

# Florida Business and Finance Practice Exam (Sample)

## Study Guide



**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

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- 1. Which document outlines shareholder rights and responsibilities in Florida corporations?**
  - A. Corporate bylaws**
  - B. Shareholder agreement**
  - C. Articles of incorporation**
  - D. Operating agreement**
  
- 2. What must all businesses with employees in Florida obtain?**
  - A. State business license**
  - B. Employer Identification Number (EIN)**
  - C. Invoice template**
  - D. Sales tax permit**
  
- 3. In Florida's Workers' Compensation Act, how many full or part-time employees triggers coverage for an employer?**
  - A. 1 employee**
  - B. 2 employees**
  - C. 3 employees**
  - D. 4 employees**
  
- 4. How many days before the end of a licensure cycle must the department forward notice of pending cancellation?**
  - A. 15 days**
  - B. 30 days**
  - C. 60 days**
  - D. 90 days**
  
- 5. What is the primary role of accounts receivable in a business?**
  - A. To track the cash expenses of a company**
  - B. To manage products sold on credit**
  - C. To calculate depreciation**
  - D. To report operational costs**

- 6. Which type of employer is required to maintain OSHA records?**
- A. Individuals with no employees**
  - B. Self-employed persons with one or more employees**
  - C. Employers of household workers**
  - D. Religious establishments**
- 7. Under Florida's Whistleblower Act, what right does an employee have?**
- A. To demand higher wages**
  - B. To report unethical practices without retaliation**
  - C. To refuse company training programs**
  - D. To secure employment in other states**
- 8. What is a 'Non-Profit Corporation'?**
- A. A corporation organized for generating profit for owners**
  - B. A corporation organized for charitable purposes**
  - C. A corporation that operates without any shareholders**
  - D. A corporation organized for purposes other than generating profit for owners**
- 9. Which of the following wages is exempt from Federal Unemployment tax?**
- A. Wages paid to an employee of a partnership who is tax exempt**
  - B. Wages paid to a beneficiary or estate during the same calendar year of the worker's death**
  - C. Severance or dismissal pay**
  - D. Wages paid to a child under the age of 21 employed by parent**
- 10. What type of insurance is typically required for Florida businesses with employees?**
- A. General liability insurance**
  - B. Worker's compensation insurance**
  - C. Health insurance**
  - D. Property insurance**

## **Answers**

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

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## **Explanations**

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**1. Which document outlines shareholder rights and responsibilities in Florida corporations?**

- A. Corporate bylaws**
- B. Shareholder agreement**
- C. Articles of incorporation**
- D. Operating agreement**

The correct answer is corporate bylaws. In Florida corporations, corporate bylaws serve as the internal governing document that outlines the rights, responsibilities, and procedural rules for shareholders as well as the board of directors and officers. They provide detailed information on various aspects such as voting procedures, meetings, and the management structure of the corporation. Bylaws are essential because they help establish how corporate governance will function, including how decisions are made and how conflicts are resolved. They serve as a foundational document that supports the overall operations and compliance of the corporation with both state laws and the corporation's articles of incorporation. Other options have their specific purposes but do not serve as the primary document for outlining shareholder rights and responsibilities. A shareholder agreement typically deals with the relationship among shareholders and may include terms that cover buy-sell agreements or shareholder voting rights. Articles of incorporation primarily establish the corporation's existence and include basic information such as the company name, purpose, and stock details, but they do not delve into operational governance and shareholder responsibilities. An operating agreement is specific to LLCs and outlines the management structure and operational procedures for those entities, making it irrelevant for corporations.

**2. What must all businesses with employees in Florida obtain?**

- A. State business license**
- B. Employer Identification Number (EIN)**
- C. Invoice template**
- D. Sales tax permit**

All businesses with employees in Florida are required to obtain an Employer Identification Number (EIN). The EIN serves as a unique identifier for the business in all federal tax-related matters and is essential for various functions, including filing taxes, reporting employee wages, and managing social security withholdings. Having an EIN is critical for compliance with both federal and state regulations. It is typically necessary before hiring employees, enabling businesses to accurately handle payroll taxes and other employee-related responsibilities. While a state business license and sales tax permit are important for certain types of businesses in Florida, they do not specifically pertain to the employment aspect. An invoice template is also not a requirement for businesses with employees but rather a tool for sales transactions. Thus, the necessity of the Employer Identification Number makes it the correct choice in this context.

