development, and growth; identifying career resources in order to develop an information base that includes global occupational opportunities; describing the importance of life-long learning to career success; understanding career development and planning; and developing a career pathways plan that includes the transition from school to work.

TECHNOLOGY**Understand the basic principles of technology and information systems.**

Includes demonstrating oral and written communication skills in creating, expressing, and interpreting technical information and ideas; formulating solutions to information technology problems using critical thinking skills (e.g., analyzing, synthesizing, evaluating) independently and in teams; and demonstrating the ability to use technology to contribute to continuous improvement in system performance and compliance.

Apply the principles of technology and information systems in a business environment.

Includes analyzing business-related problems and situations to determine appropriate technological solutions; demonstrating knowledge of the design, operation, and maintenance of technology systems for information technology careers; and demonstrating achievement of information technology cluster-specific academic knowledge and skill standards.

Apply appropriate technology tools to enhance organizational performance.

Includes demonstrating the use of information technology tools to access, manage, integrate, and create information; and demonstrating knowledge of health, safety, and environmental management systems in organizations and their importance to organizational performance and regulatory compliance.

Understand how technology impacts key organizational systems.

Includes understanding how technology influences the roles within teams, work units, departments, organizations, and interorganizational systems; and identifying how technology affects systems, organizational performance, and the quality of products and services.

Understand professional ethics and legal responsibility as they relate to the information technology field.

Includes the ability to create an acceptable use policy for information technology resources, including user access and data security (e.g., e-mail, Internet, intranet, data warehouses); and compliance with copyright law, intellectual property rights, and licensing agreements.

SAMPLE MULTIPLE-CHOICE TEST QUESTIONS

1. Which of the following accounting forms is the source of the information used to journalize adjusting entries?
 - A. income statement
 - B. trial balance
 - C. work sheet
 - D. balance sheet
2. Use the information in the table below to answer the question that follows.
3. Which of the following actions on the part of corporate officers would be considered unethical but not illegal?
 - A. agreeing with competitors to charge the same prices for certain products
 - B. coercing a price reduction from a supplier by suggesting future increases in business
 - C. selling stock in the corporation just prior to announcing an earnings decline
 - D. inflating revenues by booking salespersons' demonstration products as goods sold

On April 5th, the End Zone, a sole proprietorship, received \$3,430 from a customer in payment of Sales Slip 101 for \$3,500 less a cash discount of \$70, Receipt 502.

Which of the following would be the correct journal entry for End Zone's accountant to make?

- A. Debit Accounts Receivable 3,430;
Debit Sales Discounts 70;
Credit Sales 3,500
- B. Debit Cash 3,500;
Credit Sales 3,500
- C. Debit Cash 3,430;
Debit Sales Discounts 70;
Credit Accounts Receivable 3,500
- D. Debit Cash 3,430;
Credit Accounts Receivable 3,430

4. Use the information in the table below to answer the question that follows.

Newman's Auto Repair Shop and Car Wash	
Revenue and Expenses for the month of February	
Car Repair Revenue	\$4,120
Car Wash Revenue	\$6,523
Advertising Expense	\$875
Maintenance Expense	\$1,245
Rent Expense	\$3,200
Utilities Expense	\$950

Which of the following percentages represents the return on sales for the month of February?

- A. 37%
- B. 41%
- C. 59%
- D. 63%

5. When sending a follow-up survey to consumers who have recently bought a product, it is most important to communicate which of the following to survey recipients?

- A. the process by which they were selected to receive the survey
- B. the importance of following the instructions carefully
- C. the number of consumers to whom the survey is being sent
- D. the purpose of the survey and how its results will be used

6. Which of the following best illustrates the organizing function of business management?

- A. Managers at a business organize their individual schedules around weekly and monthly meetings.
- B. A business organizes its financial reporting functions according to standard accounting practices.
- C. Owners organize a business along functional lines into several different departments.
- D. A business organizes its information technology access according to need and managerial level.

7. There is frequent confusion involving incoming merchandise at a department store. Sometimes boxes are unpacked by receiving clerks; sometimes they are left sealed for inventory clerks or even salespeople to unpack and arrange for display. Which of the following would be the most appropriate initial role for the human resources department to play in solving this problem?

- A. performing job function analyses and creating job descriptions
- B. forecasting the future labor needs for the receiving department
- C. hiring and training new workers for the receiving department
- D. meeting with workers individually to discuss their job responsibilities

8. The government of an industrialized nation passes a budget that calls for increased borrowing to finance large spending increases on infrastructure, public transportation, education, health care, and housing. Which of the following is most likely to be a short-term effect of this action on the nation's economy?

- A. Business failures and bankruptcies will increase.
- B. Inflation will remain stable or gradually decrease.
- C. Gross domestic product (GDP) will increase.
- D. Job growth will decrease or remain stable.

9. Which of the following is one characteristic of a perfectly competitive market structure?

- A. Price is determined primarily by the decisions of a few large suppliers.
- B. The output of each supplier can be distinguished from that of rivals by factors other than price.
- C. New suppliers can enter the market freely with few restrictions.
- D. Suppliers base their decisions about production and price on the probable reactions of rival suppliers.

10. Julia has an opportunity to take a new job that will pay her a higher salary. The new job will require her to move from a rural to an urban area of Michigan. Which of the following financial factors should be most important when making her decision?

