



# TEST SUMMARY AND FRAMEWORK

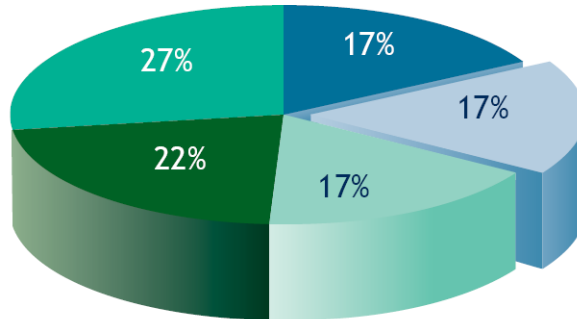
## TEST SUMMARY

### BUSINESS AND MARKETING EDUCATION

The Washington Educator Skills Tests—Endorsements™ (WEST-E™) are designed to measure a candidate’s knowledge of the subject-area content contained in the test framework for each field. All WEST-E tests are fully aligned with the state’s teacher endorsement competencies and, as applicable, the Essential Academic Learning Requirements.

This test summary describes general testing information as well as the approximate percentage of the total test score derived from each content domain. The test framework, organized by content domain, contains the objectives that define the content for the test.

<b>Test Format</b>	Multiple-choice questions
<b>Number of Questions</b>	Approximately 110
<b>Test Session</b>	2 hours, 30 minutes (does not include 15-minute tutorial)
<b>Passing Score</b>	240 (scores are calculated in a range from 100 to 300)
<b>Test Code</b>	038



Key	Approximate Percentage of Test	Content Domain	Range of Objectives
	17%	<b>Business Management and Law</b>	0001-0003
	17%	<b>Accounting</b>	0004-0006
	17%	<b>Economics and International Business</b>	0007-0009
	22%	<b>Entrepreneurship and Marketing</b>	0010-0013
	27%	<b>Information Technology, Communication, and Career and Technical Education Program</b>	0014-0018



# TEST FRAMEWORK

## BUSINESS AND MARKETING EDUCATION

### BUSINESS MANAGEMENT AND LAW

#### 0001 Understand principles and methods of organizational management.

For example:

- analyzing theories and methods of organizational management (e.g., classical and behavioral; activity-based management), functions of management (e.g., planning, organizing, leading), and the characteristics of effective management and the effective manager in business organizations
- analyzing principles of organization (e.g., departmentalization, division of labor) and characteristics, advantages, and disadvantages of various types of organizational structures (e.g., centralized/decentralized; formal/informal; functional, team, and adaptive structures; networks)
- applying principles and methods of managing business operations to increase productivity and profitability (e.g., managing inputs and outputs, controlling fixed and variable costs, locating and designing production facilities, selecting appropriate production process[es], ensuring quality)
- applying principles and methods of managing change, solving problems, making decisions, and achieving innovations in business organizations (e.g., collecting data, analyzing costs and benefits, making decisions individually vs. collectively, reorganizing business structure[s], opening/closing facilities, increasing/decreasing workforce)
- applying principles and methods of managing business finances and preparing budgets (e.g., securing and investing financial resources; preparing sales budgets, production budgets, and cash budgets)



**0002 Understand principles and methods of human resources management and leadership.**

For example:

- demonstrating knowledge of procedures for staffing a business (e.g., recruiting, selecting, training, evaluating, and terminating employees; managing employee turnover; improving labor–management relations)
- analyzing the behavior of individuals and groups in business organizations; factors that influence employee motivation, morale, and job satisfaction; principles of group dynamics; and methods of resolving conflicts
- applying strategies for managing employee compensation and benefits (e.g., assessing education, experience, and skill set in determining employee wages/salary; establishing employee health insurance and retirement plan; managing employee vacations, sick leave, and personal time; providing workers' compensation)
- demonstrating knowledge of policies, laws, and agencies related to human resources management (e.g., employer's and workers' rights and protections, child labor laws, workplace safety laws, Equal Employment Opportunity Commission [EEOC], Americans with Disabilities Act [ADA], Family and Medical Leave Act [FMLA], Consolidated Omnibus Budget and Reconciliation Act [COBRA])

**0003 Understand business law and issues related to ethics and social responsibility in business.**

For example:

- demonstrating knowledge of the structure and operation of the U.S. legal system (e.g., state and federal courts; small claims courts; appellate courts; civil and criminal law; statutory, case, and tort law), basic legal terminology (e.g., class action lawsuit, burden of proof, due process, injunction, liability), and principles of law (e.g., contract, precedent, jurisdiction) that are relevant to business organizations
- demonstrating knowledge of laws and agencies related to operating a business and regulating competition among businesses (e.g., property, tax, and bankruptcy law; patents and copyrights; subsidies; Uniform Commercial Code; antitrust law; Federal Trade Commission; Interstate Commerce Commission)
- demonstrating knowledge of laws and agencies related to protecting consumers and the environment and ensuring product safety (e.g., laws banning unfair trade practices, laws regulating discharge of pollutants, food and drug laws, Better Business Bureaus, Consumer Product Safety Commission, Environmental Protection Agency)
- examining issues related to ethics and social responsibility in business (e.g., employee privacy and conflicts of interest, layoffs, excessive compensation for high-level corporate executives, insider trading, maximizing short-term profit to inflate stock prices, bribery, philanthropy)



## ACCOUNTING

### 0004 Understand principles and methods of accounting and the accounting cycle.

For example:

- applying mathematical concepts (e.g., decimals, fractions, percentages) and procedures (e.g., extrapolation, estimation) to analyze and solve business problems
- demonstrating knowledge of the terminology and principles of accounting and finance (e.g., accounting equation, revenue, Generally Accepted Accounting Principles [GAAP])
- demonstrating knowledge of the types and characteristics of accounting documents (e.g., source documents, annual reports) and how to use those documents to analyze business transactions
- demonstrating knowledge of the types and characteristics of assets (e.g., current, fixed, intangible) and liabilities (e.g., mortgages, accounts and notes payable, depreciation)
- demonstrating knowledge of the function of a journal (e.g., sales journal, purchase journal) and its relationship to the ledger, and of the double-entry method of bookkeeping
- demonstrating knowledge of the accounting cycle, including journalizing and posting transactions, preparing trial balances, adjusting entries, preparing financial statements, and closing entries

### 0005 Understand methods of preparing, analyzing, and interpreting financial statements by applying appropriate accounting principles.

For example:

- demonstrating knowledge of the types and characteristics of financial statements (e.g., income statement, balance sheet, cash flow statement)
- analyzing financial statements to evaluate business performance (e.g., cost-volume-process analysis, break-even analysis, return on investment)
- calculating and using financial ratios (e.g., net profit margin, return on equity, earnings per share, current ratio, inventory turnover, debt-to-assets ratio, debt-to-equity ratio) to assess the activity, liquidity, debt, and profitability of a business
- applying principles and methods of cost accounting to make decisions about business management processes (e.g., controlling operations, making long-range plans, determining inventory and income)
- demonstrating knowledge of computerized accounting systems and the features and capabilities of accounting software
- recognizing current trends in accounting and current International Accounting Standards (IAS)



**0006 Understand principles and procedures of accounting related to forms of business ownership, payroll, inventory, and tax accounting.**

For example:

- demonstrating knowledge of the accounting procedures used in forming a business, allocating business earnings, and liquidating a business
- demonstrating knowledge of the types and characteristics of accounting used in sole proprietorships, partnerships, corporations, government organizations, and not-for-profit companies
- demonstrating knowledge of the components of payroll (e.g., salaries, insurance, pension) and the procedures used in payroll accounting (e.g., calculating gross and net pay, using a withholding table, preparing a payroll register)
- demonstrating knowledge of the types and characteristics of inventory processing systems (e.g., periodic, perpetual) and of inventory costing methods (e.g., first in, first out [FIFO]; last in, first out [LIFO])
- demonstrating knowledge of the types and characteristics of taxes (e.g., corporate income, excise, sales) and procedures used in tax accounting (e.g., calculating, recording, withholding for, deferring taxes)

## **ECONOMICS AND INTERNATIONAL BUSINESS**

**0007 Understand principles of microeconomics.**

For example:

- demonstrating knowledge of basic principles, concepts, and terminology of microeconomics (e.g., supply and demand, scarcity, theories of choice and allocation) and the types and characteristics of economic systems (e.g., market and command economies; production, consumption, competition, cooperation)
- analyzing concepts related to the economics of the firm (e.g., equilibrium, elasticity, optimization, opportunity cost, marginal cost, comparative advantage, law of diminishing returns)
- analyzing concepts related to a firm's production (e.g., profit maximization, market constraints, economies of scale, advantages and disadvantages of specialization) and factors that influence production (e.g., labor, capital)
- analyzing concepts of competition (e.g., pure vs. monopolistic competition) and types and characteristics of competitive systems (e.g., monopoly, oligopoly; barriers to entry; short-term and long-term equilibrium, price fixing and price wars)



**0008 Understand principles of macroeconomics.**

For example:

