

Relating Income and Careers Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	15

SAMPLE

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

SAMPLE

- 1. Which educational institutions typically cost the most to attend?**
 - A. Private colleges.**
 - B. Community colleges.**
 - C. Public state universities.**
 - D. Trade schools.**

- 2. Which of the following items is a liability?**
 - A. Student loan**
 - B. Cash**
 - C. Stocks**
 - D. Jewelry**

- 3. Which would be considered part of an employee's salary?**
 - A. Amount of money the employee will earn each month**
 - B. Annual vacation days**
 - C. Health insurance premium paid by the company**
 - D. Company-provided car allowance**

- 4. Which represents an employee benefit?**
 - A. Flexible scheduling**
 - B. Annual performance bonus**
 - C. Health-insurance plan with company-paid premiums**
 - D. On-site gym membership**

- 5. Which option names a local tax used to fund city programs?**
 - A. Municipal income tax**
 - B. City tax**
 - C. Local income tax**
 - D. Municipal sales tax**

- 6. What is one benefit or drawback of an hourly wage, as discussed?**
- A. Hourly wages guarantee higher annual earnings.**
 - B. Hourly wages are calculated by the number of hours worked.**
 - C. An hourly wage may result in lower pay.**
 - D. Hourly wages never change over time.**
- 7. Which source is most authoritative for salary data?**
- A. A random blog**
 - B. U.S. Bureau of Labor Statistics website**
 - C. A forum post**
 - D. A friend's anecdote**
- 8. Which statement is true about W-2 forms?**
- A. They show how much has been earned and how much was withheld for taxes**
 - B. They show investment income**
 - C. They are issued to self-employed individuals**
 - D. They indicate future tax liability**
- 9. The Hartman family's four-year savings total (without interest) is what amount?**
- A. 19,200**
 - B. 18,000**
 - C. 20,400**
 - D. 21,600**
- 10. Enzo's Balance Sheet (July 2013) shows total assets of \$127,100 and total liabilities of \$88,500. Which expression finds Enzo's net worth?**
- A. \$127,000-\$88,500**
 - B. \$127,100-\$88,500**
 - C. \$125,000-\$85,000**
 - D. \$127,100-\$88,400**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which educational institutions typically cost the most to attend?

- A. Private colleges.**
- B. Community colleges.**
- C. Public state universities.**
- D. Trade schools.**

When considering cost, the biggest factor is tuition and required fees, and the pricing structure varies by type of institution. Private colleges don't receive state subsidies, so they rely on tuition revenue to fund operations, facilities, and programs. That typically pushes their sticker prices higher than other options. Public state universities charge tuition that's subsidized for residents, so in-state students usually pay much less, and even out-of-state rates are often still lower than private college prices. Community colleges generally have the lowest costs, offering cheaper tuition per credit and shorter programs, while trade schools vary but often come in lower overall than private colleges. Because private colleges aim to cover costs largely through tuition, they are typically the most expensive option to attend.

2. Which of the following items is a liability?

- A. Student loan**
- B. Cash**
- C. Stocks**
- D. Jewelry**

A liability is an obligation to repay someone else—an amount you owe. A student loan fits this because you borrowed money and must repay the lender, creating a debt you are obligated to settle. Cash, stocks, and jewelry are all assets: cash is money you own; stocks are ownership stakes in companies; jewelry is a personal item of value. On a balance sheet, liabilities represent what you owe, while assets represent what you own. Taking out a loan increases both cash (an asset) and the corresponding liability (the obligation to repay), reinforcing why the student loan is the liability.

3. Which would be considered part of an employee's salary?

- A. Amount of money the employee will earn each month**
- B. Annual vacation days**
- C. Health insurance premium paid by the company**
- D. Company-provided car allowance**

Salary is the fixed cash compensation you receive for your work. The amount of money you earn each month represents that cash portion and is the core part of what people mean by salary. Other items are benefits or perquisites: vacation days are paid time off, not cash; health insurance paid by the employer reduces your costs but isn't cash earnings; a car allowance is a perk or part of total compensation but not the base salary. So the monthly cash amount best fits what's considered salary.

4. Which represents an employee benefit?

- A. Flexible scheduling
- B. Annual performance bonus
- C. Health-insurance plan with company-paid premiums**
- D. On-site gym membership

Employee benefits are non-wage forms of compensation provided by an employer to support health, financial security, and well-being beyond regular salary.

Health-insurance plan with company-paid premiums fits this perfectly: it provides medical coverage and the employer covers the premiums, offering ongoing protection as part of the benefits package. Flexible scheduling and on-site gym memberships are helpful perks that boost work-life balance or wellness, but they are not the same as protective health coverage or guaranteed financial support. An annual performance bonus is incentive pay tied to performance, which falls under compensation rather than a benefit meant to protect welfare.

