

# Pivot Point Business 103 Practice Test (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. What is the best form of advertising?**
  - A. Television**
  - B. Billboards**
  - C. Pamphlets**
  - D. Word-of-mouth**
  
- 2. U.S. Social Security and Canadian Pension taxes are planned savings/retirement funds, and the money is collected by the:**
  - A. City council**
  - B. State government**
  - C. County government**
  - D. U.S. and Canadian governments**
  
- 3. During a job interview it is very important to:**
  - A. Tell a lot of stories**
  - B. Stay calm and be yourself**
  - C. Stretch the truth if necessary**
  - D. Tell the interviewer whatever you think he or she wants to hear**
  
- 4. Which buyer type is described as price-conscious and seeking discounts?**
  - A. Ready**
  - B. Bargain**
  - C. Logical**
  - D. Stubborn**
  
- 5. The type of insurance that helps cover the costs of any salon equipment or the physical location itself in case of a fire or theft is known as premise or:**
  - A. Health insurance**
  - B. Property insurance**
  - C. Liability insurance**
  - D. Malpractice insurance**

- 6. Which option is listed as a product feature?**
- A. Added shine**
  - B. Size of container**
  - C. Economical purchase**
  - D. Re-conditioning effects**
- 7. In salon communications, what is a key recommended approach when responding to a phone inquiry?**
- A. Maintain self-control**
  - B. Match the client's anger**
  - C. Promote salon discounts**
  - D. Speak louder**
- 8. Which term describes the money earned from clients for services and home care products?**
- A. Taxes**
  - B. Income**
  - C. Expenses**
  - D. Compensation**
- 9. A form of operation in which an initial purchase fee plus a monthly service charge is paid to the parent corporation is called a(n):**
- A. Entity**
  - B. Franchise**
  - C. Corporation**
  - D. Partnership**
- 10. What term describes selling products for client home care?**
- A. Retailing**
  - B. Networking**
  - C. Scheduling**
  - D. Warehousing**

## Answers

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

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## **Explanations**

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## 1. What is the best form of advertising?

- A. Television
- B. Billboards
- C. Pamphlets
- D. Word-of-mouth**

Word-of-mouth advertising tends to be the most effective because it relies on trust and credibility. When people hear about a product from someone they know, the message comes with social proof—a sense that others have had a real, positive experience—which makes them more willing to consider or try it themselves. This trusted recommendation often leads to higher conversion rates and a stronger likelihood of ongoing loyalty, all at a relatively low cost since it spreads organically through networks. This form can scale as satisfied customers share their experiences, turning buyers into advocates who recruit new customers. It also creates authentic buzz that paid ads can struggle to achieve, because the influence comes from real experiences rather than a sales pitch. Of course, word-of-mouth can be less controllable and slower to grow initially, so most successful campaigns pair it with strategies that ensure quality, service, and opportunities for referrals to amplify the effect. In contrast, broad-casting methods like television or billboards can raise awareness quickly and reach large audiences but typically require larger budgets and rely more on persuasion than genuine personal endorsement, which often makes them less cost-efficient per new customer. Pamphlets provide targeted information but usually lack the trust and contagious spread that come from personal recommendations.

## 2. U.S. Social Security and Canadian Pension taxes are planned savings/retirement funds, and the money is collected by the:

- A. City council
- B. State government
- C. County government
- D. U.S. and Canadian governments**

These programs are national social insurance schemes funded and run by the federal governments. In the United States, Social Security is financed through payroll taxes collected at the federal level (FICA) and managed by the federal government. In Canada, the Canada Pension Plan is funded similarly through contributions collected by the federal government (via the Canada Revenue Agency) and administered nationwide. Because they operate across the whole country, the funds come from and go to the U.S. and Canadian governments, not local or state authorities. Local entities—city, county, or state governments—handle local services, not these nationwide retirement programs.

**3. During a job interview it is very important to:**

- A. Tell a lot of stories
- B. Stay calm and be yourself**
- C. Stretch the truth if necessary
- D. Tell the interviewer whatever you think he or she wants to hear

Staying calm and being yourself helps you present a clear, honest picture of who you are and what you can contribute. When you're calm, you listen well, organize your thoughts, and respond in a steady, confident way, which lets the interviewer understand your experiences and how you'd handle real job situations. Being yourself signals authenticity and shows how you'd fit with the team and culture, making it easier for the interviewer to trust what you're saying about your strengths and what you can bring to the role. Stories can be useful if they're relevant and concise, illustrating your skills and results. But stretching the truth or saying whatever you think the interviewer wants to hear breaks trust and often leads to contradictions later on.

