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NEW QUESTION: 1
Which of the following is the best way for a person to gain the job experience needed in a particular area?
A. Finding and obtaining an internship
B. Visiting an employment agency
C. Networking with friends and family
D. Researching employment websites
Answer: A (LEAVE A REPLY)
Internships provide hands-on, practical experience in a specific field, directly contributing to skill development and job readiness. Option B (employment agency) focuses on job placement, not experience.
Option C (networking) helps with connections but not direct experience. Option D (researching websites) provides information, not experience. This question is part of the Communication and Career Development category, emphasizing career preparation.
Reference:ETS Praxis Business Education: Content Knowledge (5101) StudyCompanion, Section on Communication and Career Development; Career Management, Chapter 4.

NEW QUESTION: 2
A college graduate wants to start a business and looks into franchise opportunities. The graduate has $30,000 and has narrowed the selection to three different franchise choices. Which of the following franchise credentials is the most important to review?
A. Owner's handbook
B. Fee schedule agreement
C. Broker policy agreement

D. Franchise disclosure document

Answer: D (LEAVE A REPLY)

The Franchise Disclosure Document (FDD) is a legal document required by the Federal Trade Commission, providing detailed information about the franchisor, including fees, obligations, financial performance, and risks. It is critical for evaluating franchise opportunities. Option A (owner's handbook) is operational, not a credential. Option B (fee schedule agreement) is part of the FDD but not comprehensive. Option C (broker policy agreement) is not a standard franchise document. This question falls under the Entrepreneurship category, focusing on franchise evaluation.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Entrepreneurship: Starting and Operating a Small Business, Chapter 5.

NEW QUESTION: 3

Which of the following issues was the Computer Fraud and Abuse Act (CFAA) originally created to address?

A. Unsolicited email messages

B. Identity theft

C. Hacking

D. Cyberbullying

Answer: (SHOW ANSWER)

The Computer Fraud and Abuse Act (CFAA) of 1986 was originally enacted to address hacking, specifically unauthorized access to computer systems. Option A (unsolicited emails) is covered by laws like CAN-SPAM.

Option B (identity theft) is addressed by other statutes, like the Identity Theft and Assumption Deterrence Act. Option D (cyberbullying) is handled under state laws or cyberstalking regulations. This question falls under the Information Technology category, emphasizing cyberlaw.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Cybersecurity Law, Chapter 2.

NEW QUESTION: 4

The Robinson-Patman Act was initially enacted for which of the following purposes?

A. To eliminate price discrimination in interstate commerce

B. To eliminate price discrimination in intrastate commerce

C. To protect employees from job discrimination

D. To provide employees with a safe work environment

Answer: A (LEAVE A REPLY)

The Robinson-Patman Act (1936) was enacted to prevent price discrimination in interstate commerce, ensuring fair competition by prohibiting sellers from offering different prices to similar buyers without justification. Option B (intrastate commerce) is incorrect, as the act

applies to interstate transactions. Option C (job discrimination) and Option D (work environment) are unrelated, addressed by other laws. This question falls under the Business Law category, emphasizing antitrust law.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Business Law; Business Law: Text and Cases, Chapter 45.

NEW QUESTION: 5
Which of the following best defines a legally enforceable contract?
A. Agreement, consideration, and the mandatory requirement that only one of the parties is required to be rational and sane
B. Agreement, consideration, and the mandatory inclusion of gift promises and moral obligations
C. Consideration without the mandatory requirement of mutual assent by the parties of the offer and acceptance
D. Agreement, consideration, contractual capacity, and the mandatory requirement that the object of the contract is lawful
Answer: (SHOW ANSWER)
A legally enforceable contract requires an agreement (offer and acceptance), consideration (something of value exchanged), contractual capacity (parties must be competent), and a lawful object (purpose must be legal). Option A is incorrect, as both parties must have capacity. Option B is incorrect, as gift promises and moral obligations are not enforceable. Option C lacks mutual assent, a key element. This question aligns with the Business Law category, focusing on contract law.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Business Law; Business Law: Text and Cases, Chapter 10.

