

TEXES Business and Finance 276 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. All of the following are characteristics of a long-run period for a firm EXCEPT:**
 - A. The plant capacity is fixed**
 - B. All costs are variable**
 - C. It is a period sufficient for new firms to enter or existing firms to leave an industry.**
 - D. Desired resource adjustment can be negotiated.**

- 2. What is the effect of a rightward shift in the supply curve on the equilibrium price and quantity?**
 - A. Price rises and quantity rises**
 - B. Price falls and quantity rises**
 - C. Price rises and quantity falls**
 - D. Price falls and quantity falls**

- 3. What is the primary purpose of the informational role within a company?**
 - A. Information is exchanged between people at different levels of the company**
 - B. Information is stored for archival purposes only**
 - C. Information is kept within silos**
 - D. Information is used solely for compliance reporting**

- 4. Which item appears in the assets section of the balance sheet?**
 - A. Accounts payable**
 - B. Prepaid insurance**
 - C. Common stock**
 - D. Revenue**

- 5. Which description best defines a personal development plan?**
 - A. A budget plan for personal finances.**
 - B. A plan to reduce working hours.**
 - C. A compliance checklist.**
 - D. A tool used to help employees identify and track professional and personal career goals.**

- 6. Which of the following scenarios is a B2B transaction?**
- A. A consumer buys components from a manufacturer for personal use.**
 - B. A distributor buys parts from a manufacturer for resale.**
 - C. A student purchases a course online**
 - D. A traveler books a hotel.**
- 7. Which of the following would appear on the assets side of the balance sheet besides those listed earlier?**
- A. Accounts payable**
 - B. Prepaid insurance**
 - C. Retained earnings**
 - D. Sales revenue**
- 8. What is an effective way to communicate varying values and percentages in relation to each other that are not related in time?**
- A. Line chart**
 - B. Bar chart**
 - C. Scatter plot**
 - D. Pie chart**
- 9. Which is the ethical course of action when an employee makes a mistake but could fix it without informing the client?**
- A. Ignoring the issue**
 - B. Follow the rules of conduct set up by the company and tell the client what happened**
 - C. Blame a coworker**
 - D. Delay informing the client**
- 10. Which of the following would NOT be considered part of land in economic terms?**
- A. Office building**
 - B. Oil reserves**
 - C. Timber**
 - D. Water resources**

Answers

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

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Explanations

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1. All of the following are characteristics of a long-run period for a firm EXCEPT:

- A. The plant capacity is fixed**
- B. All costs are variable**
- C. It is a period sufficient for new firms to enter or existing firms to leave an industry.**
- D. Desired resource adjustment can be negotiated.**

In the long run, a firm can adjust all inputs and scale its operations. This means plant capacity is not fixed, it can be increased or decreased as needed. That makes the statement about fixed plant capacity characteristic of the short run, not the long run, so it's the exception. In the long run there are no fixed factors of production—every input can be varied—so all costs are variable with output. The period is long enough for new firms to enter or existing firms to leave an industry, allowing industry structure to change. Also, resources and contracts can be renegotiated to align with the new optimal scale of operation. So the only statement that doesn't describe the long-run behavior is the plant capacity being fixed.

2. What is the effect of a rightward shift in the supply curve on the equilibrium price and quantity?

- A. Price rises and quantity rises**
- B. Price falls and quantity rises**
- C. Price rises and quantity falls**
- D. Price falls and quantity falls**

A rightward shift in the supply curve means producers are willing to supply more at every price, so market supply increases. With demand unchanged, the new intersection with the demand curve occurs at a lower price and a higher quantity, so the equilibrium price falls and the equilibrium quantity rises. This matches the scenario where price drops while more is traded. The other outcomes would require changes in demand or a leftward shift in supply (which would push prices up and reduce quantity, or cause different combinations).

3. What is the primary purpose of the informational role within a company?

- A. Information is exchanged between people at different levels of the company**
- B. Information is stored for archival purposes only**
- C. Information is kept within silos**
- D. Information is used solely for compliance reporting**

Information at work is used to connect people across levels and functions so they can plan, monitor, and adjust actions together. The informational role emphasizes the flow of data and insights up and down the organization, enabling managers to understand performance, spot issues, and make timely decisions. When information moves between different levels, it supports alignment, accountability, and responsiveness, rather than just being stored away or kept within isolated pockets. The primary purpose is to facilitate communication and coordination across the organization, not merely archival storage, silos, or compliance reporting.

