

International Baccalaureate (IB) 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 of the following statements about life insurance is true?

- A. Term life insurance should be avoided because the policy will expire and it has no savings plan built into it.
- B. Cash value insurance is normally for life and is more expensive than term life insurance because it funds a savings plan.
- C. There is no difference between term and cash value life insurance.
- D. You will always need life insurance.

2. Which of the following statements about educational pathways is false?

- A. Students seeking specific skills can find free or low-cost certifications online.
- B. All high-paying careers require a four-year college degree.
- C. An associate's degree can offer specialized training.
- D. On-the-job training often includes hands-on activities and classroom training.

3. Under the FCRA, can any person check a person's credit information without a legitimate need?

- A. True.
- B. False.

4. What term describes a strategy used by sellers to convince consumers they are getting more value?

- A. Product differentiation
- B. Brand positioning
- C. Value proposition
- D. Market segmentation

5. Which of the following is not considered a factor in determining a FICO score?

- A. Getting a personal loan from a bank
- B. Using credit cards
- C. Taking out a mortgage on a house
- D. Paying cash for all purchases

- 6. What is a false statement regarding student employment and academic performance?**
- A. Research shows that students who work up to 20 hours a week have the highest grade point averages.
 - B. On-campus jobs may pay you directly or pay toward your tuition bill.
 - C. Students rarely drop out of college due to financial trouble.
 - D. Research shows that working more than 20 hours a week may affect your grades negatively.
- 7. What does it mean to "pay yourself first" in budgeting?**
- A. Paying your bills before saving.
 - B. Setting aside savings before spending on other expenses.
 - C. Prioritizing entertainment in your budget.
 - D. Buying luxury items first.
- 8. In the context of insurance, what does "premium" refer to?**
- A. The amount paid for coverage
 - B. The amount of coverage provided
 - C. The amount that must be paid before benefits are used
 - D. The total of benefits received
- 9. Which of the following is not a benefit of having a will?**
- A. A will enables you to nominate the persons who will handle your estate or serve as guardians to your children.
 - B. Your will can be an expression of your personal values.
 - C. A well-drafted will can allow your family to minimize death taxes and costs.
 - D. You only need a will if you have a large estate.
- 10. Why is having a fully funded emergency fund so important when it comes to your financial well-being?**
- A. The purpose of an emergency fund is to set money aside for unexpected financial emergencies and to provide a sense of financial security.
 - B. As long as you have a good-paying job, you really don't need an emergency fund.
 - C. The purpose of an emergency fund is to have money set aside for large purchases, like vacations.
 - D. None of the above

Answers

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

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Explanations

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1. Which of the following statements about life insurance is true?

- A. Term life insurance should be avoided because the policy will expire and it has no savings plan built into it.
- B. Cash value insurance is normally for life and is more expensive than term life insurance because it funds a savings plan.**
- C. There is no difference between term and cash value life insurance.
- D. You will always need life insurance.

The statement about cash value insurance being normally for life and more expensive than term life insurance because it funds a savings plan is accurate. Cash value insurance, such as whole life or universal life insurance, combines a life insurance policy with a savings component that builds cash value over time. This dual benefit makes cash value insurance more expensive than term life insurance, which only provides death benefits without accumulating cash value. Term life insurance, on the other hand, is intended for a specific period and is generally less costly because it does not include a savings component. While term life insurance can provide financial protection during specific life stages or needs, it ultimately expires with no payout if the policyholder survives the term. The nuances between term and cash value insurance highlight the importance of understanding one's financial needs and goals when choosing a life insurance policy.

2. Which of the following statements about educational pathways is false?

- A. Students seeking specific skills can find free or low-cost certifications online.
- B. All high-paying careers require a four-year college degree.**
- C. An associate's degree can offer specialized training.
- D. On-the-job training often includes hands-on activities and classroom training.