NEW QUESTION: 6
Which of the following steps in new product development should occur first?
A. Idea generation
B. Idea evaluation
C. Business analysis
D. Commercialization
Answer: (SHOW ANSWER)
Idea generation is the first step in new product development, involving brainstorming and identifying potential product concepts. Option B (idea evaluation) follows to screen ideas. Option C (business analysis) assesses feasibility after screening. Option D (commercialization) is the final launch step. This question aligns with the Management and Marketing category, focusing on product development processes.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Principles of Marketing, Chapter 8.

NEW QUESTION: 7
Which of the following computer applications best fits the definition of computer-assisted instruction?
A. Word processing and desktop publishing
B. Spreadsheets
C. Tutorials and simulation software
D. Database management
Answer: C (LEAVE A REPLY)
Computer-assisted instruction (CAI) involves software designed to deliver educational content or simulate real-world scenarios, such as tutorials and simulation software, to facilitate learning. Option A (word processing and desktop publishing) is for document creation, not instruction. Option B (spreadsheets) is for data analysis, not teaching. Option D (database management) is for data organization, not educational delivery. This question aligns with the Information Technology category, emphasizing educational technology.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Educational Technology, Chapter 3.

NEW QUESTION: 8
An example of a core indicator used for reporting state performance of secondary students to Congress is
A. median family income
B. student graduation rate
C. percentage of students considered at risk
D. percentage of campus parental involvement
Answer: (SHOW ANSWER)
Student graduation rate is a core indicator used to report state performance of secondary students to Congress, particularly under federal education laws like the Every Student Succeeds Act (ESSA) and Perkins Act, reflecting educational outcomes. Option A (median family income) is a demographic factor, not a performance indicator.Option C (at-risk students) and Option D (parental involvement) are relevant but not core indicators for federal reporting. This question aligns with the Professional Business Education category, emphasizing educational metrics.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Professional Business Education; U.S. Department of Education, ESSA Guidelines.

NEW QUESTION: 9
The depth and detail presented in a business plan will depend primarily on the
A. target market of the new venture
B. experience of the entrepreneur
C. size and scope of the new venture

D. amount of capital obtained
Answer: (SHOW ANSWER)
The depth and detail of a business plan are primarily determined by the size and scope of the new venture, as larger or more complex ventures require more comprehensive planning to address operational, financial, and market complexities. Option A (target market) influences the marketing section but not the overall plan's detail. Option B (entrepreneur's experience) may affect quality but not depth. Option D (capital obtained) is a result of the plan, not its determinant. This question aligns with the Entrepreneurship category, focusing on business planning.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Entrepreneurship: Starting and Operating a Small Business, Chapter 7.

NEW QUESTION: 10
Distribution, pricing, and promotion of the product are presented in which section of the business plan?
A. Marketing
B. Production
C. Merchandising
D. Organization
Answer: A (LEAVE A REPLY)
The marketing section of a business plan outlines strategies for distribution (how the product reaches customers), pricing (cost to customers), and promotion (advertising and sales efforts). Option B (production) focuses on manufacturing processes. Option C (merchandising) is a retail function, not a business plan section. Option D (organization) covers management structure. This question falls under the Management and Marketing category, focusing on business planning.
Reference:ETS Praxis Business Education: Content Knowledge (5101) StudyCompanion, Section on Management and Marketing; Entrepreneurship: Starting and Operating a Small Business, Chapter 7.

NEW QUESTION: 11
A warehouse manager wants to clarify the date and time of an employee meeting and sends an instant message (IM) to another manager in the warehouse. The use of IM is considered acceptable because the sender is most likely to be
A. avoiding a permanent record
B. multitasking during a meeting
C. finishing a sensitive discussion
D. needing an immediate response
Answer: (SHOW ANSWER)

Instant messaging (IM) is used for quick, real-time communication, making it suitable when the sender needs an immediate response, such as clarifying a meeting's date and time. Option A (avoiding a permanent record) is not the primary reason, as IMs can be logged. Option B (multitasking) is possible but not the best justification. Option C (sensitive discussion) would likely require a more secure or formal channel. This question falls under the Communication and Career Development category, focusing on communication tools.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Communication and Career Development; Business Communication, Chapter 6.

