



**California
Subject
Examinations for
Teachers®**

TEST GUIDE

**BUSINESS
SUBTEST III**

**Sample Questions and Responses
and Scoring Information**

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Sample Test Questions for CSET: Business Subtest III

Below is a set of multiple-choice questions and constructed-response questions that are similar to the questions you will see on Subtest III of CSET: Business. You are encouraged to respond to the questions without looking at the responses provided in the next section. Record your responses on a sheet of paper and compare them with the provided responses.

1. Use the Internet address below to answer the question that follows.

<http://www.commerce.gov/sitemap.htm>

Which of the following parts of the Web address above represents the protocol that defines how Web pages are formatted and transmitted?

- A. www
- B. htm
- C. gov
- D. http

2. On a computer system, defragmentation is used to solve which of the following problems?

- A. A virus has been discovered on the hard drive.
- B. A hard drive's data-access time has increased.
- C. A hard drive has no available storage space for a large file.
- D. A computer's operating system is unable to access the hard drive.

3. Which of the following best explains the importance of using benchmarks in the analysis of an information system?
- A. Benchmarks provide a snapshot of the system's performance and capabilities at a given time.
 - B. Benchmarks provide a reference describing how the system operates and how it is maintained.
 - C. Benchmarks provide a measurable standard by which to assess the system.
 - D. Benchmarks provide an alignment of the system's performance to corporate goals and objectives.
4. Under which of the following circumstances is it legal for office workers to make a copy of a program disk for which their company holds a single-user license?
- A. The additional copy will be used on a machine in the same building.
 - B. The additional copy will be used as a backup copy.
 - C. The additional copy will be used for noncommercial purposes.
 - D. The additional copy will be used on a network server.
5. Which of the following should be done before disposing of business computers that contain sensitive information?
- A. Format the hard drive.
 - B. Remove all media drives.
 - C. Send all documents to the recycle bin.
 - D. Change all passwords used for document access.
6. The primary reason for increasing a computer network's bandwidth is to increase the:
- A. number of peripheral devices that can be in use at the same time on the network.
 - B. speed at which data can be written to and retrieved from hard drives.
 - C. number of users that can be logged onto the network simultaneously.
 - D. speed at which data can be transferred between nodes on the network.

7. Use the computer program code below to answer the question that follows.

```
Dim curSales as Currency
If curSales > 10000 Then
    1blCommission = .1 * curSales
Else
    If curSales > 5000 Then
        1blCommission = .075 * curSales
    Else
        If curSales >= 1 Then
            1blCommission = .05 * curSales
        Else
            1blCommission = "Data Error"
        End If
    End If
End If
End If
```

The above code calculates sales commission (*Commission*) based on an associate's sales figures (*curSales*). Based on this code, which of the following commissions is paid for sales of \$3450?

- A. \$150.00
- B. \$172.50
- C. \$258.75
- D. \$345.00
8. As compared with other forms of business organization, a sole proprietorship is likely to be most limited in which of the following areas?
- A. the ability to adapt to change
- B. the ability to dissolve the business
- C. the ability to raise capital
- D. the ability to produce a high-quality product

9. When preparing a business plan for a start-up business, which of the following should be the first question to answer?
- A. What consumer need will the new business meet?
 - B. What are the potential sources of available funding?
 - C. Who are the competitors in the target market?
 - D. What is the time frame for start-up activities?

10. Active listening is most effective as a technique for:
- A. encouraging creativity.
 - B. generating ideas.
 - C. ensuring understanding.
 - D. evaluating knowledge.

11. Use the e-mail below to answer the question that follows.

TO: Maria Gonzales,
Production
Planning Supervisor

FROM: Charlie Foster,
Marketing Manager

SUBJECT: Recent rule change

The affect of the recent personnel decision was to decrease productivity. This has resulted in a decrease in revenue and a decrease in our working capital. I can cite a number of instances in which similar changes in other companies proved counterproductive. I understand your decision in principle, but believe that it lacks practicality.

Which of the following changes should be made to correct a problem in word usage?

- A. Change *affect* to *effect*.
- B. Change *capital* to *capitol*.
- C. Change *cite* to *site*.
- D. Change *principle* to *principal*.

