

# Business Degree Certification Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

SAMPLE

# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## 1. Start with a Diagnostic Review

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## 2. Study in Short, Focused Sessions

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## 3. Learn from the Explanations

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## 4. Track Your Progress

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## 5. Simulate the Real Exam

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## 6. Repeat and Review

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## **Questions**

SAMPLE

- 1. What is the per pound cost of raw materials for Dreamland's "Old Softy" pillows?**
  - A. \$2
  - B. \$3
  - C. \$4
  - D. \$5
- 2. According to Taylor's scientific management theory, what is the primary motivator for workers?**
  - A. Money
  - B. Job security
  - C. Job satisfaction
  - D. Work-life balance
- 3. What is the maturity value of a \$600,000 note payable at 12 percent interest due in 90 days?**
  - A. \$72,000
  - B. \$600,000
  - C. \$618,000
  - D. \$672,000
- 4. Which factor is NOT considered by Fiedler in determining the effectiveness of a task- or relationship-oriented style?**
  - A. Situational favorableness
  - B. Leader-member relations
  - C. Task structure
  - D. Position power
- 5. Which of the following statements about a systems flowchart is true?**
  - A. It defines data in systems design.
  - B. It uses three basic programming constructs.
  - C. It documents processing sequences in an information system.
  - D. It documents the logical design of a system.

**6. What was the income from operations for a company with \$920,000 in sales, fixed costs of \$160,000, and a contribution margin ratio of 30 percent?**

- A. \$276,000
- B. \$484,000
- C. \$116,000
- D. \$644,000

**7. What is one of the primary activities of the World Trade Organization (WTO)?**

- A. Enforcement of the Foreign Corrupt Practices Act
- B. Elimination of all trade barriers between Canada, Mexico, and the U.S.
- C. Stimulating international commerce and resolving trade disputes
- D. Creation of trade alliances

**8. What type of pricing strategy is illustrated by Dreamland selling pillows at a mark-up above total production costs?**

- A. Competitive pricing
- B. Penetration pricing
- C. Cost-plus pricing
- D. Value-based pricing

**9. What financial report provides an overview of a company's revenues and expenses?**

- A. Balance sheet
- B. Statement of cash flows
- C. Income statement
- D. Equity statement

**10. What is the term for the analysis of market structures and firm behavior in the context of price and output decisions?**

- A. Microeconomics
- B. Macroeconomics
- C. International economics
- D. Development economics

## **Answers**

SAMPLE

1. B
2. D
3. C
4. A
5. C
6. C
7. C
8. C
9. C
10. A

SAMPLE

## **Explanations**

SAMPLE

**1. What is the per pound cost of raw materials for Dreamland's "Old Softy" pillows?**

- A. \$2**
- B. \$3**
- C. \$4**
- D. \$5**

To determine the per pound cost of raw materials for Dreamland's "Old Softy" pillows, it is essential to consider the total cost of raw materials and the total weight used in production. The correct answer, \$3, suggests that the company's cost structure is optimized to keep production expenses within a competitive range, which often involves analyzing the prices of various materials and labor. In this scenario, the figure of \$3 may reflect market rates for the materials used in these pillows, factoring in variables such as quality, supplier relationships, and economies of scale. This cost-per-pound metric assists the company in budgeting and pricing its products effectively, enabling them to maintain profit margins while delivering value to customers. Other amounts may not accurately represent the current cost structure for the company; therefore, understanding the composition and sourcing of materials is crucial in deriving the accurate per-pound cost associated with production.

**2. According to Taylor's scientific management theory, what is the primary motivator for workers?**

- A. Money**
- B. Job security**
- C. Job satisfaction**
- D. Work-life balance**

In Taylor's scientific management theory, the primary motivator for workers is money. Taylor proposed that workers are primarily driven by monetary incentives, which he believed could enhance productivity and efficiency. By offering financial rewards for increased output and streamlined workflows, managers can incentivize their employees to focus on specific tasks more diligently. Taylor's approach emphasized the importance of optimizing work processes and establishing standardized methods to achieve higher productivity. While factors such as job security, job satisfaction, and work-life balance can contribute to employee motivation, Taylor argued that the most direct and effective motivator was financial compensation linked to performance. This perspective reflects the belief that economic rewards would lead to increased effort and productivity among workers, ultimately benefiting both the employees and the organization.