NEW QUESTION: 12
Processing and organizing data to create, store, and retrieve documents is best known as
A. database management
B. file management
C. formatting
D. outsourcing
Answer: (SHOW ANSWER)
File management involves processing and organizing data to create, store, and retrieve documents within a computer system, such as managing folders and files. Option A (database management) focuses on structured data in databases, not general documents. Option C (formatting) refers to document appearance. Option D (outsourcing) involves delegating tasks externally. This question falls under the Information Technology category, emphasizing data organization.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Operating Systems Concepts, Chapter 11.

NEW QUESTION: 13
Which of the following are used to refine a search on the Internet?
A. Boolean operators
B. Macros
C. Default commands
D. Batch files
Answer: A (LEAVE A REPLY)
Boolean operators (e.g., AND, OR, NOT) are used to refine Internet searches by combining or excluding terms to narrow or expand results. Option B (macros) automates tasks in software, not searches. Option C (default commands) is vague and not specific to search refinement. Option D (batch files) automates computer tasks, not Internet searches. This question falls under the Information Technology category, focusing on information retrieval.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Information Systems, Chapter 7.

NEW QUESTION: 14

The current ratio of a business is computed by

A. dividing the current assets by the current liabilities

B. dividing the current assets by the net income

C. dividing net worth by net income

D. subtracting total liabilities from total assets

Answer: A (LEAVE A REPLY)

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations, calculated as Current Assets ÷ Current Liabilities. Option B (current assets ÷ net income) is incorrect, as net income is not a component of liquidity ratios. Option C (net worth ÷ net income) relates to return on equity, not liquidity. Option D (total assets # total liabilities) calculates net worth or equity, not the current ratio. This question aligns with the Accounting and Finance category, focusing on financial statement analysis.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Financial Accounting, Chapter 13.

NEW QUESTION: 15

Which of the following business education practices would effectively produce graduates with marketable employment skills?

A. Keeping abreast of changes in computer software

B. Maintaining enrollments at consistently high levels

C. Creating an itemized list of students currently enrolled in the program

D. Keeping a checklist of equipment and materials to be ordered on an annual basis

Answer: A (LEAVE A REPLY)

Keeping abreast of changes in computer software ensures students learn current, relevant technology skills, enhancing their employability in modern workplaces. Option B (high enrollments) focuses on quantity, not skill quality. Option C (student list) is administrative, not skill-focused. Option D (equipment checklist) supports infrastructure, not direct skill development. This question aligns with the Professional Business Education category, emphasizing curriculum relevance.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Professional Business Education; Career and Technical Education, Chapter 3.

NEW QUESTION: 16

For the development and maintenance of a business webpage, it is essential that

A. the most current software be used

B. the webpage be continuously updated

C. the hardware support video and sound

D. the server be maintained in-house

Answer: B (LEAVE A REPLY)

A business webpage must be continuously updated to ensure content remains relevant, accurate, and engaging, maintaining customer trust and search engine rankings. Option A (current software) is important but not essential, as older software can still function. Option C (video and sound support) is optional, depending on the webpage's purpose. Option D (in-house server) is not necessary, as many businesses use third-party hosting. This question aligns with the Information Technology category, emphasizing web management.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Web Design: Principles and Practices, Chapter 6.

NEW QUESTION: 17
A business education teacher is preparing a lesson on contract law and wants to illustrate a scenario where a contract is voidable due to misrepresentation. Which of the following scenarios best demonstrates a voidable contract due to fraudulent misrepresentation?
A. A vendor sells a used laptop to a student, claiming it is new, knowing it was refurbished, and the student relies on this claim when purchasing.
B. A company signs a lease agreement with a landlord who mistakenly lists the wrong square footage, but the company signs without verifying the details.
C. An employer offers a job candidate a salary that is lower than advertised, but the candidate accepts without noticing the discrepancy.
D. A retailer sells a product with a minor defect that does not affect its functionality, and the buyer does not inspect the product before purchase.
Answer: A (LEAVE A REPLY)
A voidable contract can be canceled by one party due to fraudulent misrepresentation, which requires a false statement of fact, made knowingly or recklessly, with intent to induce reliance, and actual reliance causing harm. In Option A, the vendor's claim that the laptop is new, despite knowing it is refurbished, is a deliberate false statement, inducing the student's purchase, making the contract voidable due to fraud. Option B involves a mistake, not fraudulent misrepresentation, as there's no intent to deceive. Option C is a negotiation issue, not misrepresentation, as the offer was clear. Option D involves a minor

