



Georgia Assessments for the Certification of Educators®



GACE® Study Companion

Business Education Assessment

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Last Updated: December 2022

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About the Assessment

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 <i>Guide to Taking a GACE Computer-delivered Test.</i>
Number of Constructed-response Questions	Test I: 0 Test II: 0 Combined Test I and Test II: 0

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.

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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.

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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”

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- 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
 - 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

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- 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
 - 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

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- 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
 - 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

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- 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

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Practice Questions

The practice questions in this study companion are designed to familiarize you with the types of questions you may see on the assessment. While they illustrate some of the formats and types of questions you will see on the test, your performance on these sample questions should not be viewed as a predictor of your performance on the actual test. Fundamentally, the most important component in ensuring your success is familiarity with the content that is covered on the assessment.

To respond to a practice question, choose one of the answer options listed. Be sure to read the directions carefully to ensure that you know what is required for each question. You may find it helpful to time yourself to simulate actual testing conditions. A correct answer and a rationale for each sample test question are in the section following the practice questions.

Keep in mind that the test you take at an actual administration will have different questions, although the proportion of questions in each subarea will be approximately the same. You should not expect the percentage of questions you answer correctly in these practice questions to be exactly the same as when you take the test at an actual administration, since numerous factors affect a person's performance in any given testing situation.

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Directions: Each of the questions or incomplete statements below is followed by four suggested answers or completions. Select the one that is best in each case.

1. Which of the following actions by the Federal Reserve System would be most likely to increase consumer spending?
 - A. Increasing the discount rate to member banks
 - B. Decreasing the discount rate to member banks
 - C. Selling large amounts of government securities
 - D. Keeping reserve requirements of member banks constant

Answer and Rationale

2. The total retail market value of all the goods and services produced in a nation, usually stated in annual terms, is the
 - A. ratio of profit to sales.
 - B. current ratio.
 - C. gross domestic product.
 - D. trade surplus.

Answer and Rationale

3. An important source of information on the credit rating of retail businesses is
 - A. the Retail Merchants Association.
 - B. the local chamber of commerce.
 - C. Dun & Bradstreet, Incorporated.
 - D. the United States Retail Credit Association.

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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4. Which of the following is the government regulator for all securities firms operating in the United States?
- A. Federal Trade Commission
 - B. Federal Deposit Insurance Corporation
 - C. Federal Reserve Board
 - D. Financial Industry Regulatory Authority

Answer and Rationale

5. An accounts payable entry appears in the
- A. asset section of the balance sheet.
 - B. liability section of the balance sheet.
 - C. cost of goods sold section of the income statement.
 - D. operating expense section of the income statement.

Answer and Rationale

6. Which of the following best describes the situation after the price is raised on a product that has an inelastic demand?
- A. The quantity demanded will not change
 - B. The quantity demanded will increase
 - C. Total revenue will decrease
 - D. Total revenue will not change

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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7. If one party to a contract is forced to sign, the contract is defined as
- A. enforceable.
 - B. executor.
 - C. unilateral.
 - D. voidable.

Answer and Rationale

8. Which of the following negotiable instruments acknowledges a receipt of money by a bank and promises to pay the money back, with interest, on the due date?
- A. Bill of exchange
 - B. Cashier's check
 - C. Demand note
 - D. Certificate of deposit

Answer and Rationale

9. Which of the following prescribes standards for wages and overtime pay that affect most private and public employment?
- A. The Employee Retirement Income Security Act
 - B. The American Recovery and Reinvestment Act
 - C. The Fair Labor Standards Act
 - D. The Federal Employees' Compensation Act

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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10. When Corporation X pays out \$300,000 in salaries, which of the following is the impact on assets and liabilities?
- A. Salary expense is increased by \$300,000; cash is increased by \$300,000
 - B. Salary expense is increased by \$300,000; cash is decreased by \$300,000
 - C. Salary expense is decreased by \$300,000; cash is increased by \$300,000
 - D. Salary expense is decreased by \$300,000; cash is decreased by \$300,000

Answer and Rationale

11. What is the most likely impact of an increase in interest rates?
- A. Investment levels diminish
 - B. Employment increases
 - C. The value of the U.S. dollar decreases
 - D. Mortgage rates decline

Answer and Rationale

12. Which of the following best describes an entrepreneurial opportunity?
- A. Sales representative for a small biotech firm
 - B. Marketing manager for a new product about to be launched
 - C. Head accountant in a newly franchised business
 - D. Owner of a small Internet startup

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

13. Jacques, Hedwig, and Reyes want to form a business entity through which they can raise capital by selling equity shares to the public. Which of the following business structures should they adopt?