5. Which option names a local tax used to fund city programs?

- A. Municipal income tax
- B. City tax
- C. Local income tax**
- D. Municipal sales tax

Local income tax is a tax levied by a city or local government on residents' earnings to fund city programs and services. The phrase clearly identifies both the level of government (local) and the tax base (income), which matches the idea of a local tax used to support city operations like public safety, roads, and parks. A municipal income tax would serve a similar purpose, but the wording local income tax directly signals the local scope in this context. A city tax is too vague and not a standard designation for a specific tax type, and a municipal sales tax is a tax on purchases, not income, so it's a different kind of levy used to fund city programs.

6. What is one benefit or drawback of an hourly wage, as discussed?

- A. Hourly wages guarantee higher annual earnings.
- B. Hourly wages are calculated by the number of hours worked.
- C. An hourly wage may result in lower pay.**
- D. Hourly wages never change over time.

Hourly pay is tied to the number of hours you work, so earnings can vary from week to week. The drawback is that an hourly wage may result in lower pay if your hours are few, inconsistent, or limited, since you only earn for the time you work. Overtime can boost earnings, but it isn't guaranteed. This contrasts with fixed-pay setups where annual income is more predictable. The defining feature is that pay is based on hours worked, not a guaranteed amount, and wages can change if hours or rates change.

7. Which source is most authoritative for salary data?

- A. A random blog
- B. U.S. Bureau of Labor Statistics website**
- C. A forum post
- D. A friend's anecdote

When you're evaluating salary data, you want a source that collects information in a consistent, verifiable way and explains exactly how it's gathered. The U.S. Bureau of Labor Statistics website does just that. It's a government agency that runs large, systematic surveys like the Occupational Employment Statistics and the Current Population Survey, covering many occupations, industries, and regions. The data are published with clear definitions, time frames, and margins of error, and the methods are available for review. Because the data come from standardized, ongoing processes and are updated regularly, they're reliable for comparing wages across jobs and over time. In contrast, a random blog, a forum post, or a friend's anecdote aren't collected in a systematic way. They reflect individual experiences or biases, rely on small or non-representative samples, and aren't consistently updated or transparent about methods. That makes them less trustworthy for drawing general wage conclusions. So, the most authoritative source for salary data is the U.S. Bureau of Labor Statistics website.

8. Which statement is true about W-2 forms?

- A. They show how much has been earned and how much was withheld for taxes**
- B. They show investment income
- C. They are issued to self-employed individuals
- D. They indicate future tax liability

W-2 forms focus on what you earned as an employee and what was withheld for taxes. They're issued by an employer to you at year's end and show your total wages, tips, and other compensation, along with federal, Social Security, and Medicare taxes that were withheld (and often state or local taxes). This information is what you use to file your tax return and determine whether you owe more or get a refund. This form does not report investment income—that's handled by other forms like 1099-INT or 1099-DIV. It isn't issued to self-employed individuals, who typically use forms such as 1099-NEC and report income on Schedule C. And it doesn't indicate future tax liability; it reflects past earnings and withholdings, which you use to compute what you owe on your return.

9. The Hartman family's four-year savings total (without interest) is what amount?

- A. 19,200**
- B. 18,000**
- C. 20,400**
- D. 21,600**

The key idea is that when you save the same amount each year, the four-year total is simply four times the yearly saving. If the total over four years is 19,200, then the amount saved each year is $19,200 \div 4 = 4,800$. Checking the total: $4,800 \times 4 = 19,200$ confirms it. The other numbers would correspond to different yearly savings (for example, 18,000 would imply 4,500 saved each year; 20,400 would imply 5,100 per year; 21,600 would imply 5,400 per year). Since the four-year total is 19,200, that makes 19,200 the correct total.

10. Enzo's Balance Sheet (July 2013) shows total assets of \$127,100 and total liabilities of \$88,500. Which expression finds Enzo's net worth?

- A. \$127,000-\$88,500**
- B. \$127,100-\$88,500**
- C. \$125,000-\$85,000**
- D. \$127,100-\$88,400**

Net worth on a balance sheet is found by subtracting total liabilities from total assets. Using the given numbers, Enzo has assets of 127,100 and liabilities of 88,500. Subtracting 88,500 from 127,100 gives 38,600. So the expression that finds Enzo's net worth uses the exact figures: 127,100 minus 88,500, which equals 38,600. The other expressions change the numbers (rounding or using different figures), leading to a different result. The correct net worth is 38,600.

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://relatingincomecareers.examzify.com>

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

SAMPLE