defect, not a false statement of fact, and lacks fraudulent intent. This question tests nuanced understanding of contract law, a key area in the Business Law category, challenging candidates to distinguish between types of misrepresentation and contract enforceability, reflecting the Praxis 5101 exam's depth.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Business Law; Business Law: Text and Cases, Chapter 12.

NEW QUESTION: 18
To exchange one currency for another in international transactions, companies rely on a mechanism called the
A. Eurocurrency market
B. foreign exchange market
C. international equity market
D. international bond market
Answer: B (LEAVE A REPLY)
The foreign exchange market facilitates the exchange of one currency for another, enabling international transactions by determining exchange rates. Option A (Eurocurrency market) deals with currencies held outside their home country. Option C (international equity market) involves stock trading. Option D (international bond market) pertains to debt securities. This question aligns with the Economics category, focusing on international finance.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Economics; International Economics, Chapter 13.

NEW QUESTION: 19
Which of the following is a form of secondary research?
A. Reviewing personnel data in company records
B. Interviewing an employee
C. Observing customer behavior
D. Administering a questionnaire to employees
Answer: (SHOW ANSWER)
Secondary research involves analyzing existing data or records, such as reviewing personnel data in company records. Options B, C, and D (interviewing, observing, administering questionnaires) are primary research methods, as they collect original data directly from sources. This question falls under the Communication and Career Development category, focusing on research methods in business contexts.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Communication and Career Development; Business Research Methods, Chapter 5.

NEW QUESTION: 20

Membership in which of the following Career and Technical Student Organizations is best for a student interested in an accounting career?
A. Technology Student Association
B. SkillsUSA
C. Business Professionals of America
D. Family, Career and Community Leaders of America
Answer: C (LEAVE A REPLY)
Business Professionals of America (BPA) focuses on business-related fields, including accounting, offering competitions and activities tailored to finance and accounting careers. Option A (Technology Student Association) emphasizes STEM. Option B (SkillsUSA) focuses on trade and technical skills. Option D (FCCLA) targets family and consumer sciences. This question aligns with the Professional Business Education category, emphasizing student organizations.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Professional Business Education; BPA National Guidelines.

NEW QUESTION: 21
A small hardware store purchases 5 hammers for $5 each and sells the hammers for $9 each. Which of the following amounts represents the total gross profit?
A. $4
B. $20
C. $25
D. $45
Answer: B (LEAVE A REPLY)
Gross profit is calculated as total revenue minus the cost of goods sold (COGS). The store purchases 5 hammers at $5 each, so COGS = 5 × $5 = $25. The hammers are sold at $9 each, so total revenue = 5 × $9 =
$45. Gross profit = $45 # $25 = $20. Option A ($4) represents the profit per hammer, not the total. Option C ($25) is the COGS, and Option D ($45) is the total revenue. This question tests basic accounting principles under the Accounting and Finance category.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Accounting Principles, Chapter 5.

NEW QUESTION: 22
Which of the following types of statements is referred to as a picture of a company in the future?
A. Vision statement
B. Mission statement
C. Value statement
D. Closing statement
Answer: A (LEAVE A REPLY)

A vision statement describes a company's future aspirations, providing a long-term picture of what it aims to become. Option A (closing statement) is not a business term in this context. Option B (mission statement) defines the company's purpose and current operations. Option C (value statement) outlines core beliefs or principles. This question aligns with the Entrepreneurship category, emphasizing strategic planning.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Strategic Management, Chapter 2.