The statement regarding all high-paying careers requiring a four-year college degree is false because numerous high-paying jobs do not necessitate a traditional four-year college education. Fields such as information technology, skilled trades, and certain healthcare professions can offer lucrative salaries with alternatives such as associate degrees, vocational training, or certifications. Many successful individuals have pursued pathways that do not involve a bachelor's degree, such as completing trade school or obtaining industry certifications, and have found lucrative employment opportunities. This highlights the diversity in educational pathways available in today's job market.

3. Under the FCRA, can any person check a person's credit information without a legitimate need?

- A. True.
- B. False.**

Under the Fair Credit Reporting Act (FCRA), access to an individual's credit information requires a legitimate purpose. This regulation is designed to protect the privacy of consumers and ensures that credit information is used only for specific and authorized purposes, such as applying for credit, employment screenings, or renting housing. Therefore, without a legitimate need, it is prohibited for any individual or entity to access another person's credit information. This framework establishes safeguards to prevent misuse and unauthorized access to sensitive financial data, aligning with consumer protection principles.

4. What term describes a strategy used by sellers to convince consumers they are getting more value?

- A. Product differentiation
- B. Brand positioning
- C. Value proposition**
- D. Market segmentation

The term that describes a strategy used by sellers to convince consumers they are getting more value is value proposition. This concept refers to the promise of value to be delivered to the customer. It communicates why a consumer should choose a product or service over others, highlighting the benefits and value that the offering provides. It essentially positions the product as a solution to the customer's needs or problems, making it more appealing. In contrast, product differentiation focuses on distinguishing a product from its competitors by emphasizing unique features, while brand positioning involves defining how a brand is perceived in the marketplace relative to its competitors. Market segmentation refers to the practice of dividing a broad consumer or business market into smaller sub-groups based on shared characteristics, allowing for more targeted marketing strategies. Each of these concepts supports the overarching goal of providing value, but the specific term for the strategy aimed directly at conveying that value to consumers is indeed value proposition.

5. Which of the following is not considered a factor in determining a FICO score?

- A. Getting a personal loan from a bank
- B. Using credit cards
- C. Taking out a mortgage on a house
- D. Paying cash for all purchases**

A FICO score is primarily calculated based on an individual's credit history and behavior, which includes factors like payment history, credit utilization, length of credit history, types of credit in use, and recent credit inquiries. Paying cash for all purchases does not contribute to establishing or maintaining credit because it does not involve borrowing or repaying debt. Consequently, it is not factored into a FICO score. In contrast, getting a personal loan, using credit cards, and taking out a mortgage all involve credit transactions that affect the FICO score. These activities show how an individual manages debt, which is critical for lenders in evaluating creditworthiness. By only paying cash, an individual may not build a credit history, which can limit their overall credit score potential.

6. What is a false statement regarding student employment and academic performance?

- A. Research shows that students who work up to 20 hours a week have the highest grade point averages.
- B. On-campus jobs may pay you directly or pay toward your tuition bill.
- C. Students rarely drop out of college due to financial trouble.**
- D. Research shows that working more than 20 hours a week may affect your grades negatively.

The statement regarding the rarity of students dropping out of college due to financial trouble is a false assertion. In reality, financial difficulties are one of the leading reasons that students leave college. Many students face various financial pressures, such as tuition fees, living expenses, and the cost of educational materials, which can significantly impact their ability to continue their studies. On the other hand, the other statements reflect common research findings and observations about student employment. Studies indicate that working up to 20 hours per week can be beneficial for students, potentially enhancing their time management skills and contributing positively to their academic performance. Jobs on campus often offer flexible hours and can provide direct financial benefits by either compensating students directly or helping to cover tuition fees, making them valuable for balancing work and school. Additionally, research has shown that excessive working hours, specifically beyond 20 hours a week, can lead to a decline in academic performance due to the increased stress and time constraints imposed on the students.

7. What does it mean to "pay yourself first" in budgeting?

- A. Paying your bills before saving.
- B. Setting aside savings before spending on other expenses.**
- C. Prioritizing entertainment in your budget.
- D. Buying luxury items first.