12. Which of the following steps should be taken first in preparing for a career in business?
- A. Research employment forecasts for business areas of interest.
 - B. Prepare a résumé and submit it to potential employers.
 - C. Assess personal work-related interests and skills.
 - D. Make an inventory of potential business contacts.
13. Employment in the early twenty-first century is expected to grow at the most rapid rate in which of the following government-defined sectors?
- A. education and health services
 - B. information technology
 - C. financial activities
 - D. leisure and hospitality
14. Which of the following is most important to emphasize for a firm that is working toward ISO 14000 certification from the International Organization for Standardization?
- A. establishing diversity in the corporate culture
 - B. standardizing personnel practices and policies
 - C. automating production and information systems
 - D. monitoring and controlling environmental impacts
15. Which of the following geographic factors is likely to be most significant to a multinational company in deciding whether to locate a manufacturing facility in a particular region?
- A. the cultural traditions of the local population
 - B. the ease of access to distribution channels
 - C. the proximity of the region to a large river
 - D. the prevailing weather patterns of the region

16. Use the information below to complete the exercise that follows.

At BestBooks Publishing Company, materials needed for publishing books and magazines are housed in one central location at the company's main office. When materials are needed, employees walk down to the central storage area and help themselves. Due to increased personnel and material purchases, several problems have arisen as a result of this process. Items have become lost from the central storage room and there is an overall lack of privacy and security in dealing with proprietary items. In addition, the organization of the room and its resources has deteriorated significantly.

Using your knowledge of information technology, write a response in which you:

- describe an information technology system that could be used to meet the needs of this business;
and
- explain how the capabilities of the technology system will help solve this business problem.

17. Use the information below to complete the exercise that follows.

You are the senior marketing executive at a medium-sized specialty soft drink bottling company. Sales of your products have been flat in the United States for the past two years, and senior executives are interested in exploring the possibility of marketing and selling the company's products in other countries. They've asked you to do some initial research, and you have gathered information about exporting, licensing, joint ventures, and direct foreign ownership. They would like you to prepare a memorandum outlining the issues that need to be considered and providing your recommendations on how to proceed.

Use your knowledge of business communication, decision making, and problem-solving skills to compose a memorandum to the senior executives in which you describe the issues that need to be considered in selling the company's products overseas and provide your recommendation and justifications for the best course of action.

In your composition you should demonstrate command of English language conventions and an awareness of the factors important to business communication, such as audience, tone, and organization.

For question 17, examinees would record their written response on a two-page response sheet located in their answer document. The length of their response to this question is limited to the lined space available on the response sheet. A sample of the response sheet is provided below and on the next page.

Seat 99901 AM Form # 175 CS 09/10/2005	ID# : 9-123-456-7 <small>DO NOT WRITE IN THIS BOX.</small> <div style="display: flex; justify-content: space-around;"><div style="border: 1px solid black; width: 40px; height: 40px;"></div><div style="border: 1px solid black; width: 40px; height: 40px;"></div></div>	Assignment <h1 style="font-size: 48px; margin: 0;">2</h1> Response Sheet	
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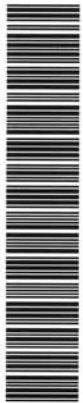
DIRECTIONS

The directions and assignment are presented in your test booklet. Read them carefully before you begin to write. The lined pages of this response sheet are the only pages that will be scored for this assignment. **RESPONSES WRITTEN IN THE TEST BOOKLET OR ANYWHERE ELSE IN THIS DOCUMENT WILL NOT BE SCORED. DO NOT WRITE YOUR NAME ANYWHERE IN THIS SECTION.**

DO NOT WRITE OUTSIDE THESE MARGINS.

DO NOT WRITE OUTSIDE THESE MARGINS.

91234567175101S



DO NOT WRITE OUTSIDE THESE MARGINS.

T PAGE 5

GO ON TO THE NEXT PAGE.

CONTINUE YOUR RESPONSE HERE.

DO NOT WRITE OUTSIDE THESE MARGINS.

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T PAGE 6

STOP. END OF ASSIGNMENT 2

Annotated Responses to Sample Multiple-Choice Questions for CSET: Business Subtest III