- A. LLC
- B. PC
- C. Corporation
- D. LLP

Answer and Rationale

14. What is the fundamental basis of competition in a market with poorly differentiated products?

- A. Promotion
- B. Product placement
- C. Price
- D. Value proposition

Answer and Rationale

15. Which of the following protocols is used to transport HTML pages from Web servers to Web browsers?

- A. BOOTP
- B. HTTP
- C. SNMP
- D. SMTP

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

16. Which of the following protocols is usually associated with hyperinflation?

- A. A rapid decrease in total spending
- B. A rapid increase in money supply
- C. A slow increase in exports
- D. A slow increase in labor productivity

Answer and Rationale

17. Which of the following should a computer user do to prevent screen-induced eyestrain?

- A. Use eye drops regularly
- B. Change choice of software programs
- C. Limit the resolution on the monitor
- D. Take periodic breaks to view natural lighting

Answer and Rationale

18. When preparing a presentation, which of the following might make data-heavy text more reader friendly?

- A. Providing an overview of data
- B. Using italics on numbers
- C. Using double spacing for all text
- D. Including relevant graphics with text

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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19. Which of the following is the best source of objective information about a prospective employer that is publicly traded?
- A. Annual reports
 - B. Press releases
 - C. Newspaper articles
 - D. 10-K filings with the SEC

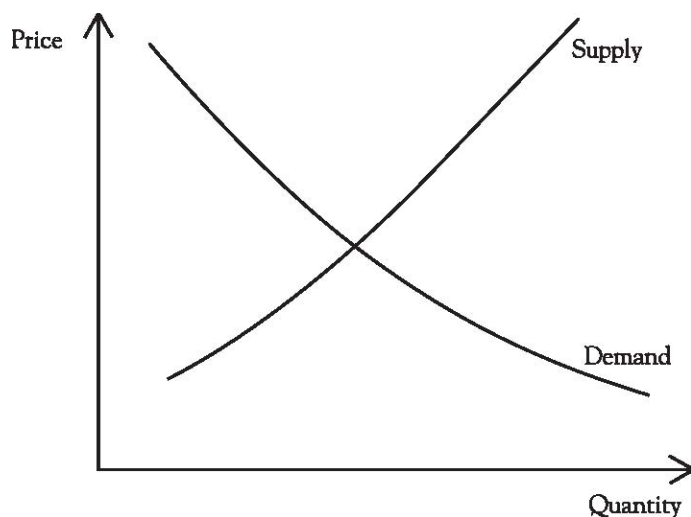
Answer and Rationale

20. Which of the following would be provided in the marketing segment of a business plan?
- A. How the products and services will be priced
 - B. The organizational structure of the business
 - C. Any factors that could affect employee retention
 - D. The details of the budget plan

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Questions 21 and 22 are related to graph below.



21. An increase in the price of leather and a simultaneous increase in consumers' incomes will most likely have which of the following effects on the equilibrium price and quantity of leather garments?
- A. Price will increase and quantity will increase
 - B. Price will increase and the change in quantity will be indeterminate
 - C. The change in price will be indeterminate and quantity will decrease
 - D. Price will decrease and quantity will decrease

Answer and Rationale

22. If the government places a price ceiling on leather garments that is below the equilibrium price, which of the following will occur in the market for leather garments?
- A. There will be a shortage
 - B. There will be a surplus
 - C. The demand curve for leather garments will shift leftward
 - D. The supply curve for leather garments will shift rightward

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

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23. Verbal cues can help an audience determine which of the following during a speech?
- A. Experience
 - B. Influence
 - C. Power
 - D. Responsiveness

