TEXES BUSINESS AND FINANCE 276 PRACTICE TEST (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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

1. **Define liquidity, solvency, profitability, and efficiency ratios and give one example of each.**

   A. Liquidity is debt to equity; solvency is current ratio; profitability is asset turnover; efficiency is net profit margin.

   B. Liquidity refers to a company's ability to meet short-term obligations (example: current ratio); solvency measures long-term debt capacity (example: debt-to-equity); profitability measures earnings efficiency (example: net profit margin); efficiency measures asset use (example: asset turnover).

   C. Liquidity is ROI; solvency is cash flow; profitability is gross margin; efficiency is days sales outstanding.

   D. Liquidity, solvency, profitability, and efficiency are all the same concept.

2. **What is the role of ethics in business decisions and what frameworks help?**

   A. Guides fairness and integrity; frameworks include utilitarianism, rights, justice, virtue ethics, and a code of conduct

   B. Ethics have no impact on business decisions

   C. Only compliance with laws matters

   D. Ethics frameworks are the same across all cultures

3. **Which of the following below is NOT an example of an operating system?**

   A. Microsoft Office 2016

   B. Linux

   C. Microsoft Windows 10

   D. Android

4. **Which financing involves money borrowed to be repaid?**

   A. Debt financing

   B. Equity financing

   C. Grants

   D. Licensing

5. **Common constraints in decision problems are typically limits on:**

   A. Time and money

   B. Quality and scope

   C. Risk and uncertainty

   D. People and politics

6. What is the function of the Occupational Safety and Health Administration (OSHA)?

A. It regulates overall workplace safety

B. It enforces environmental laws

C. It sets tax policy

D. It manages marketing campaigns

7. Which provision supported by the Federal Trade Commission allows a consumer to opt in or opt out of providing personal details?

A. Right to data portability

B. Opt-out notice

C. Choice of sharing information

D. Privacy shield

8. When a company replaces uniform pay increases with merit pay plans and incentives for groups and individuals, what can it expect?

A. Increased motivation and greater productivity

B. Decreased morale

C. Higher costs with no benefits

D. Legal issues with unions

9. SWOT analysis is used in strategic planning to assess which four elements?

A. Strengths, Weaknesses, Risks, Prospects

B. Strengths, Weaknesses, Opportunities, Threats

C. Internal capabilities and external environment

D. Financial metrics and market trends

10. Which personal attribute has a positive effect on career advancement?

A. Diligence

B. Ambition

C. Patience

D. Confidence

Answers

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

Explanations

1. **Define liquidity, solvency, profitability, and efficiency ratios and give one example of each.**

   A. Liquidity is debt to equity; solvency is current ratio; profitability is asset turnover; efficiency is net profit margin.

   B. Liquidity refers to a company's ability to meet short-term obligations (example: current ratio); solvency measures long-term debt capacity (example: debt-to-equity); profitability measures earnings efficiency (example: net profit margin); efficiency measures asset use (example: asset turnover).

   C. Liquidity is ROI; solvency is cash flow; profitability is gross margin; efficiency is days sales outstanding.

   D. Liquidity, solvency, profitability, and efficiency are all the same concept.

Understanding these four types of financial ratios helps you assess different aspects of a company's health. Liquidity gauges the ability to meet short-term obligations with readily available assets, and a common example is the current ratio, which compares current assets to current liabilities. Solvency looks at long-term financial stability and debt capacity, with debt-to-equity as a typical measure of how much debt is used relative to owners' equity. Profitability evaluates how effectively a company turns revenue into profit, and the net profit margin is a standard example that shows how much of each revenue dollar becomes net income. Efficiency examines how well assets are used to generate sales, and asset turnover is a classic example that relates sales to total assets. The pairing described above matches the way these concepts are usually defined and measured, using current ratio for liquidity, debt-to-equity for solvency, net profit margin for profitability, and asset turnover for efficiency. Other options mix up these concepts or rely on metrics that don't align with the standard definitions (for example, using ROI or cash flow for liquidity, or claiming all four concepts are the same).

2. **What is the role of ethics in business decisions and what frameworks help?**

   A. Guides fairness and integrity; frameworks include utilitarianism, rights, justice, virtue ethics, and a code of conduct

   B. Ethics have no impact on business decisions

   C. Only compliance with laws matters

   D. Ethics frameworks are the same across all cultures

Ethics in business decisions guide how organizations balance fairness, integrity, and responsibility toward stakeholders. They provide a way to reason through dilemmas beyond just legal requirements, helping build trust and long-term value. The best option captures that idea by pointing to how ethics steer fairness and integrity and by listing well-known frameworks that organizations use to reason about decisions: utilitarianism weighs overall good, rights protect individual entitlements, justice concerns fair treatment and distribution, virtue ethics focuses on character and reputation, and a code of conduct translates these principles into concrete guidelines. Together, these elements show how ethics shape practical decision-making in business. Ethics do influence decisions; they aren't optional or irrelevant. Relying only on laws misses moral considerations that affect trust and stakeholder impact. And ethical frameworks aren't identical across all cultures—values and emphasis can differ, so thoughtful business ethics involve adapting principles to context while still upholding core standards like fairness and integrity.