NEW QUESTION: 23
Which of the following best describes the relationship between a firm's assets, liabilities, and owners' equity?
A. Net worth
B. The statement of cash flows
C. An annual report
D. The accounting equation
Answer: (SHOW ANSWER)
The accounting equation, Assets = Liabilities + Owners' Equity, defines the relationship between a firm's resources (assets), obligations (liabilities), and owners' residual claims (equity). Option A (net worth) is a derived value, not the equation itself. Option B (statement of cash flows) tracks cash movements, not this relationship. Option C (annual report) is a comprehensive document, not a specific equation. This is a core concept in the Accounting and Finance category.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Accounting Principles, Chapter 1.

NEW QUESTION: 24
The interest rate on short-term loans that large banks charge their commercial borrowers who have excellent credit ratings is called the
A. funds rate
B. market rate
C. discount rate
D. prime rate
Answer: D (LEAVE A REPLY)
The prime rate is the interest rate that large banks charge their most creditworthy commercial borrowers for short-term loans. It serves as a benchmark for other lending rates. Option A (funds rate) refers to the federal funds rate, the rate at which banks lend to each other overnight. Option B (market rate) is a generic term and not specific to this context. Option C (discount rate) is the rate the Federal Reserve charges banks for short-term loans. The prime rate is a key concept in the Accounting and Finance category of the Praxis 5101 exam, as it relates to business financing and credit.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Principles of Finance, Chapter 6.

NEW QUESTION: 25
Which of the following procedures is most likely to improve the efficiency of a company's information- processing system?
A. Standardizing formats
B. Coding documents
C. Setting standards
D. Establishing priorities
Answer: (SHOW ANSWER)
Standardizing formats for data entry, storage, and retrieval streamlines a company's information-processing system, reducing errors and improving efficiency. Option B (coding documents) may help organization but is less impactful than standardization. Option C (setting standards) is vague and overlaps with A but is less specific. Option D (establishing priorities) affects task management, not system efficiency. This question aligns with the Information Technology category, emphasizing system optimization.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Management Information Systems, Chapter 5.

NEW QUESTION: 26
Which of the following statements most accurately describes the partnership form of a business organization?
A. Owners' liability is limited to the amount of their investment in the partnership.
B. Each partner is fully liable for all debts incurred by the partnership.
C. A partnership is more difficult and expensive to start up than a corporation.
D. Owners do not have control of daily decisions unless they are officers of the partnership.
Answer: B (LEAVE A REPLY)
In a general partnership, each partner has unlimited liability, meaning they are fully responsible for all partnership debts, regardless of their investment. Option A describes limited liability, applicable to corporations or limited partnerships. Option C is incorrect, as partnerships are simpler and less costly to start than corporations. Option D is incorrect, as partners typically have control over daily decisions. This question falls under the Entrepreneurship category, focusing on business structures.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Business Law, Chapter 14.

NEW QUESTION: 27
Which of the following file extensions indicates that the data are compressed?
A. .exe

B. .epub
C. .zip
D. .xml
Answer: C (LEAVE A REPLY)
The .zip file extension indicates a compressed file, reducing file size for storage or transfer using formats like ZIP. Option A (.exe) denotes executable programs. Option B (.epub) is for e-books. Option D (.xml) is for structured data, not compression. This question falls under the Information Technology category, focusing on file formats.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Introduction to Business Information Systems, Chapter 6.

NEW QUESTION: 28
Stacey has just received her first paycheck. As a responsible spender, Stacey pays her housing, food, and necessary clothing expenses first. The money that remains after paying those expenses is called
A. disposable income
B. discretionary income
C. supplementary income
D. passive income
Answer: B (LEAVE A REPLY)
Discretionary income is the money remaining after paying for necessities like housing, food, and clothing, available for non-essential spending. Option A (disposable income) is income after taxes, including money for necessities. Option C (supplementary income) is not a standard term. Option D (passive income) is earned without active work, like investments. This question aligns with the Accounting and Finance category, emphasizing personal finance.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Personal Finance, Chapter 3.