Answer and Rationale

24. A major difference between a general business education program and the capstone in a cooperative education program is that the general business education program provides students with which of the following?
- A. Instruction in personality development
 - B. Information about community awareness
 - C. Introduction to a variety of career fields
 - D. Preparation of technical skills

Answer and Rationale

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Answer Key and Rationales

Question Number	Correct Answer	Rationale
1	B	<p>Option (B) is correct. A reduction in the discount rate, the rate commercial banks are charged to borrow money from the Federal Reserve, encourages banks to lend money, thereby promoting consumer spending.</p> <p><i>Back to Question</i></p>
2	C	<p>Option (C) is correct. Gross domestic product can be defined as the total market value of all final goods and services produced by factors of production located within a country, regardless of who owns them.</p> <p><i>Back to Question</i></p>
3	C	<p>Option (C) is correct. One of the primary services of Dun & Bradstreet, Inc., is to provide credit information on businesses. Option A (the Retail Merchants Association), option B (the local chamber of commerce), and option D (the United States Retail Credit Association) are organizations made up of member firms with common interests.</p> <p><i>Back to Question</i></p>

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Question Number	Correct Answer	Rationale
4	D	<p>Option (D) is correct. The Financial Industry Regulatory Authority is the regulator for all securities firms operating in the United States.</p> <p><i>Back to Question</i></p>
5	B	<p>Option (B) is correct. Accounts payable shows the amount owed to a creditor for goods or services bought on credit.</p> <p><i>Back to Question</i></p>
6	A	<p>Option (A) is correct. Option B (The quantity demanded will increase.) is incorrect because an increase in the price of a product that has an inelastic demand will not cause a change in the quantity demanded. Total revenue will increase if the price is raised on a product that has an inelastic demand. Therefore, option C (Total revenue will decrease.) and option D (Total revenue will not change) also are incorrect.</p> <p><i>Back to Question</i></p>

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

7	D	<p>Option (D) is correct. A forced agreement is not a genuine agreement. The contract is voidable due to duress.</p> <p><i>Back to Question</i></p>
8	B	<p>Option (D) is correct. This question tests your knowledge about the different types of negotiable instruments. Usually paying more interest than regular savings accounts, a certificate of deposit, or CD, is allowed to be sold or used as loan collateral or to pay debts. However, if the money is withdrawn before the maturity date, the depositor has to pay a penalty.</p> <p><i>Back to Question</i></p>
9	C	<p>Option (C) is correct. The Fair Labor Standards Act (FLSA) prescribes standards for wages and overtime pay, which affect most private and public employment. The act is administered by the Wage and Hour Division of the Department of Labor. It requires employers to pay covered employees who are not otherwise exempt at least the federal minimum wage and overtime pay of one and one-half times the regular rate of pay.</p> <p><i>Back to Question</i></p>

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Question Number	Correct Answer	Rationale
10	B	<p>Option (B) is correct. Salary expense is increased by \$300,000 and cash is decreased by \$300,000. The debit of \$300,000 to salary expense increases expenses. The credit of \$300,000 to cash decreases assets.</p> <p><i>Back to Question</i></p>
11	A	<p>Option (A) is correct. A rise in interest rates means an increase in the cost of borrowing, which can discourage investment. A rise in interest rates can cause employment to decline (option B), the value of the U.S. dollar to decrease (option C), and mortgage rates to increase (option D).</p> <p><i>Back to Question</i></p>
12	D	<p>Option (D) is correct. Entrepreneurs are owners fully accountable for their business venture. The other opportunities, option A (Sales representative for a small biotech firm), option B (Marketing manager for a new product about to be launched), and option C (Head accountant in a newly franchised business), relate to employees with predetermined responsibilities and compensation.</p> <p><i>Back to Question</i></p>

Note: After clicking on a link, right click and select "Previous View" to go back to original text.

