

## Massachusetts Tests for Educator Licensure® (MTEL®)

### FIELD 19: BUSINESS TEST OBJECTIVES

Subarea	Multiple-Choice	Range of Objectives	Approximate Test Weighting
I.	Business Management	01–04	21%
II.	Accounting and Quantitative Analysis	05–07	16%
III.	Economics	08–09	11%
IV.	Marketing	10–11	11%
V.	Entrepreneurship and Business Technology	12–13	11%
VI.	Career Development and Personal Finance	14–15	<u>10%</u>
			<b>80%</b>
	<b>Open-Response</b>		
VII.	Integration of Knowledge and Understanding	16	<b>20%</b>

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**Effective March 1, 2010**

**Massachusetts Tests for Educator Licensure® (MTEL®)  
Test Objectives  
Field 19: Business**

**SUBAREAS:**

BUSINESS MANAGEMENT  
ACCOUNTING AND QUANTITATIVE ANALYSIS  
ECONOMICS  
MARKETING  
ENTREPRENEURSHIP AND BUSINESS TECHNOLOGY  
CAREER DEVELOPMENT AND PERSONAL FINANCE  
INTEGRATION OF KNOWLEDGE AND UNDERSTANDING

**BUSINESS MANAGEMENT [21%]**

**0001 Understand principles, functions, and methods of organizational, operational, and financial management.**

For example:

- Demonstrate knowledge of the roles and skills of the manager in business organizations, theories of organizational management and their application to business, and types and characteristics of management functions (e.g., planning, organizing, controlling, leading).
- Demonstrate knowledge of principles and methods of operational management and their application in business contexts.
- Demonstrate knowledge of principles and methods of financial management and their application in business contexts (e.g., securing and managing financial resources, budgeting).
- Identify types and characteristics of business organizational structures and the advantages and disadvantages of each.
- Demonstrate knowledge of principles and methods for managing change and making decisions in business, including methods for data collection and analysis.

## **Field 19: Business Test Objectives**

### **0002 Understand principles and methods of human resource management.**

For example:

- Demonstrate knowledge of principles, theories, concepts, and business applications relating to the behavior of organizations (e.g., corporate culture), groups (e.g., group dynamics, conflict resolution), and individuals (e.g., worker morale and motivation).
- Demonstrate knowledge of procedures for recruiting, hiring, training, motivating, retaining, evaluating, and terminating employees and the opportunities and challenges brought about by diversity in the workplace.
- Demonstrate knowledge of the role of organized labor in business, the collective bargaining process, and legal and ethical issues in collective bargaining and employer-employee relations.
- Apply knowledge of procedures for managing employee compensation and benefits, including health plans, unemployment insurance, and workers' compensation.
- Demonstrate knowledge of laws and policies related to human resource management (e.g., laws against discrimination and sexual harassment, workplace safety).

### **0003 Understand business communications.**

For example:

- Demonstrate knowledge of the goals and purposes of communication (e.g., to persuade, to inform) and characteristics of effective verbal and nonverbal communication.
- Demonstrate knowledge of the purposes, characteristics, and styles of various types of written communication (e.g., reports, memoranda).
- Demonstrate the ability to use appropriate business terminology and communicate in a clear, concise, and correct manner in oral and written communications, avoiding bias and discourtesy.
- Demonstrate knowledge of strategies for preparing and delivering oral presentations and reports to different audiences (e.g., adapting style and content, using appropriate multimedia and presentation materials).
- Demonstrate knowledge of types, characteristics, and business applications of various telecommunications systems and Internet communication modalities.

## **Field 19: Business Test Objectives**

### **0004 Understand principles of business law, the legal environment of business, and issues related to ethics and social responsibility in business.**

For example:

- Demonstrate knowledge of legal principles, jurisdictions, and terminology and the structure and operation of the U.S. court system.
- Demonstrate knowledge of contracts; the Uniform Commercial Code; and laws that regulate sales, personal and real property, taxes, and financial transactions (e.g., commercial paper, credit, bankruptcy).
- Demonstrate knowledge of laws and agencies that regulate competition among businesses (e.g., antitrust laws, Federal Trade Commission).
- Demonstrate knowledge of laws and agencies related to consumer protection (e.g., unfair trade practices, product labeling, food and product safety, Food and Drug Administration) and environmental protection (e.g., Clean Air Act, Environmental Protection Agency).
- Demonstrate knowledge of issues related to intellectual property and technology systems (e.g., online file sharing, software licensing and piracy, copyrights).
- Demonstrate knowledge of issues related to ethics (e.g., conflict of interest, employee privacy) and social responsibility (e.g., environmental impact, wage and benefit levels) in business.
- Demonstrate knowledge of Massachusetts laws related to starting and operating a business (e.g., incorporation, licensure, taxes).