Information Technology

1. **Correct Answer: D.** (SMR Code: 4.1) Internet addresses are used to identify an individual or resource on the Internet. The Internet addressing scheme was developed in 1984 and is called the Domain Name System (DNS). Web addresses, typically known as Uniform Resource Locators (URLs) typically contain some main parts, e.g., http, www, a domain name, and a document path or file name. "Http" is an abbreviation for **H**ypertext **T**ransfer **P**rotocol. It is the protocol for transferring Web files and defines how data are formatted and transmitted over the Internet.
2. **Correct Answer: B.** (SMR Code: 4.1) When users frequently create and modify files, the computer stores pieces of those files in scattered sectors on the hard drive. This is called file fragmentation. Significant file fragmentation slows down the speed at which data are accessed. Defragmentation rewrites parts of files and puts them in contiguous sectors on a hard drive in order to increase the speed of access and retrieval.
3. **Correct Answer: C.** (SMR Code: 4.2) Benchmarks help to identify "best practices" in an industry and provide measurable goals or standards to assess and help evaluate and improve a system. Benchmarks are typically established to determine the efficiency, accuracy, or speed of an information system in performing necessary tasks.
4. **Correct Answer: B.** (SMR Code: 4.3) A user license is a legal contract between a software provider and a user specifying the rights of the user regarding the software. Usually the license agreement is in effect with retail software once the user opens the software package. Making a backup copy of a program disk with a single-user license is legal and does not violate the license because the copy is still only being used by the same single user.
5. **Correct Answer: A.** (SMR Code: 4.3) Formatting the hard drive erases all information on the drive and resets the hard drive to its original configuration. Thus, any sensitive information is removed from the computer before it is disposed of properly.
6. **Correct Answer: D.** (SMR Code: 4.4) Bandwidth is a measure of the amount of data that can be transmitted over a network in a fixed amount of time. If the amount of data transferred over a network is extensive, increasing the network's bandwidth will increase the amount of data transmitted per unit of time. This increases the speed at which data are transferred between nodes on a network.
7. **Correct Answer: B.** (SMR Code: 4.5) This software code uses "if-then-else" logic to determine the amount of the commission. Different percentages of commission are paid based on the volume of sales. According to the program, a sale of \$3,450 is less than a sale of \$10,000, and less than a sale of \$5,000, but greater than a sale of \$1, so the resulting commission is five percent of sales ($\$3,450 * .05$), which equals \$172.50.

Business Environment and Communication

8. **Correct Answer: C.** (SMR Code: 6.1) Raising capital for a sole proprietorship is often difficult because business assets of sole proprietors are not protected from claims made by personal creditors. Thus, the risk to business lenders is increased when sole proprietors borrow money, hampering the ability of sole proprietors to raise capital.
9. **Correct Answer: A.** (SMR Code: 6.1) Businesses are likely to be successful when they try to satisfy consumers' wants or needs. Thus, the first step in developing a business plan should be to define and articulate the consumers' wants or needs that the business will attempt to meet. Many start-up businesses fail because they fail to satisfy a consumer want or need.
10. **Correct Answer: C.** (SMR Code: 6.2) Active listening means giving the speaker one's full attention and not formulating a reply to the speaker while listening. Under these conditions, a listener is more likely to fully understand the speaker's message.
11. **Correct Answer: A.** (SMR Code: 6.2) In this memo *affect* is used as a noun. When *affect* is used as a noun it has the specific meaning of emotion or mood. This definition does not fit with the context of the memo. When *effect* is used as a noun it means an outcome or result and makes sense with the meaning of this memo.
12. **Correct Answer: C.** (SMR Code: 6.3) In order to increase the potential for an enjoyable and successful career, an individual first needs to match personal interests and skills to the duties and characteristics of a specific job. For this reason, assessing personal work-related interests and skills should be the first step in performing individual career planning.
13. **Correct Answer: A.** (SMR Code: 6.3) The federal government announced in its most recent report that the education and health services sector is expected to grow at the highest rate among all employment sectors in the nation. Education services are predicted to grow due to advances in technology that will likely require a more highly educated workforce. Health services are also predicted to grow due to the effects of an aging population and a greater need for health services.
14. **Correct Answer: D.** (SMR Code: 6.4) The International Organization for Standardization (ISO) sets global measures for the quality of individual products. ISO 9000 is the common name given to quality management and assurance standards. Prior to establishment of these standards, there were no international standards of quality against which to measure companies. ISO 14000 standards build on former ISO 9000 quality standards by emphasizing a firm's obligation to control the effects that its business activities have on the environment by establishing an environmental policy, identifying improvement targets, auditing existing programs, and maintaining regular management reviews.
15. **Correct Answer: B.** (SMR Code: 6.4) It is important for a firm to evaluate how it will access distribution channels when making a manufacturing facility location decision. Some regions of the world have a limited infrastructure, such as underdeveloped roads and transportation systems. Firms must be able to effectively distribute their products to consumers as well as receive resources and supplies necessary for the production of goods and services.

Examples of Responses to Sample Constructed-Response Questions for CSET: Business Subtest III

Information Technology

Question #16 (Strong Response)

The most effective way to monitor inventory and location of materials in central storage is to install a database. A coding system could be set up and a coded record for each material entered into the database, with fields to indicate the type of material, the level of security, and other relevant information. Employees would request a specific material by completing an electronic or paper order form. The database would track which employees removed and returned specific materials and on what dates.