Question Number	Correct Answer	Rationale
13	C	<p>Option (C) is correct. Of all business structures, only corporations can sell equity.</p> <p><i>Back to Question</i></p>
14	C	<p>Option (C) is correct. In a commodity market where products are close substitutes of each other, the only basis for competition is price.</p> <p><i>Back to Question</i></p>
15	B	<p>Option (B) is correct. The hypertext transfer protocol (HTTP) is used to transport HTML pages from Web servers to Web browsers and is the protocol used to communicate between Web servers and Web browser software clients. The bootstrap protocol (BOOTP) (option A) is used to assign an IP address to diskless computers and to tell it what server and file to load to provide it with an operating system. The simple network management protocol (SNMP) (option C) is used to manage all types of network elements based on various data sent and received. The simple mail transfer protocol (SMTP) (option D) is used to transport mail.</p> <p><i>Back to Question</i></p>

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Question Number	Correct Answer	Rationale
16	B	<p>Option (B) is correct. Hyperinflation is caused by extremely rapid growth in the supply of money. It occurs when the monetary and fiscal authorities of a nation regularly issue large quantities of money to pay for a large stream of government expenditures.</p> <p><i>Back to Question</i></p>
17	D	<p>Option (D) is correct. Take periodic breaks to view natural lighting. Looking at natural light is known to relieve eyestrain caused by pixilated images.</p> <p><i>Back to Question</i></p>
18	D	<p>Option (D) is correct. While additional formatting, option A (Providing an overview of data), option B (Using italics on numbers), and option C (Using double spacing for all text), can improve readability, graphical presentation is often the most effective conveyor of data.</p> <p><i>Back to Question</i></p>

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19	D	<p>Option (D) is correct. The correct answer is option D (10-K filings with the SEC). In annual 10-K filings, publicly traded companies are required by statute to report assets, liabilities, activities, and risks accurately. Sources such as annual reports, press releases, and newspaper articles can be biased and incomplete.</p> <p><i>Back to Question</i></p>
20	A	<p>Option (A) is correct. Pricing strategy is a part of the marketing segment. This segment would discuss how the products and services are priced. Option B (The organizational structure of the business), option C (Any factors that could affect employee retention), and option D (The details of the budget plan) are not a part of the marketing segment.</p> <p><i>Back to Question</i></p>

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21	B	<p>Option (B) is correct. Price will increase and the change in quantity will be indeterminate because an increase in the price of leather decreases the supply of leather garments, and an increase in incomes will increase the demand for leather garments, assuming leather garments are normal goods. These simultaneous shifts in the curves will result in an increase in price, but the effect on quantity is indeterminate and will depend on the extent of the shift of each curve.</p> <p><i>Back to Question</i></p>
22	A	<p>Option (A) is correct. There will be a shortage. The result of an effective price ceiling below the equilibrium price will be an excess of quantity demanded over quantity supplied, which will result in a shortage.</p> <p><i>Back to Question</i></p>

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Question Number	Correct Answer	Rationale
23	A	<p>Option (A) is correct. The question tests your knowledge of interpersonal communications. Verbal cues can be used to interpret the degree of a speaker's experience (option A). Visual cues may provide clues to a speaker's influence (option B), power (option C), or responsiveness (option D).</p> <p><i>Back to Question</i></p>
24	D	<p>Option (D) is correct. A general business education program provides occupation-specific instruction in technical skills. A capstone in a cooperative education program is much more general in nature and includes a mix of students from all the business education fields.</p> <p><i>Back to Question</i></p>

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Preparation Resources

The resources listed below may help you prepare for the GACE assessment in this field. These preparation resources have been identified by content experts in the field to provide up-to-date information that relates to the field in general. You may wish to use current issues or editions of these materials to obtain information on specific topics for study and review.

Guide to Taking a GACE Computer-delivered Assessment

This guide explains how to navigate through a GACE assessment and how to answer different types of test questions. This free download is available in the Test Preparation Resources section of the GACE website at www.gace.ets.org/prepare.

Reducing Test Anxiety

This guide provides practical help for people who suffer from test anxiety. Designed specifically for GACE test takers, but useful to anyone who has to take tests, this guide reviews the major causes of test anxiety and offers practical advice for how to counter each one. Download this guide for free from the Test Preparation Resources section of the GACE website at www.gace.ets.org/prepare.

Study Tips: Preparing for a GACE Assessment

This document contains useful information on preparing for selected-response and constructed-response tests. The instruction, tips, and suggestions can help you become a better-prepared test taker. See the Test Preparation Resources section of the GACE website at www.gace.ets.org/prepare for this free download.