### **ACCOUNTING AND QUANTITATIVE ANALYSIS [16%]**

#### **0005 Understand basic principles and applications of accounting.**

For example:

- Demonstrate an understanding of accounting, including basic terminology (e.g., assets, liabilities) and principles (e.g., the accounting equation, characteristics and purposes of accounting documents).
- Apply knowledge of components of the accounting cycle and accounting procedures for recording accounting data (e.g., journalizing and posting transactions, adjusting and closing entries).
- Demonstrate knowledge of the use of computer software in accounting.
- Demonstrate knowledge of legal and ethical issues in accounting.

## **Field 19: Business Test Objectives**

### **0006 Understand principles and methods for generating and interpreting financial statements and ratios in accounting.**

For example:

- Demonstrate knowledge of the types, characteristics, and purposes of financial statements (e.g., balance sheet, cash flow statement) and their use in evaluating the performance of an organization.
- Demonstrate knowledge of the types, characteristics, and purposes of financial ratios (e.g., profit margin, return on equity) and their use in preparing budgets and evaluating the performance of an organization.
- Apply appropriate accounting procedures to manage cash flow, payrolls, and inventories; distribute dividends; and calculate and record taxes and depreciation.
- Demonstrate knowledge of basic principles and methods of management accounting (e.g., cost accounting, break-even analysis).

### **0007 Understand basic techniques of mathematics and quantitative analysis in business.**

For example:

- Apply basic mathematical operations (e.g., addition, subtraction, multiplication, division) to solve business-related problems.
- Solve business-related problems involving decimals, fractions, percents, and ratios.
- Create and interpret charts, tables, and graphs.
- Apply basic principles of measurement, statistics, and probability.
- Apply basic quantitative techniques (e.g., sampling, mathematical formulas, algebra).

## **Field 19: Business Test Objectives**

### **ECONOMICS [11%]**

#### **0008 Understand basic concepts and applications of microeconomics.**

For example:

- Demonstrate knowledge of microeconomics, including theories, principles, and concepts (e.g., circular flow, supply and demand, comparative advantage, diminishing returns).
- Demonstrate knowledge of the characteristics of markets, types and characteristics of competition, and the effect that different market systems (e.g., oligopoly, monopoly) have on the price and quality of goods and services.
- Analyze how firms use economic concepts (e.g., opportunity costs, supply and demand, elasticity, marginal cost) to make decisions about resource allocation in producing and marketing goods and services.
- Analyze factors that influence production (e.g., specialization, division of labor, availability and cost of capital, cost of natural resources, technological innovations, economies of scale).

#### **0009 Understand basic concepts and applications of macroeconomics.**

For example:

- Demonstrate knowledge of macroeconomics, including theories (e.g., Keynesian, supply side, monetarist), principles, and concepts (e.g., aggregate supply and demand).
- Demonstrate knowledge of different types of economies (e.g., traditional, command, market) and economic systems (e.g., capitalism, socialism, the U.S. economy) and the ways in which economic and political systems interact.
- Demonstrate knowledge of phases of the business cycle and factors that influence the economy, economic growth, and the business cycle (e.g., government spending, tax rates, deficits, inflation, interest rates, currency fluctuations).
- Identify key economic indicators (e.g., gross domestic product, consumer price index) and how they are used to predict economic changes and establish government policies.
- Demonstrate knowledge of the role of the Federal Reserve and other financial institutions in setting monetary and fiscal policy and how these policies affect the U.S. economy.

**Field 19: Business  
Test Objectives**

**MARKETING [11%]**

**0010 Understand basic principles of marketing and marketing research.**

For example:

- Analyze the characteristics, motivations, and behaviors of consumers; the role of marketing research in planning and decision making; and data collection strategies for conducting and analyzing marketing research.
- Describe types of markets (e.g., consumer, industrial), marketing strategies, elements of a marketing plan, and steps in implementing a marketing plan.
- Demonstrate knowledge of product design and development, the product life cycle, and the role of marketing in selecting product lines, brands, and the product mix.
- Demonstrate knowledge of the role of product placement (e.g., product display, market coverage) and distribution (e.g., types of distribution channels, channel integration, inventory management) in marketing.
- Demonstrate knowledge of factors that influence pricing decisions (e.g., costs, competition), and the use of pricing strategies in marketing.
- Demonstrate knowledge of types of product promotion, advertising, and public relations and their roles in marketing.
- Demonstrate knowledge of issues related to product planning, placement and distribution, promotion, and pricing in an Internet business.

