



## GACE® Business Education Assessment

### *Test at a Glance*

**Updated May 2017**

See the GACE® Business Education Assessment Study Companion for practice questions and preparation resources.

Assessment Name	Business Education
Grade Level	6–12
Test Code	Test I: 042 Test II: 043 Combined Test I and Test II: 542
Testing Time	Test I: 2 hours Test II: 2 hours Combined Test I and Test II: 4 hours
Test Duration	Test I: 2.5 hours Test II: 2.5 hours Combined Test I and Test II: 5 hours
Test Format	Computer delivered
Number of Selected-response Questions	Test I: 80 Test II: 80 Combined Test I and Test II: 160
Question Format	The test consists of a variety of short-answer questions such as selected-response questions, where you select one answer choice or multiple answer choices (depending on what the question asks for), questions where you enter your answer in a text box, and other types of questions. You can review the possible question types in the <b><i>Guide to Taking a GACE Computer-delivered Test</i></b> .
Number of Constructed-response Questions	Test I: 0 Test II: 0 Combined Test I and Test II: 0

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## About this Assessment

The GACE Business Education assessment is designed to measure the professional knowledge of prospective teachers of secondary school Business Education in the state of Georgia.

This assessment includes two tests. You may take either test individually or the full assessment in a single session. The testing time is the amount of time you will have to answer the questions on the test. Test duration includes time for tutorials and directional screens that may be included in the test.

The questions in this assessment assess both basic knowledge across content areas and the ability to apply principles.

The total number of questions that are scored is typically smaller than the total number of questions on the test. Most tests that contain selected-response questions also include embedded pretest questions, which are not used in calculating your score. By including pretest questions in the assessment, ETS is able to analyze actual test-taker performance on proposed new questions and determine whether they should be included in future versions of the test.

## Content Specifications

Each test in this assessment is organized into content **subareas**. Each subarea is further defined by a set of **objectives** and their **knowledge statements**.

- The objectives broadly define what an entry-level educator in this field in Georgia public schools should know and be able to do.
- The knowledge statements describe in greater detail the knowledge and skills eligible for testing.
- Some tests also include content material at the evidence level. This content serves as descriptors of what each knowledge statement encompasses.

See a breakdown of the subareas and objectives for the tests in this assessment on the following pages.

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## Test I Subareas

Subarea	Approx. Percentage of Test
I. Business Law	20%
II. Communication	24%
III. Economics and Finance	18%
IV. Management	21%
V. Financial Analysis	17%

## Test I Objectives

### Subarea I: Business Law

*Objective 1: Understands businesses must know, follow, and enforce laws, regulations, and ethics in business operations*

The beginning Business Education teacher:

- A. Identifies ethical character traits and values
- B. Explains the relationship between the law and ethics
- C. Identifies consequences of unethical and illegal conduct
- D. Knows the most common sources of the law
- E. Describes the way that a business can be socially responsible
- F. Analyzes the relationship between contract law, law of sale, and consumer law
- G. Explains how offer and acceptance can create contractual rights and duties
- H. Determines whether an agreement is binding as a contract
- I. Identifies the source of law that applies to contracts for goods, services, and real property
- J. Describes consumer credit and electronic credit transaction legislation; e.g., Fair Credit Reporting Act, Fair Credit Billing Act, Equal Credit Opportunity Act, Fair Credit and Charge Card Disclosure Act, and Consumer Credit Protection Act
- K. Knows consumer protection legislation; e.g., FTC, Consumer Product Safety Act, and Consumer Leasing Act
- L. Knows “unfair business practice” and “false and misleading advertising”
- M. Analyzes the role and importance of agency law and employment law as they relate to the conduct of business in the national and international marketplaces

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- N. Knows laws concerning questioning during employment interviews
  - O. Knows the laws that regulate employees' rights and employment conditions
  - P. Knows the laws that guarantee benefits to workers
  - Q. Knows how to describe the collective bargaining process
  - R. Identifies laws that regulate union activities

### **Subarea II: Communication**

*Objective 1: Understands how to send and receive communication in a clear, complete, accurate, and professional manner*

The beginning Business Education teacher:

- A. Demonstrates knowledge of information reading
- B. Demonstrates knowledge of social and business listening
- C. Demonstrates knowledge of spoken communication
- D. Demonstrates knowledge of written communication
- E. Demonstrates knowledge of workplace communication

### **Subarea III: Economics and Finance**

*Objective 1: Knows economic principles and concepts fundamental to business operations and personal finance*

The beginning Business Education teacher:

- A. Demonstrates understanding of government's effect on business activities and economic decisions
- B. Demonstrates knowledge of economic indicators and recognizes economic trends and conditions
- C. Demonstrates knowledge of the impact that global trade has on business decision making
- D. Knows how to identify and compare different market structures and their effects on prices and the quality of goods and services produced
- E. Is familiar with the role of the state and federal agencies that provide importing/exporting information and assistance
- F. Is familiar with how companies comply with United States customs regulations related to their product or service
- G. Is familiar with the impact that antitrust legislation has on businesses
- H. Knows the tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources
- I. Knows the fundamental principles of money with respect to making financial exchanges

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- J. Knows how to analyze financial needs and goals to determine financial requirements
  - K. Demonstrates knowledge of management principles of personal finances to achieve financial goals
  - L. Understands the use of financial service providers to assist in achieving financial goals
  - M. Demonstrates knowledge of investment strategies to ensure financial well-being
  - N. Demonstrates knowledge of the factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit
  - O. Analyzes the functions of negotiable instruments, insurance, secured transactions, and bankruptcy
  - P. Demonstrates knowledge of the essential elements of negotiable instruments
  - Q. Understands the types of insurance
  - R. Understands the fundamentals of bankruptcy

#### **Subarea IV: Management**

*Objective 1: Understands the functions of management and their implementation and integration in the business environment*

The beginning Business Education teacher:

- A. Demonstrates knowledge of how to apply organizational goals and to solve business related problems in the United States and abroad
- B. Knows how to solve problems and make decisions related to business resources to achieve organizational goals
- C. Knows how to compare leadership styles and determine their effectiveness in addressing various business needs and goals
- D. Is able to discuss management and motivational theories and their application within the business environment
- E. Is able to discuss the interrelationships of a variety of organizational structures
- F. Knows how to analyze financial needs and goals to determine financial requirements
- G. Knows management strategies that promote flexibility and adaptability in a global business environment
- H. Knows how to identify the advantages and disadvantages of a team concept for a business organization
- I. Identifies the role and function of human resources management to obtain foundational knowledge of the nature and scope of human resources management
- J. Explains methods for recruiting and selecting employees

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- K. Explains the role of organized labor and its impact on government and business
  - L. Explains methods of conducting a needs analysis to determine human resources requirements

### **Subarea V: Financial Analysis**

*Objective 1: Understands business mathematics and can use and integrate computation skills at all levels*

The beginning Business Education teacher:

- A. Knows how to apply basic mathematical skills to solve problems
- B. Knows how to apply problem-solving and logic-development skills
- C. Knows how to solve problems involving whole numbers, decimals, fractions, percents, ratios, averages, and proportions
- D. Knows how to analyze and interpret data using common statistical procedures
- E. Demonstrates the use of mathematical procedures to analyze and solve business problems
- F. Knows how to explain different types of business operations and how they are reflected in financial statements
- G. Knows how to apply common international standards of measurement when solving problems

*Objective 2: Understands generally accepted accounting principles and their impact on recording financial transactions*

The beginning Business Education teacher:

- A. Knows how to describe and explain the conceptual framework of accounting and generally accepted accounting principles and assumptions
- B. Is familiar with how to define assets, liabilities, equity, revenue, expenses, gains, and losses
- C. Is familiar with the impact on financial statements when assets are sold, disposed, or rendered obsolete
- D. Knows how to describe the methods and criteria used to account for investments and the impact of those methods on financial statements
- E. Knows how to distinguish between revenue and gains and expenses and losses
- F. Demonstrates the ability to complete the steps in the accounting cycle for preparing financial statements

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## Test II Subareas

Subarea	Approx. Percentage of Test
I. Customer Relations	16%
II. Entrepreneurship and Business Organizations	30%
III. Information Technology	21%
IV. Programs and Professional Development	33%

## Test II Objectives

### Subarea I: Customer Relations

*Objective 1: Understands techniques and strategies used to promote positive, ongoing relationships with customers*

The beginning Business Education teacher:

- A. Knows how to explain the nature of positive customer relations
- B. Knows how to explain a customer service mindset
- C. Knows how to describe initiatives to excel in providing customer service
- D. Understands the importance of appropriate word selection in responding to customer word inquiries
- E. Knows how to adapt communications according to clients' cultural and social backgrounds
- F. Is familiar with how to explain business policies to customers and clients
- G. Understands the role of management in customer relations
- H. Understands importance of company brand image
- I. Identifies effective methods to address difficult customers
- J. Identifies effective methods to address customer/client complaints

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## **Subarea II: Entrepreneurship and Business Organizations**