The concept of "paying yourself first" in budgeting emphasizes the importance of prioritizing savings over other expenditures. By setting aside a portion of your income for savings before addressing any other expenses, you ensure that you are building a financial cushion or achieving specific financial goals, such as saving for retirement or an emergency fund. This method instills discipline in financial planning, making it less likely that individuals will spend their available funds unwisely. Other options reflect different financial strategies or priorities. Paying bills before saving may lead to less money available for savings after essential expenses are covered, which does not align with the principle of ensuring savings are secured first. Prioritizing entertainment or purchasing luxury items before considering savings can lead to financial instability or lack of preparedness for future needs. Therefore, the correct approach of saving first directly supports long-term financial health and security.

8. In the context of insurance, what does "premium" refer to?

- A. The amount paid for coverage**
- B. The amount of coverage provided
- C. The amount that must be paid before benefits are used
- D. The total of benefits received

In the context of insurance, the term "premium" specifically refers to the amount paid for coverage. This is the regular payment that an individual or business makes to maintain an insurance policy, ensuring that they receive the protection offered by that policy. The premium is a critical component of insurance contracts, as it is essentially the cost of securing financial coverage for potential risks, such as accidents, illnesses, or property damage. By paying this amount, policyholders are granted access to the benefits associated with their insurance, which can be utilized when claims arise. In contrast, other options refer to different aspects of insurance: the amount of coverage provided pertains to the limits of the protection offered; the amount that must be paid before benefits are used describes the deductible; and the total of benefits received pertains to the payout from the insurance company after a claim. Understanding the role of the premium in insurance is essential for individuals engaging with these financial products, as it directly influences the level of risk they are willing to cover.

9. Which of the following is not a benefit of having a will?

- A. A will enables you to nominate the persons who will handle your estate or serve as guardians to your children.
- B. Your will can be an expression of your personal values.
- C. A well-drafted will can allow your family to minimize death taxes and costs.
- D. You only need a will if you have a large estate.**

Having a will is beneficial regardless of the size of one's estate, as it serves several crucial purposes beyond simply managing assets. The primary benefit of a will is that it allows individuals to specify who will oversee the distribution of their possessions and care for any dependents, ensuring that their preferences are honored after their passing. This includes the ability to nominate guardians for minor children, thus providing clarity and security for their future. Additionally, a will can embody personal values and intentions, reflecting the individual's wishes about how their legacy should be handled. Furthermore, a well-structured will can help streamline the probate process, potentially reducing legal expenses, including death taxes, and alleviating the burden on surviving family members. In contrast, the notion that a will is only necessary for those with large estates is misleading. All individuals, regardless of the value of their assets, benefit from having a will to ensure their wishes are followed and to simplify the legal processes involved after their death.

10. Why is having a fully funded emergency fund so important when it comes to your financial well-being?

- A. The purpose of an emergency fund is to set money aside for unexpected financial emergencies and to provide a sense of financial security.**
- B. As long as you have a good-paying job, you really don't need an emergency fund.**
- C. The purpose of an emergency fund is to have money set aside for large purchases, like vacations.**
- D. None of the above**

Having a fully funded emergency fund is crucial for financial well-being because it serves to prepare for unforeseen circumstances that can disrupt your financial stability. An emergency fund provides a safety net during unexpected challenges such as job loss, medical emergencies, car repairs, or urgent home repairs. This financial cushion allows individuals to navigate these situations without resorting to high-interest debt or compromising their regular expenses. Establishing an emergency fund fosters a sense of financial security, as it minimizes anxiety related to financial emergencies and gives one the confidence to handle unexpected situations effectively. It acts as a first line of defense against economic shocks, ensuring that individuals can cover their essential living expenses and maintain their standard of living during periods of instability. In contrast to the idea of relying solely on steady employment or using savings for planned purchases, a dedicated emergency fund is specifically designed to mitigate the impact of unexpected financial burdens.

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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://internationalbaccalaureate.examzify.com>

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

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