**0011 Understand international business, marketing, and trade.**

For example:

- Analyze the effect of international business on U.S. domestic production and consumption and current trends in international business and U.S. trade.
- Analyze factors that affect international business and global trade (e.g., absolute and comparative advantage, competition, trade barriers, exchange rates).
- Analyze the role of trade agreements (e.g., North American Free Trade Agreement), common markets, cartels (e.g., OPEC, De Beers), and international agencies (e.g., World Trade Organization, World Bank) in promoting and regulating trade.
- Demonstrate knowledge of types and characteristics of international business ownership (e.g., licensing, joint ventures, foreign subsidiaries) and social, cultural, political, legal, ethical, and economic factors that affect international business and trade.

**Field 19: Business  
Test Objectives**

**ENTREPRENEURSHIP AND BUSINESS TECHNOLOGY [11%]**

**0012 Understand principles of entrepreneurship and types and characteristics of business ownership.**

For example:

- Demonstrate knowledge of the roles and characteristics of entrepreneurs in the U.S. economy (e.g., job creation, innovation, filling niche markets).
- Demonstrate knowledge of the advantages and disadvantages of entrepreneurship.
- Demonstrate knowledge of the types of business ownership and differences between them in tax law and management, decision making, and accounting methods and procedures.
- Demonstrate knowledge of steps in starting a small business (e.g., selecting a target market, choosing a location, seeking capital) and factors influencing the success or failure of a small business.
- Demonstrate knowledge of the components of a business plan, steps and procedures for writing a business plan, and strategies for applying the business plan when starting a small business.

**0013 Understand methods and systems of information processing and their applications to business.**

For example:

- Identify the effect of technology on business and society.
- Demonstrate knowledge of characteristics and business applications of various types of computer software (e.g., word processing, spreadsheet, simulation, presentation, desktop publishing, multimedia).
- Demonstrate knowledge of strategies for gathering, evaluating, and citing information from a variety of information technology sources.
- Apply procedures for identifying the technology needs of a business.
- Demonstrate knowledge of issues related to information security (e.g., electronic privacy, the unauthorized collection of information, identity theft, online fraud).
- Demonstrate knowledge of strategies and techniques for using the Internet in business and marketing and for establishing an Internet business.

**Field 19: Business  
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**CAREER DEVELOPMENT AND PERSONAL FINANCE [10%]**

**0014 Understand career opportunities in business and principles and strategies of career development.**

For example:

- Identify factors to consider when planning a career (e.g., salary, fringe benefits, advancement opportunities) and steps in the career-planning process (e.g., personal assessment, analysis of opportunities).
- Demonstrate the ability to assess personal skills, abilities, and aptitudes and apply this assessment in developing a comprehensive set of goals and an individual career plan.
- Identify sources of information about business-related careers (e.g., government publications, trade associations, Internet resources) and jobs in business (e.g., employment agencies, newspaper advertisement).
- Demonstrate knowledge of strategies for acquiring and maintaining job skills (e.g., internships, apprenticeships, lifelong learning programs) and ensuring a successful transition from school to career.
- Demonstrate knowledge of steps in applying for a job, successful strategies for interviewing for a job, and how to write effective résumés and job applications.

**0015 Understand basic principles of consumer economics and personal finance.**

For example:

- Identify various forms and sources of income and factors that affect employment opportunities, cost of living, and personal income.
- Apply strategies for managing personal finances, evaluating personal spending, and developing a personal and household budget.
- Demonstrate knowledge of risk management strategies (e.g., avoiding identity theft; insurance) and types, characteristics, and advantages/disadvantages of various insurance, savings, investment, and retirement options.
- Demonstrate knowledge of types, characteristics, and advantages/disadvantages of different credit options; strategies for managing credit and avoiding excessive debt; and ramifications of declaring personal bankruptcy.
- Demonstrate knowledge of types of personal taxes, steps in filling out a tax return, and strategies for reducing personal taxes.
- Apply consumer strategies to ensure the effective use of personal resources (e.g., collecting information, comparison shopping, evaluating advertising claims, bulk purchasing).

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**INTEGRATION OF KNOWLEDGE AND UNDERSTANDING [20%]**

*In addition to answering multiple-choice items, candidates will prepare written responses to questions addressing content summarized in the objective below.*

- 0016 Prepare an organized, developed analysis on a topic related to one or more of the following: business management, accounting and quantitative analysis, economics, marketing, entrepreneurship and business technology, and career development and personal finance.**

(Refer to objectives 0001 through 0015 and associated descriptive statements.)