NEW QUESTION: 29
Which of the following terms refers to a prescribed code of behavior for communicating over the Internet?
A. Privacy
B. Piracy
C. Hacking
D. Netiquette
Answer: (SHOW ANSWER)
Netiquette refers to the set of informal rules and etiquette governing respectful and appropriate communication on the Internet. Option A (privacy) relates to data protection, not communication behavior.

Option B (piracy) involves illegal copying of software or media. Option C (hacking) refers to unauthorized system access. This question falls under the Information Technology category, focusing on online communication standards.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Information Technology; Introduction to Business Information Systems, Chapter 8.

NEW QUESTION: 30
Which of the following laws establishes the right to form unions?
A. National Labor Relations Act
B. Norris-LaGuardia Act
C. Taft-Hartley Act
D. Fair Labor Standards Act
Answer: A (LEAVE A REPLY)
The National Labor Relations Act (NLRA) of 1935, also known as the Wagner Act, establishes workers' rights to form unions, engage in collective bargaining, and participate in strikes. Option B (Norris-LaGuardia Act) limits injunctions against unions but does not establish the right to form them. Option C (Taft-Hartley Act) regulates union activities but does not grant formation rights. Option D (Fair Labor Standards Act) addresses wages and hours, not unions. This question falls under the Business Law category, focusing on labor law.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Business Law; Business Law: Text and Cases, Chapter 34.

NEW QUESTION: 31
Which of the following is a recommendation statement for a business report?
A. The network is not functioning correctly.
B. All employees should receive formal training on the network.
C. Employees lack the confidence to use the network.
D. Over half of the employees could not complete an evaluation of the network.
Answer: B (LEAVE A REPLY)
A recommendation statement in a business report proposes a specific action to address an issue. Option B ("All employees should receive formal training on the network") suggests a solution, making it a recommendation. Options A, C, and D describe problems or observations without proposing actions. This question falls under the Communication and Career Development category, focusing on effective business reporting.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Communication and Career Development; Business Communication, Chapter 10.

NEW QUESTION: 32
Which of the following is an example of place utility?
A. Arrangements are made for the transfer of title from seller to buyer.
B. Goods or services are available at a convenient location when the consumer wants to buy them.
C. Products requested by the consumer are ordered on demand.
D. A business firm converts raw materials into finished products.
Answer: B (LEAVE A REPLY)
Place utility refers to making goods or services available at convenient locations and times for consumers, enhancing accessibility. Option A (title transfer) relates to ownership utility. Option C (on-demand ordering) aligns with time utility. Option D (converting raw materials) is form utility. This question falls under the Management and Marketing category, emphasizing marketing utilities.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Principles of Marketing, Chapter 1.

NEW QUESTION: 33
Of the following, the factor generally considered to be the most important in determining the success of a typical convenience store is
A. promotional programs
B. store site
C. analysis of distribution
D. pricing analysis
Answer: B (LEAVE A REPLY)
The store site is the most critical factor for a convenience store's success, as location drives customer traffic and accessibility. Option A (promotional programs) is secondary to location. Option C (distribution analysis) and Option D (pricing analysis) are important but less critical than site selection. This question aligns with the Management and Marketing category, emphasizing retail strategy.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Retailing Management, Chapter 7.

NEW QUESTION: 34

Which of the following is a primary purpose of financial markets?

A. Allocating capital efficiently

B. Controlling inflation

C. Increasing the price of common stock

D. Lowering the yield on bonds

Answer: A (LEAVE A REPLY)

Financial markets facilitate the allocation of capital by connecting investors with businesses and governments needing funds, ensuring resources are directed to productive uses. Option B (controlling inflation) is a monetary policy function, primarily handled by central banks. Option C (increasing stock prices) is not a primary purpose, as stock prices fluctuate based on market dynamics. Option D (lowering bond yields) is an outcome of market conditions, not a purpose. This question aligns with the Accounting and Finance category, emphasizing the role of financial systems.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Financial Markets and Institutions, Chapter 1.

NEW QUESTION: 35

Company A is the category leader in the orange juice industry and produces Product A at $3.00 per unit.

