

POB Test 1 - Barter, Money, Payment Methods, and Forms of Business 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 term refers to managing your bank account over the phone?**
 - A. Telebanking**
 - B. Bills of Exchange**
 - C. Electronic Transfer**
 - D. M-Money**

- 2. What describes money's role as a store of value?**
 - A. Money can be saved and retrieved in the future to purchase goods or services; its value may vary with inflation, so its stability is needed.**
 - B. It must be minted by government.**
 - C. It must be universal currency.**
 - D. It is always a perfect hedge against inflation.**

- 3. Which function of money allows payments to be deferred to a future date?**
 - A. Store of Value**
 - B. Standard for postponed payments**
 - C. Medium of Exchange**
 - D. Unit of Account**

- 4. Distinguish between commodity money, fiat money, and representative money with examples. Which example correctly matches representative money?**
 - A. Gold coins**
 - B. Silver bullion coins**
 - C. Gold certificates**
 - D. U.S. dollar notes**

- 5. Which term refers to the cooperation of towns and cities in carrying out activities important to the common good of the community?**
 - A. Municipal authorities**
 - B. Local Government**
 - C. Government department**
 - D. National Industries**

- 6. Possible to divide into smaller parts if necessary.**
- A. Divisibility**
 - B. Portable**
 - C. Divisible**
 - D. Acceptable**
- 7. Which term describes buying and selling over the internet?**
- A. Private Sector**
 - B. E-commerce**
 - C. Public Sector**
 - D. Homogeneous**
- 8. Basic requirements for human survival are called?**
- A. Wants**
 - B. Exchange**
 - C. Needs**
 - D. Firm**
- 9. Which term describes a business entity that is owned and controlled by individuals who share a common bond and operate for profit?**
- A. Private Limited Company (Ltd)**
 - B. Sole Trader**
 - C. Co-operative**
 - D. Partnership**
- 10. Which payment method involves borrowing funds from a bank to be repaid later?**
- A. Debit Card**
 - B. Cash**
 - C. Cheque**
 - D. Credit Card**

Answers

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

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Explanations

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1. Which term refers to managing your bank account over the phone?

- A. Telebanking**
- B. Bills of Exchange**
- C. Electronic Transfer**
- D. M-Money**

Telebanking means managing your bank account over the phone. It refers to using a bank's telephone system—either automated prompts or a live representative—to check balances, transfer funds, and pay bills without visiting a branch. You typically verify your identity with a PIN or security questions and navigate options using the keypad or voice responses. This term is specific to the phone-based method of access. Bills of Exchange are formal payment instruments used in trade, not methods of account access. Electronic Transfer is a broad term for moving money electronically, which can happen online, by card, or by phone, but the telephone-based service itself is called telebanking. M-Money isn't a standard term for this function.

2. What describes money's role as a store of value?

- A. Money can be saved and retrieved in the future to purchase goods or services; its value may vary with inflation, so its stability is needed.**
- B. It must be minted by government.**
- C. It must be universal currency.**
- D. It is always a perfect hedge against inflation.**

Money's role as a store of value means you can save now and use it later, with the goal that the purchasing power of that saved money remains relatively stable over time. Inflation can reduce what money can buy, so maintaining price stability is important for it to reliably hold value. This description fits the idea that you can set money aside today to buy goods or services in the future, while recognizing that its value can be affected by inflation, which is why stability is emphasized. The other statements don't fit this concept: money doesn't have to be minted by the government to serve as a store of value; it doesn't have to be a universal currency; and no money is a perfect hedge against inflation—its value can still erode.

3. Which function of money allows payments to be deferred to a future date?

- A. Store of Value**
- B. Standard for postponed payments**
- C. Medium of Exchange**
- D. Unit of Account**

Money's ability to act as a standard for postponed payments is what makes deferring payments possible. This function means money is the agreed value in which debts are measured and settled at a future date. When you buy on credit, the price is set in money today and the borrower promises to pay that same amount later; lenders and merchants trust that money will still be accepted as payment when the time comes, so terms can be arranged now. This is different from money simply storing value over time, or just facilitating current exchanges, or providing a common price unit. The standard for postponed payments is specifically about enabling future settlement of obligations.

4. Distinguish between commodity money, fiat money, and representative money with examples. Which example correctly matches representative money?

