Business Practices and Ethics Practice Test (Sample)

Study Guide

BY EXAMZIFY

Everything you need from our exam experts!

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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

1. **For SPP, the applicable international standards include which?**
   A. IVS - International Valuation Standards
   B. USPAP
   C. GAAP
   D. IFRS

2. **How should organizations address bias and fairness in artificial intelligence systems?**
   A. Remove all human oversight from AI systems to avoid bias.
   B. Limit data sources to a single vendor to ensure consistency.
   C. Use diverse data, test for bias, explainability, governance, and ongoing monitoring; ensure accountability for AI decisions.
   D. Disregard bias once models are deployed.

3. **How does leadership tone at the top influence corporate ethics?**
   A. It focuses on short-term profits.
   B. It has no effect on ethics.
   C. It sets expectations, models behavior, and drives culture.
   D. It complicates governance.

4. **As of the date of this report, who is expected to have completed the continuing education program for Designated Members?**
   A. Designated Members
   B. Candidates for Designation
   C. Practicing Affiliates
   D. All Members

5. **Which statement best describes the relationship between GAAP and IFRS in financial reporting ethics?**
   A. They set identical measurement rules and disclosure requirements.
   B. They set different measurement rules and disclosure requirements.
   C. They have no ethical implications in estimates and judgments.
   D. They do not require fair presentation.

6. Which designations are initialisms?

A. MAI and SRA

B. AI-GRS and AI-RRS are initialisms

C. All designations

D. None

7. Which designations were added in 2014?

A. AI-GRS and AI-RRS

B. MAI and SRA

C. AI-PRS and AI-RSS

D. AI-GRS and AI-FRS

8. Certification Standards - additional statements are required for what types of reports?

A. All written appraisal and appraisal review reports

B. Market analysis reports

C. Oral appraisal opinions

D. Internal memos

9. Jack is an Appraisal Institute Practicing Affiliate who practices in the United States. What would make him subject to IVS?

A. Practicing outside the US

B. Membership alone

C. An agreement with the client to comply with IVS

D. A specific designation

10. Which GDPR principle addresses retaining personal data only as long as necessary?

A. Accuracy

B. Accountability

C. Storage limitation

D. Integrity and confidentiality

Answers

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

Explanations

1. For SPP, the applicable international standards include which?

A. IVS - International Valuation Standards

B. USPAP

C. GAAP

D. IFRS

In valuation practice, the internationally recognized framework is the International Valuation Standards (IVS). IVS, issued by the International Valuation Standards Council, provides global guidance on how values are defined, which valuation approaches to use, how to conduct analyses, and how to report results. This makes IVS the appropriate standard for SPP when aiming for consistent, credible valuations across jurisdictions. US-specific USPAP isn't international and focuses on appraisal practice within the United States. GAAP and IFRS are financial reporting frameworks; they govern how financial information is prepared and presented, and while they touch on valuation concepts in certain measurements, they are not standalone international valuation standards.

2. How should organizations address bias and fairness in artificial intelligence systems?

A. Remove all human oversight from AI systems to avoid bias.

B. Limit data sources to a single vendor to ensure consistency.

C. Use diverse data, test for bias, explainability, governance, and ongoing monitoring; ensure accountability for AI decisions.

D. Disregard bias once models are deployed.

Addressing bias and fairness in AI requires ongoing governance: use diverse data, test for bias across groups, prioritize explainability so decisions can be understood and challenged, establish governance and policies, and maintain continuous monitoring with clear accountability for AI decisions. This approach helps prevent biased outcomes, reveals how models arrive at conclusions, and ensures there are people responsible for addressing issues as contexts evolve. Why the other approaches don't fit: removing human oversight removes critical checks and balances that catch ethical and fairness issues; limiting data to a single vendor narrows representativeness and can embed vendor-specific biases; and disregarding bias after deployment leaves unfair impacts unaddressed and accountability unresolved.

3. How does leadership tone at the top influence corporate ethics?

A. It focuses on short-term profits.

B. It has no effect on ethics.

C. It sets expectations, models behavior, and drives culture.

D. It complicates governance.

The key idea is that leadership tone at the top shapes how ethics are practiced throughout the organization. When leaders consistently demonstrate integrity through their actions, decisions, and how they respond to problems, they establish clear expectations about conduct. Employees take these cues and mirror them in their own behavior, making ethical norms part of everyday decisions rather than afterthoughts. This tone also influences risk tolerance and accountability. If leaders publicly value ethics and hold themselves and others to the same standards, ethical considerations become embedded in performance metrics, hiring, promotions, and how concerns or misconduct are addressed. Over time, that creates an ethical culture where doing what's right is seen as the normal course of action, even when short-term gains tempt otherwise. If ethics seem secondary to profits, or if there's a belief that ethics are optional or peripheral, the organization will struggle to sustain ethical behavior. Saying there's no effect ignores the strong influence leaders have on culture, and claiming it only adds governance complexity misses that tone at the top is a primary driver of how governance actually plays out in practice.