**3. What is the maturity value of a \$600,000 note payable at 12 percent interest due in 90 days?**

- A. \$72,000
- B. \$600,000
- C. \$618,000**
- D. \$672,000

To determine the maturity value of the note payable, you need to calculate the interest that will accrue over the 90-day period and then add that interest to the principal amount of the note. First, convert the interest rate from an annual rate to the rate for the 90-day period. The annual interest rate is 12 percent, so for 90 days, which is one-fourth of a year, the calculation for the interest is as follows: 1. Calculate the interest for 90 days:  $\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$  Here: - Principal = \$600,000 - Rate = 12% per year, which can be expressed as 0.12 - Time = 90 days, which is  $\frac{90}{365}$  years (approximately). Plugging in the values:  $\text{Interest} = 600,000 \times 0.12 \times \frac{90}{365}$  2. Simplifying further:  $\text{Interest} = 600,000 \times$

**4. Which factor is NOT considered by Fiedler in determining the effectiveness of a task- or relationship-oriented style?**

- A. Situational favorableness**
- B. Leader-member relations
- C. Task structure
- D. Position power

Fiedler's Contingency Theory posits that the effectiveness of a leader's style is contingent upon specific situational factors. The three core factors he identified for evaluating situational favorableness are leader-member relations, task structure, and position power. When looking at the relationship between these factors and leadership style, leader-member relations refers to the degree of trust, respect, and confidence that subordinates have in their leader. Task structure pertains to the clarity and specificity of the task at hand. Position power relates to the leader's authority to reward or punish. Situational favorableness is a concept that encompasses these factors rather than a specific one that Fiedler uses to evaluate the effectiveness of either task-oriented or relationship-oriented leadership styles. Therefore, it is not a separate factor that Fiedler directly considers; instead, it serves as an overarching concept that is influenced by the interplay of the other three identified factors.

**5. Which of the following statements about a systems flowchart is true?**

- A. It defines data in systems design.**
- B. It uses three basic programming constructs.**
- C. It documents processing sequences in an information system.**
- D. It documents the logical design of a system.**

A systems flowchart is a visual representation that illustrates the flow of data and processes within an information system. It effectively documents processing sequences by showing how inputs are transformed into outputs through various processes and decision points. This allows stakeholders to understand how the system operates, the sequence of operations, and how different components interact. Therefore, it is particularly useful for analyzing and designing systems, as it provides clarity on the workflow. The other statements may address certain aspects of systems design or programming constructs, but they do not accurately capture the primary purpose and utility of a systems flowchart. For example, while defining data and documenting logical designs can be part of broader systems analysis, they are not the main focus of a flowchart in the context of system processes.

**6. What was the income from operations for a company with \$920,000 in sales, fixed costs of \$160,000, and a contribution margin ratio of 30 percent?**

- A. \$276,000**
- B. \$484,000**
- C. \$116,000**
- D. \$644,000**

To determine the income from operations, we start by calculating the contribution margin, which is the amount remaining from sales after variable costs have been deducted. The contribution margin ratio is given as 30 percent, meaning that 30 percent of sales contributes to covering fixed costs and profit. First, we calculate the total contribution margin based on sales: 1. Calculate the contribution margin: Contribution Margin = Sales × Contribution Margin Ratio Contribution Margin =  $\$920,000 \times 0.30$  Contribution Margin = \$276,000 Next, we find the income from operations by subtracting fixed costs from the total contribution margin: 2. Calculate income from operations: Income from Operations = Contribution Margin - Fixed Costs Income from Operations = \$276,000 - \$160,000 Income from Operations = \$116,000 This analysis shows that the income from operations is indeed \$116,000, thus confirming the correctness of the conclusion drawn. The other options would not accurately reflect the income from operations given the specified sales, fixed costs, and contribution margin ratio.

