

DSST® INTRODUCTION TO BUSINESS

EXAM INFORMATION

This exam was developed to enable schools to award credit to students for knowledge equivalent to that learned by students taking the course. The exam covers topics including economic issues; international business; government and business; business ownership; entrepreneurship, and franchise; management process; human resource management; production and operations; marketing management; financial management; risk management and insurance; and management and information systems.

The exam contains 100 questions to be answered in 2 hours.

EXAM CONTENT OUTLINE

The following is an outline of the content areas covered in the examination. The approximate percentage of the examination devoted to each content area is also noted.

I. Foundations of Business – 25%

- a. Forms of business ownership
- b. Government and business
- c. Entrepreneurship
- d. Economics of business

II. Functions of Business – 60%

- a. Management
- b. Marketing
- c. Finance
- d. Accounting
- e. Production and Operations
- f. Management Information Systems
- g. Human Resources

III. Contemporary Issues – 15%

- a. Role of e-commerce
- b. Business ethics and social responsibility
- c. Global business environment

REFERENCES

Below is a list of reference publications that were either used as a reference to create the exam, or were used as textbooks in college courses of the same or similar title at the time the test was developed.

You may reference either the current edition of these titles **or** textbooks currently used at a local college or university for the same class title. It is recommended that you reference **more than one textbook** on the topics outlined in this fact sheet. You should **begin by**

checking textbook content against the course

outline provided **before** selecting textbooks that cover the test content from which to study.

Sources for study material are suggested but not limited to the following:

1. *Understanding Business*, 8th Edition, 2007, Nickels, McHugh, & McHugh, McGraw-Hill, ISBN: 978-0073105970, Two Penn Plaza, New York, NY 10121, (www.books.mcgraw-hill.com).
2. *Business Essentials*, 8th Edition, 2010, Ronald J. Ebert and Ricky W. Griffin, Prentice Hall/Pearson Education, ISBN: 0137053495, One Lake Street, Upper Saddle River, NJ 07458 (vig.prenhall.com).

SAMPLE QUESTIONS

All test questions are in a multiple-choice format, with one correct answer and three incorrect options. These are samples of the types of questions that may appear on the exam. Other sample questions can be found in the form of practice exams by visiting our website at www.getcollegedcredit.com/testprep.

1. Assets are defined as
 - a. everything a company owns
 - b. everything a company owes
 - c. a company's profits
 - d. the total of a company's equity capital
2. All of the following are necessary features of capitalism EXCEPT
 - a. profit
 - b. corporations
 - c. private ownership
 - d. competition
3. Business people who support involvement in social problems for humanitarian reasons usually believe that business
 - a. is responsible for most of society's problems
 - b. fulfills its social obligation by supplying jobs to millions of people
 - c. must follow the example of Andrew Carnegie
 - d. must put something back into the society from which it profits
4. All of the following are functions of management EXCEPT
 - a. controlling
 - b. selling

- c. planning
 - d. organizing
5. Which of the following is a true statement about a job specification?
- a. It describes the qualifications required of a worker.
 - b. It details the job's objectives.
 - c. It sets forth the relationship of the job to other jobs being performed within the firm.
 - d. It describes the working environment of the job.
6. All employees are required to join the union and pay dues in which of the following types of shop?
- a. An open shop
 - b. A union shop
 - c. An agency shop
 - d. A closed shop
7. Since both drive up the cost of imported goods, there is little difference between import quotas and
- a. embargoes
 - b. sanctions
 - c. tariffs
 - d. dumping
8. Which of the following are considered part of the marketing mix?
- I. Price
 - II. Promotion
 - III. Labor
 - IV. Product
- a. I and II only
 - b. III and IV only
 - c. I, II, and IV only
 - d. I, II, III, and IV
9. In order to cover risk, an insurance company must have a sufficient number of policyholders to do which of the following?
- a. Examine the risk
 - b. Estimate probable loss
 - c. Construct actuarial tables
 - d. Average out the risk
10. Demand deposits are also known as
- a. credit cards
 - b. charge accounts
 - c. savings accounts
 - d. checking accounts
11. The interest rate that banks charge their best corporate customers is the
- a. prime rate
 - b. discount rate
 - c. credit rate
 - d. commercial rate

CREDIT RECOMMENDATIONS

The American Council on Education's College Credit Recommendation Service (ACE CREDIT) has evaluated the DSST test development process and content of this exam. It has made the following recommendations:

Area or Course Equivalent	Introduction to Business
Level	Lower-level baccalaureate
Amount of Credit	Three (3) semester hours
Minimum Score	400
Source	American Council on Education – College Credit Recommendation Service

Answers to sample questions: 1-A; 2-B; 3-D; 4-B; 5-A; 6-B; 7-C; 8-C; 9-D; 10-D; 11-A.