*Objective 1: Understands the procedures and methods associated with contriving and starting a new business*

The beginning Business Education teacher:

- A. Knows how to describe the unique characteristics of entrepreneurs and analyzes the advantages and risks of owning a business
- B. Knows how to discuss opportunities and problems that are related to the development of entrepreneurial endeavors
- C. Is familiar with the advantages and disadvantages of buying an existing business or purchasing a franchise
- D. Knows how to demonstrate procedures for creating a business plan and analyzing factors, procedures, and financial competencies related to starting a business

*Objective 2: Knows the major types of business organizations operating in the national and international marketplace*

The beginning Business Education teacher:

- A. Demonstrates knowledge of a sole proprietorship
- B. Demonstrates knowledge of a partnership
- C. Knows how to distinguish between a limited partnership and a general partnership
- D. Knows how to differentiate between types of business organizations
- E. Knows how to explain why a corporation is a legal entity
- F. Knows how to differentiate between types of corporations
- G. Understands how to explain the effect of foreign trade on United States companies involved in foreign markets
- H. Understands the characteristics of a franchise and analyzes where franchises fit in the economic and legal framework
- I. Knows how to explain the advantages and disadvantages of doing business as a limited liability company
- J. Is familiar with the effect of the tax code on limited liability companies
- K. Is familiar with the impact of international laws on limited liability companies
- L. Demonstrates knowledge of e-commerce
- M. Understands the characteristics of an e-commerce business
- N. Understands the issue of taxation and e-commerce
- O. Knows how to differentiate between brick-and-mortar and Internet-based businesses

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### **Subarea III: Information Technology**

*Objective 1: Understands tools, strategies, and systems needed to process and distribute information to aid decision making*

The beginning Business Education teacher:

- A. Demonstrates understanding of the role of information systems
- B. Knows how to discuss principles of computer systems
- C. Knows how to identify criteria for selecting hardware and software systems
- D. Knows how to utilize technology tools (e.g., Web-based tools and social media) to manage and perform work responsibilities
- E. Knows how to maintain electronic business records to facilitate business operations; e.g., by using databases, spreadsheets, and social media
- F. Knows how to acquire information to guide logical and analytical decision making
- G. Knows how to apply procedures to produce and import graphics, sound, video, and text into documents and multimedia presentations
- H. Knows how to analyze various types (e.g., peer-to-peer, client-server) and components (e.g., network cabling, routers) of computer networks
- I. Knows how to solve business problems using analytical techniques and different types and levels of programming languages
- J. Understands various types and components of computer networks
- K. Knows how to apply procedures for navigating computer networks to search, find, and exchange information
- L. Knows how to apply the process of website design
- M. Knows how to apply problem-solving and logic-development skills

*Objective 2: Knows laws related to technology and the impact of advances in computer technology*

The beginning Business Education teacher:

- A. Knows how to apply procedures for maintaining the security of computerized information
- B. Understands copyright law, including copyright infringement, the fair use doctrine, and the procedure for obtaining a copyright
- C. Is familiar with the area of law that determines how technology can be used
- D. Is familiar with technology-related crimes such as cyber stalking, spoofing, extortion, phishing, piracy, identity theft, terrorism, vandalism, and germ warfare

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## **Subarea IV: Programs and Professional Development**

*Objective 1: Understands concepts, tools, and strategies used to explore, obtain, and develop in a career*

The beginning Business Education teacher:

- A. Knows how to describe employment opportunities in business
- B. Demonstrates knowledge of how to obtain work experience
- C. Demonstrates use of career strategies and job-seeking documents
- D. Understands the benefits of ongoing education for employees
- E. Understands the skills needed to enhance career progression
- F. Understands ways of reinforcing employee performance
- G. Uses career interest inventories for career planning and exploration
- H. Knows how to advise students about academic, college, and career choices
- I. Is familiar with the purpose of college and career portfolios

*Objective 2: Understands and applies principles and methods related to career development and leadership opportunities*

The beginning Business Education teacher:

- A. Understands how school-based enterprises and student organizations have an impact on business education programs
- B. Demonstrates knowledge of the history of career and technical education and how it has affected current career student education programs
- C. Understands advisory committees and their influence on school and community relationships
- D. Knows how to apply strategies for encouraging student participation in student organizations such as FBLA-PBL
- E. Understands career development approaches and incorporates relevant experiences into the business education curriculum
- F. Knows how to assist students in the transition from program completion to employment and/or higher education
- G. Knows how to evaluate students on personal skills, abilities, and aptitudes related to strengths and weaknesses in career development
- H. Knows strategies for implementing lifelong learning