4. Which item appears in the assets section of the balance sheet?

- A. Accounts payable
- B. Prepaid insurance**
- C. Common stock
- D. Revenue

Prepaid insurance appears in the assets because it represents a future economic benefit the company will receive. When you pay for an insurance policy in advance, you've paid for coverage that will provide value over time, so it's recorded as an asset that will be expensed as the coverage is used. Typically this is a current asset, since it covers a period within a year, though it could be a long-term asset if the policy term is longer than a year. Accounts payable is a liability, reflecting amounts the company owes to others. Common stock is part of owners' equity, representing the owners' investment in the company. Revenue is income recognized from operations and is reported on the income statement, not the balance sheet.

5. Which description best defines a personal development plan?

- A. A budget plan for personal finances.
- B. A plan to reduce working hours.
- C. A compliance checklist.
- D. A tool used to help employees identify and track professional and personal career goals.**

A personal development plan is a structured process for planning growth, helping someone clarify goals, assess current skills, and outline learning activities with timelines. In the workplace, it serves as a practical tool for employees to identify and track both professional and personal career goals, guiding ongoing development and providing a way to measure progress over time. This is why the description that highlights helping employees identify and track professional and personal career goals fits best. The other options describe things like budgeting, reducing working hours, or a compliance checklist, which are not about planning and tracking personal or professional growth.

6. Which of the following scenarios is a B2B transaction?

- A. A consumer buys components from a manufacturer for personal use.
- B. A distributor buys parts from a manufacturer for resale.**
- C. A student purchases a course online
- D. A traveler books a hotel.

B2B transactions occur when a business buys from another business to use in its operations or to resell. A distributor purchasing parts from a manufacturer to resale is a clear B2B example because both parties are businesses and the end goal is resale to other customers, not personal use. The other situations involve individuals buying for personal use—consumers purchasing components for themselves, a student paying for a course, and a traveler booking a hotel. Those are business-to-consumer transactions, where the buyer is an individual consumer rather than a business.

7. Which of the following would appear on the assets side of the balance sheet besides those listed earlier?

- A. Accounts payable**
- B. Prepaid insurance**
- C. Retained earnings**
- D. Sales revenue**

Prepaid insurance is a prepaid expense that represents a future benefit. On the balance sheet, assets are resources the company owns that will provide value later. Paying for insurance in advance means you've paid for coverage you'll receive in future periods, so that payment shows up as a prepaid insurance asset. Over time, as the insurance coverage is used, that asset is reduced and an insurance expense is recognized. Accounts payable is a liability, since it's money the company owes to others. Retained earnings are part of shareholders' equity, reflecting accumulated profits. Sales revenue appears on the income statement and affects net income (and thus equity) but is not an asset on the balance sheet. So prepaid insurance is the item that would appear on the assets side.

8. What is an effective way to communicate varying values and percentages in relation to each other that are not related in time?

- A. Line chart**
- B. Bar chart**
- C. Scatter plot**
- D. Pie chart**

Communicating how portions add up to a total when there's no time element is about showing composition. A pie chart does this by dividing a circle into slices whose sizes match each category's share of the whole. The visual makes it easy to see which categories are larger and how each part relates to the total percentage. Line charts are for changes over time, so they're not ideal for showing parts of a whole. Bar charts compare quantities across categories but don't inherently emphasize the proportion of the total. Scatter plots depict relationships between two variables rather than part-to-whole composition. So the pie chart is the best choice for conveying varying values and percentages that sum to a whole without a time component.

9. Which is the ethical course of action when an employee makes a mistake but could fix it without informing the client?

A. Ignoring the issue

B. Follow the rules of conduct set up by the company and tell the client what happened

C. Blame a coworker

D. Delay informing the client

Honesty and accountability guide ethical behavior when a mistake occurs. If a problem can be fixed, the right move is to follow the company's conduct rules and tell the client what happened. This shows respect for the client's right to know and preserves trust in the professional relationship. By disclosing the issue and outlining how it's been addressed, you demonstrate responsibility and help prevent misunderstandings or future harm. It also keeps you aligned with a duty to provide accurate information and fosters a transparent, accountable work environment. Delaying disclosure or ignoring the issue undermines trust and can lead to bigger problems down the line. Blaming a coworker avoids taking responsibility, which also clashes with ethical standards for personal accountability. Even if a fix doesn't require client notification in some cases, the ethical default is to be transparent about what happened and how it was resolved.

10. Which of the following would NOT be considered part of land in economic terms?

A. Office building

B. Oil reserves

C. Timber

D. Water resources

In economics, land refers to natural resources that exist without being produced by humans—things like oil, timber, and water that are found on or under the ground. A building, on the other hand, is a man-made structure created through labor and materials, so it's considered a form of capital (an improvement or produced asset) rather than land itself. Since the office building is not a natural resource, it would not be counted as part of land. The other options—oil reserves, timber, and water resources—are natural resources and are considered part of land.

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://texasbusinessfinance276.examzify.com>

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

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