Company B is the second category leader in the industry and produces Product B at $2.70 per unit. Because an early frost affected the orange crop, Company A raised the price of Product A to $4.00 per unit. Company B subsequently raised the price of Product B to $3.60 per unit. Which of the following pricing strategies is Company B using for Product B?

A. Pure parity

B. Dynamic parity

C. Premium pricing

D. Discount pricing

Answer: (SHOW ANSWER)

Dynamic parity pricing involves setting prices in response to a competitor's price changes while maintaining a relative price position. Company B raises Product B's price to $3.60 after Company A increases Product A's price to $4.00, keeping Product B's price lower but aligned with the market leader's adjustment. Option A (pure parity) implies matching the competitor's price exactly, which is not the case. Option C(premium pricing) involves setting a higher price for perceived superior value, not applicable here. Option D (discount pricing) involves consistently lower prices, not a reactive adjustment. This question aligns with the Management and Marketing category, focusing on pricing strategies.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Principles of Marketing, Chapter 10.

NEW QUESTION: 36
Which of the following is a line of credit for which a customer pays a commitment fee and is then allowed to use the funds when they are needed?
A. Installment credit
B. Revolving credit
C. Service credit
D. Trade credit
Answer: B (LEAVE A REPLY)
Revolving credit, such as a line of credit, allows customers to borrow funds up to a limit, often with a commitment fee for access, and use them as needed, repaying and borrowing again. Option A (installment credit) involves fixed payments over time, like a car loan. Option C (service credit) is credit for services, like utility bills. Option D (trade credit) is short-term credit between businesses. This question falls under the Accounting and Finance category, focusing on credit types.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Fundamentals of Financial Management, Chapter 16.

NEW QUESTION: 37
Which of the following is a primary characteristic of successful entrepreneurs?
A. Strong desire for isolation
B. Flexible code of ethics
C. Willingness to fail
D. Reluctance to change
Answer: (SHOW ANSWER)
Successful entrepreneurs often exhibit a willingness to fail, viewing setbacks as opportunities to learn and innovate. This resilience drives risk-taking and persistence. Option A (desire for isolation) is incorrect, as entrepreneurs typically collaborate and network. Option B (flexible ethics) is not a positive trait, as integrity is crucial. Option D (reluctance to change) hinders adaptability, a key entrepreneurial quality. This question aligns with the Entrepreneurship category, emphasizing entrepreneurial traits.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Entrepreneurship: Theory, Process, and Practice, Chapter 3.

NEW QUESTION: 38
Karl's Cleaners has been successful in selling spray kitchen cleaners and disinfectants. The company will soon be introducing a new product called Karl's Sponges. Which of the following marketing strategies is Karl' s Cleaners most likely using?
A. Co-branding

B. Brand licensing
C. Brand extension
D. Brand insistence
Answer: C (LEAVE A REPLY)
Brand extension involves introducing a new product (Karl's Sponges) under an existing successful brand (Karl's Cleaners), leveraging brand recognition. Option A (co-branding) involves partnering with another brand. Option B (brand licensing) allows another company to use the brand. Option D (brand insistence) is a consumer behavior, not a strategy. This question falls under the Management and Marketing category, focusing on branding strategies.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Principles of Marketing, Chapter 9.

NEW QUESTION: 39
Which of the following best illustrates a progressive tax system?
A. All taxpayers pay the same percentage of their income in taxes, with those who have higher incomes paying more in taxes.
B. Taxpayers pay taxes based on income brackets, with the percentage of taxes paid on income increasing as the taxpayer moves to a higher bracket.
C. Taxpayers pay a flat percentage tax based on the total value of their real estate holdings.
D. Taxpayers pay a flat percentage tax on sales, so that those who spend more pay more in taxes.
Answer: (SHOW ANSWER)
A progressive tax system imposes higher tax rates on higher income brackets, increasing the percentage of income paid as income rises, as seen in the U.S. federal income tax. Option A describes a proportional (flat) tax, not progressive. Option C (real estate tax) is typically proportional or regressive. Option D (sales tax) is regressive, as it impacts lower incomes more. This question falls under the Economics category, focusing on taxation.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Economics; Public Finance, Chapter 14.