- A. whether the differences in costs of living will offset her higher salary
- B. whether she can roll over her current 401(k) retirement plan
- C. whether her new salary will place her in a higher tax bracket
- D. whether a change of jobs would affect her credit rating

11. Which of the following best defines the marketing concept?

- A. allocating a fixed percentage of revenues for promoting products to consumers
- B. implementing procedures for helping potential customers meet their needs and wants
- C. creating processes for increasing the efficiency of producing and distributing goods
- D. designing strategies for hiring and training a knowledgeable and effective sales force

12. A company would most appropriately use primary sources such as focus groups or surveys to investigate:

- A. the market share of the company's line of products compared with the market shares of its closest competitors.
- B. the demographics of neighborhoods near proposed locations of a new retail outlet.
- C. the likely consumer reaction to the introduction of a new line of products.
- D. the effectiveness of promotional activities such as coupon inserts in increasing sales of products.

13. The Small Business Association's (SBA) guaranty loan program helps entrepreneurs who are starting a business by:

- A. assuming much of the risk for loans made by private lenders so that they will be more willing to loan money to entrepreneurs.
- B. providing a government-funded pool of money from which entrepreneurs can draw when starting a new business.
- C. enforcing truth-in-lending laws and antidiscriminatory practices when private lenders provide loans to entrepreneurs.
- D. capping the amount of interest that private lenders can charge entrepreneurs who are starting a new business.

14. A U.S. cosmetics manufacturer is planning a marketing campaign to introduce a new line of hair care products into several other countries. Which of the following would be the most appropriate and effective way to ensure that the campaign is consistent with cultural values and beliefs in these countries?

A. Analyze the success of similar marketing themes among different ethnic groups in the U.S. market.

B. Use focus groups made up of targeted segments of the native populations to test the marketing themes.

C. Test market the product in several cities in each country, using a variety of alternative marketing themes.

D. Ask bilingual members of the company's U.S. staff to review the marketing themes to identify areas of cultural bias.

15. For a student planning for a career in business, which of the following would be the best first step to take?

A. completing an aptitude and personal interests assessment

B. determining the educational requirements for various positions

C. constructing a résumé documenting relevant courses and experience

D. identifying career paths with the highest growth potential

16. One of the servers at a small company has crashed three times in one day. When attempting to fix this problem, which of the following should the Information Technology (IT) staff do first?

A. Compare the costs of repair and replacement.

B. Evaluate the merits of alternative solutions.

C. Identify criteria for determining when the problem is solved.

D. Brainstorm potential sources of the problem.

17. In which of the following situations would the ability to incorporate real-time data into a technology product be most useful?

A. An accounting firm is preparing taxes for several corporations at the end of a business quarter.

B. A brokerage firm wants to allow clients to view the current status of their investments.

C. An e-commerce firm is preparing an order to ship materials from its warehouse to its customers.

D. A marketing firm is performing a statistical analysis of the results of a customer satisfaction survey.

18. A large retail chain uses software that monitors data in real time, compares the data to a standard, and instructs the system to make compensatory adjustments if the data are outside tolerances. This software would be most appropriate for which of the following applications?

- A. comparing the average shelf life of different brands of the same product
- B. balancing the cash received with the sales recorded
- C. ordering new products when inventory reaches a certain level
- D. collecting information on the buying patterns of individual customers

19. A company's design team is evaluating a prototype of a product that the company wants to release as soon as possible. The production team is planning the retooling process while the marketing team creates a marketing mix. Which of the following types of software would be most useful for coordinating the work of the three departments?

- A. computer-aided manufacturing
- B. project management
- C. concept mapping
- D. data analysis

20. Which of the following uses of a software program would constitute a violation of the End User License Agreement (EULA)?

- A. A teacher makes copies for his students of a single-license program purchased by the school.
- B. A student lends her laptop to another student so he can use programs installed on the computer.
- C. A computer programmer enhances a software program to make it more functional for her needs.
- D. A student downloads demo software from a company's Web site and shares it with friends.

ANSWER KEY FOR THE SAMPLE MULTIPLE-CHOICE TEST QUESTIONS

Item Number	Correct Response	Objective
1.	C	Understand the accounting equation and the accounting cycle.
2.	C	Apply procedures for using and interpreting source documents, ledgers, journals, and work sheets in manual and computerized accounting systems.
3.	B	Apply principles of law to business situations.
4.	B	Apply principles of mathematics to analyze and solve business problems.
5.	D	Apply principles of business communication.
6.	C	Understand types, structures, and functions of business management.
7.	A	Understand human resource management, labor relations, and the role of corporate, group, and interpersonal behavior in business management.
8.	C	Understand principles of macroeconomics and their application to business.
9.	C	Understand principles of microeconomics and their application to business.
10.	A	Apply principles of personal finance.
11.	B	Apply principles of marketing to business situations.
12.	C	Apply financial concepts to marketing decision making.
13.	A	Understand entrepreneurship and its role in the economy.
14.	B	Understand international trade and the global economy.
15.	A	Understand and apply procedures and techniques for selecting and preparing for, obtaining, and maintaining a career in business.
16.	D	Understand the basic principles of technology and information systems.
17.	B	Apply the principles of technology and information systems in a business environment.
18.	C	Apply appropriate technology tools to enhance organizational performance.
19.	B	Understand how technology impacts key organizational systems.
20.	A	Understand professional ethics and legal responsibility as they relate to the information technology field.