- A. Gold coins**
- B. Silver bullion coins**
- C. Gold certificates**
- D. U.S. dollar notes**

Representative money is money that has little or no intrinsic value of its own but can be exchanged for a specific amount of a commodity held in reserve. This sits in contrast to commodity money, where the money itself has value because it is made of a valuable material like gold or silver, and fiat money, which has value because the government says so and is not backed by a physical commodity. Gold certificates fit representative money because the certificate itself is simply a claim to a certain amount of gold held in reserve. It can be redeemed for gold, but the certificate isn't the gold itself and isn't money by fiat. By comparison, gold coins and silver bullion coins are examples of commodity money since their value comes from the metal content. U.S. dollar notes are fiat money because their value rests on government decree and public trust, not on a redeemable physical commodity.

5. Which term refers to the cooperation of towns and cities in carrying out activities important to the common good of the community?

- A. Municipal authorities**
- B. Local Government**
- C. Government department**
- D. National Industries**

Local cooperation among towns and cities is carried out by municipal authorities. These are the local governing bodies—each town or city's council and administration—that come together to plan and manage services and projects that affect the wider community. By coordinating across municipal boundaries, they handle regional planning, water and waste management, transportation, and other programs that serve the common good. While Local Government describes the broader system at the local level, the term that specifically denotes the cooperative bodies across municipalities is municipal authorities. A government department belongs to the national government, and National Industries have no relation to inter-municipal cooperation.

6. Possible to divide into smaller parts if necessary.

- A. Divisibility
- B. Portable
- C. Divisible**
- D. Acceptable

The main idea here is choosing the word that describes a thing's ability to be divided into smaller parts. Divisible is the best fit because it's the adjective that directly states that property: something that is divisible can be split into parts if needed. The sentence would read naturally as: it is divisible into smaller parts if necessary. The other options miss the right idea: divisibility is a noun referring to the property in general, not the attribute of the object itself; portable means easy to carry; acceptable means satisfactory or allowed, not related to division.

7. Which term describes buying and selling over the internet?

- A. Private Sector
- B. E-commerce**
- C. Public Sector
- D. Homogeneous

Buying and selling over the internet is called e-commerce. This term covers any commercial activity conducted online, from online storefronts and marketplaces to digital payments and order processing used by businesses and individuals. The other terms don't fit because the private sector and public sector refer to parts of the economy (private companies vs government), not the method of conducting transactions, and homogeneous describes something that is uniform or the same, not a way of doing business online. So e-commerce is the best fit.

8. Basic requirements for human survival are called?

- A. Wants
- B. Exchange
- C. Needs**
- D. Firm

Needs are the basic requirements for human survival. They cover essentials like food, water, air, shelter, and clothing—things necessary to stay alive and healthy. Wants are desires above and beyond these basics, things people would like to have but can live without. Exchange isn't a survival concept—it's the act of trading goods or services. A firm is a business organization. So the term that fits the question is needs.

9. Which term describes a business entity that is owned and controlled by individuals who share a common bond and operate for profit?

- A. Private Limited Company (Ltd)**
- B. Sole Trader**
- C. Co-operative**
- D. Partnership**

A cooperative is a business owned and run by the people who share a common bond, such as workers, consumers, or producers who rely on or benefit from the business. The key idea is democratic control: each member typically has a voice in decisions, often with one vote per member, regardless of how much they invest. Profits (or savings) are returned to members or reinvested for the benefit of the community of members, rather than paid out solely to external shareholders. This differs from a private limited company, which is owned by shareholders who may have differing interests and where profits go to shareholders rather than a broad member base. A sole trader is owned by a single person with no shared ownership or democratic governance. A partnership is owned by two or more individuals who share profits and management, but it doesn't necessarily revolve around a common bond and member-based democratic control like a cooperative.

10. Which payment method involves borrowing funds from a bank to be repaid later?

- A. Debit Card**
- B. Cash**
- C. Cheque**
- D. Credit Card**

Borrowing funds to repay later defines credit. A credit card lets you borrow up to a limit from the card issuer to pay for purchases, and you're billed later. You can pay the full balance to avoid interest, or carry a balance and pay interest on what you owe. This is different from a debit card, which draws funds directly from your bank account at the time of purchase; cash is immediate payment with no credit extended; and a cheque instructs your bank to transfer funds from your account, not to borrow money for later repayment. So the method that involves borrowing from a bank to be repaid later is the credit card.

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://pob1bartermoneypayment.examzify.com>

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

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