- demonstrating knowledge of basic principles, concepts, and terminology of macroeconomics (e.g., aggregate supply and demand, externalities, progressive and regressive taxation; Keynesian economics and supply-side economics) and the roles and relationships of economic institutions (e.g., banks, financial markets, labor unions, corporations)
- analyzing types and characteristics of economic and political systems (e.g., open and closed economies; capitalism, socialism, communism)
- analyzing macroeconomic factors that influence economic growth and the business cycle (e.g., unemployment, inflation, deficit) and the use of economic indicators to assess the state of the domestic economy (e.g., gross national product, consumer/producer price index, unemployment rate)
- analyzing monetary and fiscal policy, the role of the Federal Reserve and central banks in setting policies, and how these policies affect the U.S. economy

**0009 Understand international business, marketing, and trade.**

For example:

- analyzing concepts, historical patterns, and current trends in international business and trade (e.g., triangular trade, bilateral trade; negative balance of trade; shifts in manufacturing to countries with low labor costs, rise of China as a major exporter)
- analyzing factors that affect international trade, domestic production, and the economies of the United States and other nations (e.g., free trade vs. protectionism; tariffs; embargoes; exchange rates; cartels)
- analyzing the roles of trade agreements, international agencies, and international financial institutions in expanding global commerce and promoting global economic integration (e.g., General Agreement on Tariffs and Trade [GATT], North American Free Trade Agreement [NAFTA]; World Trade Organization [WTO]; European Union)
- analyzing the forms and structures of international business ownership (e.g., licensing, franchising; strategic alliances; foreign subsidiaries) and how cultural, sociopolitical, economic, and linguistic differences affect business operations and marketing in and among nations



## ENTREPRENEURSHIP AND MARKETING

### 0010 Understand principles and methods of entrepreneurship.

For example:

- demonstrating knowledge of the characteristics of successful entrepreneurs and the benefits of entrepreneurial teams
- assessing the advantages and disadvantages of various forms of business ownership (e.g., sole proprietorship, partnership, corporation)
- assessing the advantages and disadvantages of operating a small business (e.g., personal relationships with customers, independence, flexibility/adaptability, simplified record keeping; risk of failure, limited funds, limited potential)
- demonstrating knowledge of the issues and steps involved in starting up and operating a small business (e.g., Web- vs. home-based businesses, developing a business plan, researching the market, financing the venture) and of the reasons that small businesses succeed (e.g., finding a niche market) or fail (e.g., starting with too little capital)
- demonstrating knowledge of the issues and steps involved in evaluating a franchise to buy and operate (e.g., equity capital required to purchase franchise, reputation of franchisor and number of years in business, operating territory of franchisee)

### 0011 Understand principles and methods of marketing, market research, and product planning and placement.

For example:

- applying basic principles of marketing, including the "four Ps" (i.e., product, placement, price, promotion), and methods of conducting market research, collecting and interpreting marketing data, and developing a marketing plan
- analyzing various marketing strategies (e.g., undifferentiated, concentrated, segmented), factors that affect marketing decisions (e.g., sociocultural variables, technology, laws and ethics), and methods of evaluating markets and forecasting sales
- recognizing the role of marketing in product design and development, the stages of and influences on the product life cycle (e.g., competition, fashion/trends, product features), and the methods of adjusting the product mix (e.g., decreasing the number of product lines, increasing the number of versions of a product)
- applying principles and methods of product placement and distribution (e.g., assessing market characteristics and buyer behavior; using intensive, selective, or exclusive distribution strategies; choosing transportation mode[s])



**0012 Understand principles and methods of pricing, sales promotion, and customer service.**

For example:

- analyzing various pricing strategies (e.g., discounts, rebates, and allowances; promotional, psychological, and discriminatory pricing; price skimming) and factors that affect pricing decisions (e.g., cost, competition, buyers' perceptions)
- applying basic principles and methods of promoting the sale of a product or products (e.g., coupons, refunds, demonstrations, point-of-purchase displays, free samples, contests, sweepstakes)
- applying basic principles and methods of advertising and publicizing a product or products (e.g., identifying target audience; developing a media plan; using pioneer, comparison, or competitive advertising; issuing a press release/holding a press conference)
- demonstrating knowledge of the factors that affect consumer behavior and decision-making processes, the steps in the selling process, and the strategies for delivering customer value and satisfaction

**0013 Understand principles and methods of Internet marketing and e-commerce.**

For example:

- assessing the advantages and disadvantages of marketing on the Internet (e.g., low transaction costs, flexibility, electronic catalogs; potential of fraud, limited Internet access for some population segments)
- demonstrating knowledge of the types and characteristics of products that are both well- and ill-suited for Internet marketing (e.g., products with high/low value-to-weight ratio) and the issues related to finding products on the Internet (e.g., use of keywords)
- analyzing various pricing, promotion, and customer service strategies specific to marketing a product/products on the Internet (e.g., direct e-mail, Web pop-up and floating ads; ensuring security of customer's personal information, facilitating product returns)
- demonstrating knowledge of the types and characteristics of e-commerce and of intermediaries in e-commerce (e.g., virtual warehouses, direct selling) and the effects of e-commerce on the U.S. and world economies





## **INFORMATION TECHNOLOGY, COMMUNICATION, AND CAREER AND TECHNICAL EDUCATION PROGRAM**

### **0014 Understand principles of information processing, information systems, and technology applications.**

For example:

- demonstrating knowledge of the components and operations of computer systems and the terminology associated with computer technology (e.g., hardware, software, peripherals, bits, bytes, bandwidths, URLs)
- demonstrating knowledge of how to use various computer application software (e.g., operating systems; word processing, spreadsheet, presentation, and simulation applications; database management systems; Web browsers)
- recognizing the role of information technology in various business contexts (e.g., product design, manufacturing, financing, sales and marketing, inventory, product delivery, customer service)
- demonstrating knowledge of the skills required for managing information (e.g., maintaining systems for information storage and retrieval, developing and maintaining systems for electronic and manual filing)
- demonstrating knowledge of the procedures for importing graphics, sound, video, worksheets, and text into documents to produce multimedia and presentation products (e.g., graphic design, digital media production)

### **0015 Understand principles of computer networking, programming, and the Internet.**

For example:

- demonstrating knowledge of basic computer networks (e.g., local area network [LAN], wide area network [WAN], peer-to-peer network) and their uses in searching for, finding, and exchanging information
- demonstrating knowledge of programming logic, concepts, methodology, and design (e.g., interface, code, execution, language, testing, debugging)
- demonstrating knowledge of the issues and steps involved in designing a Web site (e.g., creating a home page; selecting fonts, colors, graphics; layout; flow; emphasis; usability/navigation)
- demonstrating knowledge of the concept of e-commerce and the issues and steps involved in starting up and operating an online business (e.g., Internet law, selecting a domain name and Web host, listing a Web site in search engines, making a Web site interactive)



**0016 Understand issues, protocols, and technology related to preserving the security and integrity of electronic information systems and the Internet.**

For example:

- demonstrating knowledge of issues, protocols, and technology related to the security of electronic information (e.g., user rights, identity theft; passwords, voice imprinting, encryption; spyware, cookies, firewalls, virus protection software)
- analyzing matters related to electronic privacy, online fraud, secure online transactions, compiling and sharing personal information online, and generating, maintaining, and selling data files
- demonstrating knowledge of protocols for recovering electronic information and ensuring the accuracy and integrity of electronic information
- demonstrating knowledge of legal and ethical issues related to the ownership/use of technology and electronic information (e.g., intellectual property; patents, licenses, trademarks, copyrights; software piracy)

**0017 Understand principles and methods of business communication.**

For example:

- demonstrating knowledge of the types, characteristics, and purposes of effective communication (e.g., active listening, interviewing; building a conversation by asking questions, suggesting other ideas, and providing verbal and nonverbal cues; previewing and summarizing ideas in a presentation; informing, persuading, solving problems, making decisions)
- recognizing the importance of social etiquette, norms, and conventions in personal and professional communication and how these are influenced by factors such as self-concept, perception of others, and culture
- applying strategies for developing effective and appropriate written communication in various forms (e.g., résumés, letters, reports) and for various purposes and audiences (e.g., selecting formal/informal writing style, using technical/nontechnical language, observing the conventions of Standard American English)
- applying strategies for developing effective and appropriate oral and visual communication for various purposes and audiences (e.g., selecting visual aids and media/technology to use in a presentation, speaking extemporaneously, reading from a manuscript, using body language, modifying voice/vocal qualities)
- assessing the advantages and disadvantages of various modes of telecommunication (e.g., telephone, cell phone, message boards, e-mail, instant messaging, videoconferencing)



**0018 Understand the Career and Technical Education program.**

For example:

- identifying characteristics and requirements of the Career and Technical Education course approval and reapproval process
- recognizing the role of Tech Prep articulation
- identifying business, industry, and OSPI-approved safety and health standards
- identifying the purposes of professional organizations in Career and Technical Education fields and the benefits of participation in these organizations
- recognizing the role of Career and Technical Education advisory committees and industry standards