Other Resources

- Allen, Kathleen. 2002. *Launching New Ventures: An Entrepreneurial Approach*. Boston, Mass.: Houghton Mifflin Company.
- Bearden, William O., Thomas Ingram, and Raymond LaForge. 1995. *Marketing: Principles and Perspectives*. Burr Ridge, Ill.: Richard D. Irwin.
- Bernhardt, Kenneth, and Thomas Kinnear. 1996. *Cases in Marketing Management*, Seventh Edition. Burr Ridge, Ill.: Irwin Professional Publishing.
- Eppen, G. D., F. J. Gould, C. P. Schmidt, Jeffery H. Moore, and Larry R. Weatherford. 1998. *Introductory Management Science: Decision Modeling with Spreadsheets*, Fifth Edition. Upper Saddle River, N.J.: Prentice Hall.
- Farese, Lois, Grady Kimbrell, and Carl A. Woloszyk. 1995. *Marketing Essentials*, Second Edition. St. Louis, Mo.: Glencoe/McGraw-Hill.
- Hofstetter, Fred T. 2000. *Multimedia Literacy*, Third Edition. Burr Ridge, Ill.: McGraw-Hill/Irwin.
- Kerin, Roger, Eric Berkowitz, Steven Hartley, and William Rudelius. 1993. *Marketing*, Fourth Edition. Burr Ridge, Ill.: Richard D. Irwin.

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- Lamb, Charles W., Joseph F. Hair, and Carl McDaniel. 2004. *Essentials of Marketing*, Fourth Edition. Mason, Ohio: South-Western College Publishing.
- Lesikar, Raymond V., and Marie E. Flatley. 2004. *Basic Business Communication: Skills for Empowering the Internet Generation*, Tenth Edition. Burr Ridge, Ill.: McGraw-Hill/Irwin.
- Meyers, Mike. 2003. *Introduction to PC Hardware and Troubleshooting*. Emeryville, Calif.: McGraw-Hill/Osborne Media.
- Nickels, William G., James McHugh, and Susan McHugh. 1995. *Understanding Business*, Fourth Edition. Burr Ridge, Ill.: Irwin Professional Publishing.
- Remp, Ann (Ed.) 2002. *Technology, Methodology, and Business Education*. Reston, Va.: National Business Education Association.
- Silbiger, Steven. 1993. *The Ten-Day MBA: A Step-by-Step Guide to Mastering the Skills Taught in America's Top Business Schools*. New York, N.Y.: William Morrow and Company.
- The George Lucas Educational Foundation. 2002. *Edutopia: Success Stories for Learning in the Digital Age*. Ed. Milton Chen and Sara Armstrong. San Francisco, Calif.: Jossey-Bass.
- Thompson, Arthur, and A. J. Strickland. 2002. *Strategic Management: Concepts and Cases*, Twelfth Edition. Burr Ridge, Ill.: McGraw-Hill/Irwin.
- Wells, Dolores, and Ann Ambrose. 2003. *Computer Concepts BASICS*, Second Edition. Boston, Mass.: Thomson Course Technology.

Online Resources

- Association for Career and Technical Education — www.acteonline.org
- DECA: An Association of Marketing Students — www.deca.org
- International Association of Business Communicators — www.iabc.com
- International Society for Technology in Education — www.iste.org
- Marketing Education Association — www.nationalmea.org
- Marketing Education Resource Center — www.mark-ed.org
- National Association for Business Economics — www.nabe.com
- National Association for Career Technical Education Information — www.nactei.org
- National Association of Economic Educators — <http://ecedweb.unomaha.edu/naee.htm>
- National Board for Professional Teaching Standards — www.nbpts.org
- National Business Education Association — www.nbea.org
- National Career Development Association — www.ncda.org
- National Economic Association — www.ncat.edu/~neconasc
- National Education Association — www.nea.org
- National Educational Technology Standards — www.cnets.iste.org

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National Marketing Standards —

www.mark-ed.com/curricul/national_marketing_standards.htm

State Board for Educator Certification — **www.sbec.state.tx.us**

U. S. Department of Education — **www.ed.gov**

Vocational Information Center: Business and Finance Career Resources —

www.khake.com/page13.html

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