**3. In Florida's Workers' Compensation Act, how many full or part-time employees triggers coverage for an employer?**

- A. 1 employee**
- B. 2 employees**
- C. 3 employees**
- D. 4 employees**

Under Florida's Workers' Compensation Act, coverage is triggered when an employer has just one employee, whether full-time or part-time. This threshold reflects the state's approach to ensuring that even small businesses are held accountable for providing a safe working environment and are responsible for the welfare of their employees. The requirement aims to protect all workers from job-related injuries and illness, no matter the size of the employer. Therefore, having a single employee is enough to mandate compliance with the workers' compensation provisions, thereby ensuring that employee rights are safeguarded right from the start.

**4. How many days before the end of a licensure cycle must the department forward notice of pending cancellation?**

- A. 15 days**
- B. 30 days**
- C. 60 days**
- D. 90 days**

The correct answer is 90 days because, under Florida law, the department is required to send a notice of pending cancellation of a license at least 90 days before the end of the licensure cycle. This advance notification serves a critical purpose: it allows the licensee ample time to address any issues or deficiencies that may exist and to take necessary actions to avoid cancellation. By providing this 90-day window, the department ensures that licensees are aware of their licensure status well in advance, maintaining transparency and facilitating compliance with relevant regulatory requirements. This practice not only serves the interests of the regulatory body in managing licenses effectively but also protects the licensees by giving them a reasonable opportunity to rectify any situations that could lead to cancellation. Consequently, understanding this timeline is essential for anyone operating in Florida's business and finance sector to ensure continuous compliance and avoid disruptions in their professional activities.

**5. What is the primary role of accounts receivable in a business?**

- A. To track the cash expenses of a company**
- B. To manage products sold on credit**
- C. To calculate depreciation**
- D. To report operational costs**

The primary role of accounts receivable in a business is to manage products sold on credit. Accounts receivable represents the money that is owed to a company by its customers for goods or services that have been delivered but not yet paid for. When a business sells products on credit, it allows customers to buy now and pay later, thereby facilitating sales and potentially increasing revenue. This keeps track of outstanding invoices and the amounts due from customers, which is essential for cash flow management. Effective management of accounts receivable ensures that the company can forecast its cash flow effectively, maintain operations, and make informed business decisions. While tracking cash expenses, calculating depreciation, and reporting operational costs are important aspects of financial management, they do not directly relate to the primary function of accounts receivable, which focuses specifically on credit sales and managing customer payments.

**6. Which type of employer is required to maintain OSHA records?**

- A. Individuals with no employees**
- B. Self-employed persons with one or more employees**
- C. Employers of household workers**
- D. Religious establishments**

Employers are required to maintain OSHA (Occupational Safety and Health Administration) records if they have one or more employees. This requirement aims to ensure that workplace safety standards are tracked and monitored effectively, allowing for the identification of safety hazards and contributing to safer work environments. By being responsible for maintaining OSHA records, employers can document workplace injuries and illnesses, which is essential for compliance with safety regulations. This also helps to track trends in workplace safety and implement necessary improvements. Self-employed individuals are not typically required to maintain OSHA records unless they have employees, while individuals with no employees do not meet the threshold for this requirement. Employers of household workers generally are not considered businesses under OSHA regulations, and religious establishments have specific exemptions when it comes to certain compliance mandates. Therefore, the obligation to maintain OSHA records is rightly aligned with those who have one or more employees, emphasizing the critical role of these employers in ensuring workplace safety.