## 7. What is one of the primary activities of the World Trade Organization (WTO)?

- A. Enforcement of the Foreign Corrupt Practices Act**
- B. Elimination of all trade barriers between Canada, Mexico, and the U.S.**
- C. Stimulating international commerce and resolving trade disputes**
- D. Creation of trade alliances**

The primary activity of the World Trade Organization (WTO) is to stimulate international commerce and resolve trade disputes. The WTO facilitates the smooth flow of trade by providing a framework for negotiating trade agreements and a mechanism for settling disputes between member countries. This involves ensuring that trade flows as predictably and freely as possible, reducing tariffs and other trade barriers, and promoting transparency in trade policies. The organization acts as a third party in disputes to help maintain fair competition and adherence to trade agreements, contributing to a more stable and predictable international trading environment. This central role of the WTO is crucial for countries engaging in global trade, as it helps to prevent conflicts arising from trade disagreements and fosters cooperation among nations, ultimately leading to increased economic growth. The other options listed focus on specific aspects of trade regulation or regional agreements but do not encapsulate the broader purpose and operations of the WTO as effectively as the correct choice.

## 8. What type of pricing strategy is illustrated by Dreamland selling pillows at a mark-up above total production costs?

- A. Competitive pricing**
- B. Penetration pricing**
- C. Cost-plus pricing**
- D. Value-based pricing**

Cost-plus pricing is a strategy where a company determines the selling price of a product by adding a specific markup to its total production costs. In the case of Dreamland selling pillows, the company calculates its total costs for producing the pillows and then adds a predetermined percentage or amount as a profit margin to arrive at the final price. This method ensures that all production costs are covered and provides a consistent profit per unit sold. This approach is quite straightforward and helps businesses maintain profitability while ensuring that all incurred costs are accounted for in the price structure. It's important to note that while other strategies focus on market conditions or perceived value, cost-plus pricing is primarily cost-centric, making it distinct from competitive pricing, penetration pricing, and value-based pricing.

**9. What financial report provides an overview of a company's revenues and expenses?**

- A. Balance sheet**
- B. Statement of cash flows**
- C. Income statement**
- D. Equity statement**

The income statement is designed to provide a detailed overview of a company's revenues and expenses over a specific period. This report fundamentally represents the company's profitability by summarizing its income earned from sales and services (revenues) against the costs and expenses incurred in generating that income. The income statement typically includes key metrics such as gross profit, operating income, and net income. By presenting these figures, it helps stakeholders assess the company's operational efficiency, profitability trends over time, and overall financial performance. The income statement is often referred to in conjunction with the balance sheet and statement of cash flows, as it provides critical insights necessary for comprehensive financial analysis. In contrast, the balance sheet offers a snapshot of a company's assets, liabilities, and equity at a given point in time, while the statement of cash flows focuses on the inflows and outflows of cash, highlighting liquidity rather than profitability. The equity statement, on the other hand, outlines changes in owner equity during a reporting period but does not detail revenues and expenses. Thus, the income statement is the key financial report that specifically addresses the relationship between revenues and expenses.

**10. What is the term for the analysis of market structures and firm behavior in the context of price and output decisions?**

- A. Microeconomics**
- B. Macroeconomics**
- C. International economics**
- D. Development economics**

The term that describes the analysis of market structures and firm behavior concerning price and output decisions is microeconomics. Microeconomics focuses specifically on the actions of individuals and firms, examining how they make choices regarding resource allocation, production, and consumption. It looks at how these decisions impact supply and demand within specific markets. In contrast, macroeconomics deals with the overall economy and large-scale economic factors, such as national income, inflation, and unemployment, rather than individual market behavior. International economics further extends the discussion to trade and financial flows between countries, while development economics focuses on economic growth and practices in developing countries. Therefore, microeconomics encapsulates the analysis directly related to markets and pricing strategies, making it the appropriate choice in this context.

# Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://businessdegreecertification.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

**SAMPLE**