

**To the Student:**

After your registration is complete and your proctor has been approved, you may take the Credit by Examination for Introduction to Business 1B.

WHAT TO BRING

- blue or black ink pens
- non-programmable calculator

ABOUT THE EXAM

This test gives you the opportunity to demonstrate your mastery of Essential Knowledge and Skills as outlined by the Texas Education Agency.

You will be provided with an answer sheet for the exam, and you will need to bring blue or black ink pens with you for the examination. You may also bring a non-programmable calculator.

The examination consists of multiple-choice questions, matching questions, statements that will need to be completed, and some calculations that will need to be completed. The exam is designed to offer a variety of questions so that students who are good in one area of testing can feel confident and students that are not good in some areas of testing will not feel defeated. The exam will be thorough and will be similar to the sample examination. You have three hours to complete the exam.

The examination is based on the Essential Knowledge and Skills for this subject. Since questions are not taken from any one source, you can prepare by reviewing any of the state-adopted textbooks that are used at your school. If no textbook or other study material is available locally, you may contact the Outreach & Distance Education Bookstore. The bookstore carries the textbooks used with our Introduction to Business 1B Distance Education course. The textbook is:

Dlabay, Burrow, and Egglund. *Intro to Business* (6th ed.). (2006). Thomson South-Western Publishing Co. ISBN: 0-538-44063-5.

There is a sample examination included in this letter. The sample exam will give you a model of the types of questions that will be asked on your examination. It is not a duplicate of the actual examination. It is provided to illustrate the format of the exam, not to serve as a complete review sheet. In order to be successful on the examination, you must study and review all of the concepts of the economic systems, supply and demand,

economic activity and conditions of change, the global marketplace, government regulations and assistance, interest rates, components of the international business environment, the steps necessary for career planning, the roles of the government in business organizations and employment, and social responsibilities within the workplace. You will need to have math skills to calculate interest rates, percentages of sales, and calculate wages.

For more information about CBE policies, visit <http://www.ode.ttu.edu/takeacbe/> or see your course Policies & Forms Guide.

Good luck on your examination!

Sample Exam Questions

Matching

Column I

- A. annuity
- B. B2B
- C. collectibles
- D. credit report
- E. extractors
- F. premium
- G. telecommuting
- H. workers' compensation

Column II

- 1. Allows employees who primarily use personal computers and other technology to work from home
- 2. An insurance plan that provides medical and survivor benefits for people injured, disabled, or killed on the job
- 3. An amount of money an insurance company pays (usually monthly) to a person who has previously deposited money with the insurance company
- 4. The amount a policyholder must pay for insurance coverage
- 5. A document that shows the debts a person owes, how often credit is used, and whether he or she pays debts on time
- 6. Items of personal interest to collectors that can increase in value in the future
- 7. Online exchanges of business-to-business
- 8. A business that takes resources from nature for direct consumption or for use in developing other products

Completion

- 9. The amount your local government determines your property is worth for tax purposes is its _____ value.
- 10. The three Cs of credit are character, _____, and capital.
- 11. Expenses that occur regularly and are for the same amount are _____.
- 12. The basic financial equation is Revenue – _____ = Profit or Loss.
- 13. A risk that you can reduce or eliminate by actions you take is a(n) _____ risk.
- 14. The four basic components of a computer system are: _____ device, _____ unit, _____ and storage, and _____ device.

Multiple Choice

15. When you open a checking account for the first time, you will sign a
 - A. reconciliation form.
 - B. deposit slip.
 - C. signature card.
 - D. bank statement.
16. Revolving accounts
 - A. require the entire debt to be paid off each month.
 - B. usually have very low finance charges.
 - C. make overspending easy.
 - D. have become less popular over the past 20 years.
17. This law requires prompt correction of billing mistakes. It limits your liability to \$50 for unauthorized credit card purchases made prior to notifying the card issuer.
 - A. Truth-in-Lending Law of 1968
 - B. Fair Credit Billing Act
 - C. Equal Credit Opportunity Act
 - D. Fair Debt Collection Practices Act.

Math

18. Loretta drove her delivery truck 260 miles in 5 hours. Express the ratio as a unit rate in miles per hour.
19. Larry earned \$120 in 20 hours. Express that ratio as a unit rate in dollars per hour.
20. Rex borrowed \$125,000 for 6 months at 10% interest. Find the amount of simple interest Rex must pay on the loan.
21. A stock began the day at $58\frac{1}{4}$. During the day, the value went down $3\frac{5}{8}$. What was the value of the stock at the end of the day?

True/False

22. Mass promotion is the most effective form of marketing communication.
23. The first step in the operation of an MSI is to identify the information needs of the organization.
24. Piracy is the illegal copying of software packages or information.
25. Cash records identify all purchases and sales a business makes.

26. Differences between actual and budgeted financial performance are called anomalies.
27. Intermittent processing uses short production runs to produce a precise amount of a variation of a product.

Answers to Sample Exam Questions

- | | |
|---------------------------------------|-----------------------|
| 1. G | 15. C |
| 2. H | 16. C |
| 3. A | 17. B |
| 4. F | 18. 52 miles per hour |
| 5. D | 19. \$6 per hour |
| 6. C | 20. \$6,250 |
| 7. G | 21. 54 5/8 |
| 8. E | 22. F |
| 9. assessed | 23. T |
| 10. capacity | 24. T |
| 11. fixed | 25. F |
| 12. expenses | 26. F |
| 13. controllable | 27. T |
| 14. input, processing, memory, output | |