3. Which of the following below is NOT an example of an operating system?

A. Microsoft Office 2016

B. Linux

C. Microsoft Windows 10

D. Android

The main idea is recognizing what counts as an operating system versus application software. An operating system is system software that sits between hardware and programs, managing resources like memory, processors, devices, and file systems, while providing services that other software rely on. Microsoft Office 2016 is an office suite of applications (Word, Excel, PowerPoint) designed for productivity. It doesn't manage hardware or provide those core services; it runs on top of an operating system. That's why it isn't an operating system. The other items—Linux, Microsoft Windows 10, and Android—are operating systems, each serving as the platform on which applications like Office run. Office requires an OS to operate, but an OS can run many applications beyond Office.

4. Which financing involves money borrowed to be repaid?

A. Debt financing

B. Equity financing

C. Grants

D. Licensing

Debt financing means money borrowed with a promise to repay, usually with interest, over a set period. The lender expects to get the principal back plus interest regardless of how the business performs, making repayment a core obligation. This is different from equity financing, where funds come from selling ownership shares and there's no required repayment of the invested amount. Grants provide funds that don't need to be repaid, though they often come with conditions, and licensing is a way to earn revenue from allowing others to use an asset, not a financing method. So the idea of borrowing money to be repaid fits debt financing best.

5. Common constraints in decision problems are typically limits on:

A. Time and money

B. Quality and scope

C. Risk and uncertainty

D. People and politics

When solving decision problems, the limits you most often have to work within are time and money. Deadlines dictate how quickly a solution must be found and implemented, while budgets cap what can be pursued, purchased, or staffed. These constraints force trade-offs between speed, cost, and value, and they determine which alternatives are realistically feasible. The target you're aiming for—quality and scope—still matters, but those are goals you try to meet within the time and budget you have. Risk and uncertainty describe what you don't know and must plan for, but they influence how you approach the available time and resources. People and politics can shape the process and buy-in, yet the practical, hard limits usually come down to resource and schedule constraints.

6. What is the function of the Occupational Safety and Health Administration (OSHA)?

A. It regulates overall workplace safety

B. It enforces environmental laws

C. It sets tax policy

D. It manages marketing campaigns

OSHA focuses on keeping workers safe and healthy on the job by setting safety standards and making sure they're followed. It creates rules for common hazards, conducts inspections, and can issue citations or penalties when employers don't meet the requirements. It also offers training and resources to help workplaces improve safety practices and compliance. This role is distinct from environmental regulation (handled by environmental agencies), tax policy (handled by tax authorities), or marketing campaigns (not within OSHA's scope). So, OSHA's function is to regulate workplace safety.

7. Which provision supported by the Federal Trade Commission allows a consumer to opt in or opt out of providing personal details?

A. Right to data portability

B. Opt-out notice

C. Choice of sharing information

D. Privacy shield

Focusing on giving consumers control over their personal data is the main idea here. The provision that best matches this is the option that represents the ability to choose whether to share information and with whom. This directly reflects opt-in and opt-out decisions, letting a consumer decide if their details are disclosed or kept private. Right to data portability is about moving data from one service to another, not about opting in or out of sharing. An opt-out notice describes informing someone that they can opt out, but it doesn't by itself denote the ongoing control to decide what is shared. Privacy shield concerns a framework for transferring data across borders, not the choice to share personal details.

8. When a company replaces uniform pay increases with merit pay plans and incentives for groups and individuals, what can it expect?

A. Increased motivation and greater productivity

B. Decreased morale

C. Higher costs with no benefits

D. Legal issues with unions

Tying compensation to performance through merit pay and incentives creates a direct link between effort and reward. When employees know that higher performance can raise their pay, they're more motivated to improve, develop skills, and stay focused on goals. Group incentives encourage teamwork toward shared targets, while individual incentives reward personal achievement, which together tends to boost productivity. Uniform across-the-board raises remove that performance link, so motivation can lag. Overall, you can expect increased motivation and greater productivity.

9. SWOT analysis is used in strategic planning to assess which four elements?

A. Strengths, Weaknesses, Risks, Prospects

B. Strengths, Weaknesses, Opportunities, Threats

C. Internal capabilities and external environment

D. Financial metrics and market trends

SWOT analysis in strategic planning looks at four areas to understand where a company stands and what could affect its success. Strengths are internal capabilities that give an advantage. Weaknesses are internal factors that could hold the company back. Opportunities are external chances for growth or improvement. Threats are external risks that could create problems. By examining these four areas, teams can build strategies that leverage strengths, fix weaknesses, pursue opportunities, and guard against threats. The four elements—strengths, weaknesses, opportunities, and threats—are the standard set. The other options mix different concepts or describe inputs rather than the specific four components.

10. Which personal attribute has a positive effect on career advancement?

A. Diligence

B. Ambition

C. Patience

D. Confidence

Confidence directly influences how others see your readiness for bigger responsibilities. When you project belief in your abilities, you're more likely to speak up with ideas, take on challenging tasks, advocate for yourself, and lead conversations. This visibility and perceived leadership potential are key factors that supervisors consider when choosing whom to promote. Diligence is essential for producing solid work, but without the self-assurance to showcase your value, it may not lead to advancement. Ambition provides direction, yet without the courage to act and demonstrate capability, it can stall. Patience helps you grow steadily, but promotions often require timely action and the willingness to take on higher-level duties, which confidence enables.

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://texesbusinessfinance276.examzify.com

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