NEW QUESTION: 40
Which of the following is the best method to emphasize the value of customer service within a company?
A. Focusing attention on poor examples of customer service
B. Requiring employees to wear clothing that has the company logo
C. Rewarding examples of excellence in customer service
D. Using interactive activities to acclimate new company employees
Answer: (SHOW ANSWER)

Rewarding excellence in customer service reinforces its value by recognizing and incentivizing positive behavior, fostering a customer-focused culture. Option A (focusing on poor examples) may demoralize staff.
Option B (logo clothing) promotes branding, not service. Option D (interactive activities) is useful for training but less impactful than rewards. This question aligns with the Management and Marketing category, emphasizing customer service strategies.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Management and Marketing; Services Marketing, Chapter 5.

NEW QUESTION: 41
A manager meets with a shift supervisor to discuss the actions of a subordinate. After verifying the supervisor' s statements, the manager asks a few questions to clarify and confirm understanding of the issue. Which of the following types of listening is the manager using?
A. Empathetic
B. Casual
C. Selective
D. Reflective
Answer: (SHOW ANSWER)
Reflective listening involves actively verifying and clarifying information to ensure understanding, as the manager does by asking questions to confirm the supervisor's statements. Option A (empathetic) focuses on understanding emotions, not necessarily clarifying facts. Option B (casual) is informal and lacks focus.
Option C (selective) involves hearing only parts of the message, which is not the case here. This question aligns with the Communication and Career Development category, emphasizing effective listening skills.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Communication and Career Development; Business Communication, Chapter 4.

NEW QUESTION: 42
Which of the following types of statements is referred to as a picture of a company in the future?
A. Closing statement
B. Mission statement
C. Value statement
D. Vision statement
Answer: (SHOW ANSWER)
A vision statement describes a company's future aspirations, providing a long-term picture of what it aims to become. Option A (closing statement) is not a business term in this context. Option B (mission statement) defines the company's purpose and current

operations. Option C (value statement) outlines core beliefs or principles. This question aligns with the Entrepreneurship category, emphasizing strategic planning.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Entrepreneurship; Strategic Management, Chapter 2.

NEW QUESTION: 43
The primary purpose of the income statement of a business is to provide
A. the debt-to-equity ratio of the business on a specific date
B. the financial projections for the business for a specific period of time
C. the financial progress of the business for a specific period of time
D. a listing of accounts receivable and accounts payable on a specific date
Answer: C (LEAVE A REPLY)
The income statement, also known as the profit and loss statement, summarizes a company's revenues, expenses, and profits or losses over a specific period of time. Its primary purpose is to show the financial progress of the business, indicating whether it has made a profit or incurred a loss during that period. Option A (debt-to-equity ratio) is incorrect because this ratio is derived from the balance sheet, not the income statement. Option B (financial projections) refers to forecasts or budgets, not historical performance, which is the focus of the income statement. Option D (accounts receivable and payable) is also related to the balance sheet, not the income statement. The correct answer, C, aligns with the Praxis 5101 content category of Accounting and Finance, which includes understanding financial statements.
Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Accounting and Finance; Horngren's Financial & Managerial Accounting, Chapter 2.

NEW QUESTION: 44
Which of the following is an example of a primary source?
A. Studying a journal article
B. Reading a book
C. Conducting an interview
D. Searching a website
Answer: (SHOW ANSWER)
A primary source provides firsthand information or original data, such as an interview, where the information comes directly from the source. Option A (journal article) is typically a secondary source, as it analyzes or interprets primary data. Option B (book) is usually secondary, unless it is an autobiography or original document. Option D (website) can contain primary or secondary information but is not inherently primary.
Conducting an interview directly gathers original data, making it a primary source. This question aligns with the Communication and Career Development category, emphasizing research and communication skills.

Reference:ETS Praxis Business Education: Content Knowledge (5101) Study Companion, Section on Communication and Career Development; Business Research Methods, Chapter 4.