**7. Under Florida's Whistleblower Act, what right does an employee have?**

- A. To demand higher wages**
- B. To report unethical practices without retaliation**
- C. To refuse company training programs**
- D. To secure employment in other states**

The Florida Whistleblower Act is designed to protect employees who report unethical practices or violations of laws, rules, or regulations within their organization. This law ensures that when employees disclose such information in good faith, they cannot face retaliation from their employer. This might include being fired, demoted, or experiencing other negative employment actions as a result of their whistleblowing. By providing this protection, the Act encourages transparency and accountability in workplaces, thereby promoting a culture where unethical or illegal actions can be reported without fear of adverse consequences. This serves both the interests of the workforce and the public by enabling the reporting of activities that could harm individuals or violate laws. Other options presented do not relate to the protections offered by the Whistleblower Act; for instance, demanding higher wages or securing employment in other states are not rights conferred by this legislation. Refusing company training programs doesn't relate directly to whistleblowing activities either. The core focus of this law is about safeguarding employees who expose wrongdoing in their workplace.

**8. What is a 'Non-Profit Corporation'?**

- A. A corporation organized for generating profit for owners**
- B. A corporation organized for charitable purposes**
- C. A corporation that operates without any shareholders**
- D. A corporation organized for purposes other than generating profit for owners**

A 'Non-Profit Corporation' is primarily defined by its purpose, which is to operate for objectives other than generating profit for its owners. This means that any income the organization generates is typically reinvested back into the mission of the organization rather than distributed to shareholders or owners. Non-profit corporations engage in various activities that can range from providing social services, educational programs, to advocacy for community causes, thus serving the public interest. While some features of non-profit corporations may coincide with other choices—such as being organized for charitable purposes or operating without shareholders—those aspects alone do not encapsulate the full essence of what defines a non-profit corporation. The key element is the non-distribution constraint, which aligns with the broader definition that emphasizes the intent behind its formation and operation. Non-profits may have members or a board of directors, but they do not operate for the financial gain of individuals. This distinction is crucial in differentiating them from for-profit corporations, which are inherently structured to prioritize financial returns to shareholders.

**9. Which of the following wages is exempt from Federal Unemployment tax?**

- A. Wages paid to an employee of a partnership who is tax exempt**
- B. Wages paid to a beneficiary or estate during the same calendar year of the worker's death**
- C. Severance or dismissal pay**
- D. Wages paid to a child under the age of 21 employed by parent**

Wages paid to a child under the age of 21 employed by a parent are exempt from Federal Unemployment Tax. This exemption exists because the Federal Unemployment Tax Act (FUTA) does not impose unemployment taxes on the wages earned by children under 21 working for their parents in a family business. This reflects a policy designed to alleviate some financial burdens for families, recognizing the unique employment dynamic in family-run enterprises. Other options would not qualify for the same exemption under FUTA. For instance, wages paid to tax-exempt employees or to beneficiaries of an estate typically involve different legal and taxation contexts that do not negate the requirement of unemployment tax. Severance or dismissal pay is usually considered taxable income and would also be subject to FUTA. The specific exemption for wages paid to child employees under 21 employed by their parents distinguishes this scenario and underlines the favorable treatment given to family employment situations under the tax code.

**10. What type of insurance is typically required for Florida businesses with employees?**

- A. General liability insurance**
- B. Worker's compensation insurance**
- C. Health insurance**
- D. Property insurance**

In Florida, businesses that have employees are typically required to carry worker's compensation insurance. This type of insurance provides financial support to employees who are injured or become ill as a result of their job. It covers medical expenses, rehabilitation costs, and even lost wages if the employee cannot work due to their injury or illness. The requirement for worker's compensation insurance stems from state laws, which aim to protect the workforce while also providing legal protections for employers against lawsuits related to workplace injuries. By having this insurance, businesses can ensure they meet their legal obligations and support the well-being of their employees. Other types of insurance, such as general liability insurance, health insurance, and property insurance, while important for various aspects of business operations and risk management, do not fulfill the specific legal requirement for providing coverage to injured employees. General liability insurance is focused on protecting a business from claims of bodily injury or property damage, health insurance relates to employee benefits for medical care, and property insurance covers physical assets like buildings and equipment. However, none of these replace the necessity for worker's compensation insurance in the context of employee-related incidents.

## 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://floridabusinessfinance.examzify.com>**

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

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