**4. Which buyer type is described as price-conscious and seeking discounts?**

- A. Ready
- B. Bargain**
- C. Logical
- D. Stubborn

Price sensitivity and discount-seeking define the bargain-type buyer. This buyer focuses on getting the lowest price, actively hunts for discounts, coupons, or promotions, and compares options to maximize value. Because price is the primary driver, they'll wait for a sale or a lower quote before committing. The other profiles don't center on saving money: a ready buyer prioritizes immediacy and quick decision-making; a logical buyer weighs data, features, and overall value; a stubborn buyer tends to resist change or new offers. Therefore, the description matches a bargain shopper.

**5. The type of insurance that helps cover the costs of any salon equipment or the physical location itself in case of a fire or theft is known as premise or:**

- A. Health insurance
- B. Property insurance**
- C. Liability insurance
- D. Malpractice insurance

Property insurance protects the business's physical assets—the building and the equipment inside—from events like fire, theft, and vandalism. In a salon, that means it helps cover the cost to repair or replace items such as chairs, dryers, and other gear, as well as any damage to the premises. The term "premises" here signals coverage for the location and its contents. This differs from health insurance (medical costs), liability insurance (claims for injuries or damages to others, not property loss), and malpractice insurance (professional errors). So property insurance is the option that best covers both the salon's equipment and the physical location in case of fire or theft.

**6. Which option is listed as a product feature?**

- A. Added shine
- B. Size of container**
- C. Economical purchase
- D. Re-conditioning effects

Product features are inherent attributes of the product itself, such as size, color, or material. The size of the container is a feature because it describes a packaging attribute—the actual specification of the item. The other statements describe benefits or outcomes (what you gain in use, like added shine), pricing/value (economical purchase), or effects after use (re-conditioning effects). So the size of the container is the element listed as a feature.

**7. In salon communications, what is a key recommended approach when responding to a phone inquiry?**

- A. Maintain self-control**
- B. Match the client's anger
- C. Promote salon discounts
- D. Speak louder

Staying in control of your emotions and maintaining a calm, professional tone when responding to a phone inquiry is essential. When you keep self-control, you listen more effectively, understand the caller's needs, and provide clear, accurate information, which reduces misunderstandings and builds trust. A composed voice and courteous language help de-escalate potential frustration, making the conversation productive and more likely to lead to a helpful outcome for both you and the client. Matching the caller's anger escalates the situation and signals poor handling of the interaction. Trying to promote discounts shifts the focus away from addressing the inquiry and can seem insincere or premature. Speaking louder often comes across as aggressive and can make the caller feel unheard. The best approach is to stay calm, speak clearly, and respond professionally.

**8. Which term describes the money earned from clients for services and home care products?**

- A. Taxes
- B. Income**
- C. Expenses
- D. Compensation

Money earned from clients for services and home care products is income. This represents the money coming into the business from its core activities—selling services and products. Taxes are payments owed to the government, expenses are the costs of running the business, and compensation refers to payments made to employees or owners. Since the question targets the inflow of funds from client transactions, income is the clear term that fits.

**9. A form of operation in which an initial purchase fee plus a monthly service charge is paid to the parent corporation is called a(n):**

- A. Entity**
- B. Franchise**
- C. Corporation**
- D. Partnership**

Franchising is a system where the franchisor grants the right to operate under its brand and business system in exchange for an upfront franchise fee and ongoing royalties or service charges. The initial purchase fee gives the right to use the brand, methods, and support, while the monthly service charge covers continued assistance, training, and access to operating resources. This payment structure is specific to franchising, differentiating it from generic business forms. An entity, corporation, or partnership describe legal or ownership forms, not the operating model that involves paying a parent company for the right to use its brand and system.

**10. What term describes selling products for client home care?**

- A. Retailing**
- B. Networking**
- C. Scheduling**
- D. Warehousing**

Retailing is the sale of products to end consumers for personal use. In client home care, this means recommending and selling home-care products to clients so they can maintain their results between visits. It involves assessing the client's needs, explaining product benefits, and giving instructions on use, which helps ensure satisfaction and continued results while also boosting the salon's revenue. The other terms describe different activities: networking is about building professional relationships for referrals, scheduling is about arranging appointments, and warehousing is about storing inventory. None of those focus on selling products directly to clients for at-home use.

## 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://pivotpointbusiness103.examzify.com>**

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

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