Additional security controls could be incorporated into the system, including allowing access to confidential, secure, or proprietary materials only to those employees who had need of them. Secure materials could be kept in locked storage.

A database would simplify the process of accessing materials, maintain records of materials that have been checked out, and track the status of any specific material at any time. It would ensure security and control over proprietary materials.

Question #16 (Weak Response)

BestBooks is a company that has outgrown its old-fashioned way of storing and using materials. Perhaps a small company could get by with an informal system, but when a company reaches a certain size, it must implement a more modern system.

The company should computerize its inventory. By entering the necessary information (name, date, description) into a computer, the company would be able to keep track of who has removed materials. This is essential if another person needs them.

Also, a computerized system will protect the security of any confidential materials. By consulting the computerized records, it would be possible to know where secure materials were and prevent the misuse of any such materials.

Business Environment and Communication**Question #17 (Strong Response)**

MEMORANDUM

TO: Senior Executives
FROM: Marketing Executive
SUBJECT: International Marketing Issues
DATE: -----

As a result of our last meeting, I have summarized issues related to our expansion into international markets. Issues to consider when determining a course of action include acceptable levels of risk, timing in sales and penetration, level of company commitment, an understanding of the cultural and political climates, potential language barriers, regulatory constraints, and differences in the exchange rate.

Here are four possible ways we could expand into foreign markets and some concerns relevant to each option:

Exporting This would be appropriate in countries with high production costs, liberal import policies, and/or an unstable political climate. It would be quick to establish and there would be minimal risk and investment. However, there would be costs associated with transport, tariffs, and trade barriers, and we would be viewed as an outsider.

Licensing Appropriate in countries with import or investment barriers and/or significant cultural differences. It would be fairly quick to establish, would entail

continued on next page

Question #17 (Strong Response) *continued*

minimal risk and investment, would circumvent trade barriers, and would give us a high return on investment. However, we would not control the use of assets and the licensees could potentially become competitors.

Joint venture Appropriate in countries with import barriers, significant cultural differences, an unstable political climate, high sales potential, and government restrictions on foreign ownership and in which assets cannot be fairly priced. Local companies can provide skills, resources, distribution network, and other services. We would be viewed as insiders. However, it would be difficult to manage and control, and our partners could potentially become competitors.

Direct ownership Appropriate in countries with import barriers, minimal cultural differences, high sales potential, and stable political climates. It would provide familiarity with the local market, allow us to apply our specialized skills, and minimize exposure of proprietary information. We would be viewed as insiders. However, the risk is high, and it would require more resources and a significant commitment.

Recommendation I believe we should establish a joint venture in one or two countries, working in partnership with existing businesses and sharing responsibility for production and marketing. This would give us credibility with potential customers and would allow us to tap the cultural and business insights of local businesspeople and utilize existing production facilities. We would retain significant control but would produce our product locally, thus avoiding the costs of transport.

Question #17 (Weak Response)

MEMORANDUM

TO: Senior Executives
FROM: Marketing Executive
SUBJECT: International Marketing Issues
DATE: -----

I have been asked to prepare a memorandum summarizing the issues related to our expansion into markets in other countries. This is prompted by our flat sales over the past two years and the potential that exists for markets beyond our own borders.

I will begin by pointing out that we must find additional markets if we want to continue to grow. Our company is at a critical point in our business life. Domestic markets will no longer provide adequate revenues.

Some of the issues we need to consider are:

1. Language barriers Who among us is proficient in any languages other than English? If we want to be competitive in other countries we would have to advertise in the local languages.
2. Transport costs Our product, while not perishable, is heavy and bulky. We would need to consider the pros and cons of transport by air or sea.
3. Trade restrictions and tariffs Many countries impose import taxes.
4. Staffing We may need to recruit local residents to carry out various tasks.

continued on next page

Question #17 (Weak Response) *continued*

As you can see, this is a complex and ambitious undertaking. We will need to gather our best and brightest to develop a solid plan. I look forward to working on this with you and making our company competitive in the global market.

Scoring Information for CSET: Business Subtest III

Responses to the multiple-choice questions are scored electronically. Scores are based on the number of questions answered correctly. There is no penalty for guessing.

Responses to constructed-response questions are scored by qualified California educators using focused holistic scoring.

Because the constructed-response questions on CSET: Business Subtest III are of two types—one type requiring a short (focused) response taking approximately 10–15 minutes to complete, and another type requiring an extended response taking approximately 30–45 minutes to complete—two sets of performance characteristics and two scoring scales will be used to score responses to the constructed-response questions. Scorers will judge the overall effectiveness of your responses while focusing on the appropriate performance characteristics that have been identified as important for this subtest (see below and page 20). Each response will be assigned a score based on an approved scoring scale (see pages 20–21).