4. As of the date of this report, who is expected to have completed the continuing education program for Designated Members?

A. Designated Members

B. Candidates for Designation

C. Practicing Affiliates

D. All Members

The continuing education requirement is linked to maintaining the professional designation. The phrase "for Designated Members" specifies the group that must meet this requirement. Therefore, as of the report date, those who already hold the designation—Designated Members—are expected to have completed the program. Candidates for designation aren't yet designated and typically aren't required to have finished the designation-specific education, and Practicing Affiliates or all Members aren't the target audience for this maintenance requirement.

5. Which statement best describes the relationship between GAAP and IFRS in financial reporting ethics?

A. They set identical measurement rules and disclosure requirements.

B. They set different measurement rules and disclosure requirements.

C. They have no ethical implications in estimates and judgments.

D. They do not require fair presentation.

The main idea here is that GAAP and IFRS are two separate sets of accounting standards developed by different bodies, so they do not impose identical measurement rules or disclosure requirements. This matters ethically because judgments about when to recognize, measure, or disclose items—such as estimates, impairment, or other sensitive areas—must follow the specific framework in use. Different measurement bases and disclosure rules can lead to different reported amounts, so professionals have an ethical obligation to apply the correct framework and to be transparent about the basis and judgments used, ensuring fairness and comparability for users. GAAP is the system used primarily in the United States, while IFRS is used in many other parts of the world; they converge in some areas but still differ in many important aspects. That makes the statement that they set different measurement rules and disclosure requirements the best description of their relationship. The ideas that there are no ethical implications or that fair presentation isn't required aren't accurate, and the claim that they're identical in rules is also incorrect.

6. Which designations are initialisms?

A. MAI and SRA

B. AI-GRS and AI-RRS are initialisms

C. All designations

D. None

Initialisms are abbreviations built from the initial letters of a series of words and are spoken letter by letter rather than as a single spoken word. In the given designations, AI-GRS and AI-RRS are written in a way that invites saying each letter individually (A I G R S and A I R R S). That makes them clearly initialisms. The other options would only be initialisms if you consistently pronounce each letter, and without that convention, they might be read as acronyms or as ordinary words. Since the statement focuses on the ones that are read as individual letters, those two clearly fit the initialism pattern, while the others do not by default.

7. Which designations were added in 2014?

A. AI-GRS and AI-RRS

B. MAI and SRA

C. AI-PRS and AI-RSS

D. AI-GRS and AI-FRS

New credentials are added when a field expands its scope to cover new responsibilities. In 2014, the two designations introduced were AI-GRS and AI-RRS, reflecting an update to recognize specialized work in governance/risks and related assurance areas. This makes that pairing the best answer because it aligns with the historic update from that year. The other options list designations that were not introduced in 2014, so they don't match the timing of the change.

8. Certification Standards - additional statements are required for what types of reports?

A. All written appraisal and appraisal review reports

B. Market analysis reports

C. Oral appraisal opinions

D. Internal memos

In appraisal practice, the certification statements are tied to formal written work. The extra statements are required specifically in all written appraisal and appraisal review reports to confirm the appraiser's adherence to standards, disclose the scope of the assignment, and address independence and any limiting conditions. This ensures that users understand the basis and reliability of the value conclusion. Market analysis reports, oral appraisal opinions, and internal memos are not formal written appraisal or appraisal review reports, so they do not carry these certification statements.

9. Jack is an Appraisal Institute Practicing Affiliate who practices in the United States. What would make him subject to IVS?

A. Practicing outside the US

B. Membership alone

C. An agreement with the client to comply with IVS

D. A specific designation

IVS applicability is driven by the terms of the engagement with the client. If the client agrees that the valuation work will be performed in accordance with IVS, then the appraiser is obliged to follow IVS. Merely practicing in the United States, holding a membership, or having a designation does not automatically impose IVS; those factors don't create the standard under which the assignment must be performed. The contract or engagement letter that specifies IVS as the applicable standard is what triggers compliance.

10. Which GDPR principle addresses retaining personal data only as long as necessary?

A. Accuracy

B. Accountability

C. Storage limitation

D. Integrity and confidentiality

The main idea is that personal data should not be kept longer than necessary for the purpose it was collected. The storage limitation principle requires organizations to define how long data is kept, regularly review its necessity, and delete or anonymize data when it's no longer needed. This helps reduce risk, protect privacy, and ensure data isn't retained simply because it's convenient. Other principles focus on different aspects: accuracy is about keeping data correct and up to date; accountability means organizations must show they follow the rules and take responsibility for compliance; integrity and confidentiality address protecting data from unauthorized access and maintaining its security. While important, they don't specifically address how long data can be retained, which is why storage limitation is the best answer.

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.

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

https://businesspracticesethics.examzify.com

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