Your performance on the subtest will be evaluated against a standard determined by the California Commission on Teacher Credentialing based on professional judgments and recommendations of California educators.

Performance Characteristics and Scoring Scales for CSET: Business Subtest III

A. SHORT (FOCUSED)-RESPONSE QUESTION

Performance Characteristics. The following performance characteristics will guide the scoring of responses to the short (focused)-response constructed-response question on CSET: Business Subtest III.

PURPOSE	The extent to which the response addresses the constructed-response assignment's charge in relation to relevant CSET subject matter requirements.
SUBJECT MATTER KNOWLEDGE	The application of accurate subject matter knowledge as described in the relevant CSET subject matter requirements.
SUPPORT	The appropriateness and quality of the supporting evidence in relation to relevant CSET subject matter requirements.

Business Subtest III

Scoring Scale. Scores will be assigned to each response to the short (focused)-response constructed-response question on CSET: Business Subtest III according to the following scoring scale.

SCORE POINT	SCORE POINT DESCRIPTION
3	The "3" response reflects a command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business. <ul style="list-style-type: none">• The purpose of the assignment is fully achieved.• There is an accurate application of relevant subject matter knowledge.• There is appropriate and specific relevant supporting evidence.
2	The "2" response reflects a general command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business. <ul style="list-style-type: none">• The purpose of the assignment is largely achieved.• There is a largely accurate application of relevant subject matter knowledge.• There is acceptable relevant supporting evidence.
1	The "1" response reflects a limited or no command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business. <ul style="list-style-type: none">• The purpose of the assignment is only partially or not achieved.• There is limited or no application of relevant subject matter knowledge.• There is little or no relevant supporting evidence.
U	The "U" (Unscorable) is assigned to a response that is unrelated to the assignment, illegible, primarily in a language other than English, or does not contain a sufficient amount of original work to score.
B	The "B" (Blank) is assigned to a response that is blank.

B. EXTENDED-RESPONSE QUESTION

Performance Characteristics. The following performance characteristics will guide the scoring of responses to the extended-response constructed-response question on CSET: Business Subtest III.

PURPOSE	The extent to which the response addresses the constructed-response assignment's charge in relation to relevant CSET subject matter requirements.
SUBJECT MATTER KNOWLEDGE	The application of accurate subject matter knowledge as described in the relevant CSET subject matter requirements.
SUPPORT	The appropriateness and quality of the supporting evidence in relation to relevant CSET subject matter requirements.
DEPTH AND BREADTH OF UNDERSTANDING	The degree to which the response demonstrates understanding of the relevant CSET subject matter requirements.

Scoring Scale. Scores will be assigned to each response to the extended-response constructed-response question on CSET: Business Subtest III according to the following scoring scale.

SCORE POINT	SCORE POINT DESCRIPTION
4	<p>The "4" response reflects a thorough command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business.</p> <ul style="list-style-type: none"> • The purpose of the assignment is fully achieved. • There is a substantial and accurate application of relevant subject matter knowledge. • The supporting evidence is sound; there are high-quality, relevant examples. • The response reflects a comprehensive understanding of the assignment.
3	<p>The "3" response reflects a general command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business.</p> <ul style="list-style-type: none"> • The purpose of the assignment is largely achieved. • There is a largely accurate application of relevant subject matter knowledge. • The supporting evidence is adequate; there are some acceptable, relevant examples. • The response reflects an adequate understanding of the assignment.
2	<p>The "2" response reflects a limited command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business.</p> <ul style="list-style-type: none"> • The purpose of the assignment is partially achieved. • There is limited accurate application of relevant subject matter knowledge. • The supporting evidence is limited; there are few relevant examples. • The response reflects a limited understanding of the assignment.
1	<p>The "1" response reflects little or no command of the relevant knowledge and skills as defined in the subject matter requirements for CSET: Business.</p> <ul style="list-style-type: none"> • The purpose of the assignment is not achieved. • There is little or no accurate application of relevant subject matter knowledge. • The supporting evidence is weak; there are no or few relevant examples. • The response reflects little or no understanding of the assignment.
U	<p>The "U" (Unscorable) is assigned to a response that is unrelated to the assignment, illegible, primarily in a language other than English, or does not contain a sufficient amount of original work to score.</p>
B	<p>The "B" (Blank) is assigned to a response that is blank.</p>