



Concepts of Finance

General Assessment Information

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Test Type: This A*S*K Business Institute certification assessment is a customized assessment for the MBA Research and Curriculum Center. This assessment measures technical skills at the occupational level and includes items which gauge factual and theoretical knowledge. This assessment offers a written component and can be used at the secondary level and post-secondary levels. This assessment is delivered entirely through QuadNet™, NOCTI's online testing system.

Revision Team: This assessment was developed by MBA Research and Curriculum Center, a not-for-profit 501 (c)(3) organization operated by 27+ state education departments. Assessment content is based on standards validated by industry professionals throughout the U.S.



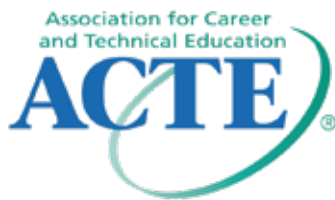
52.0899 -
Finance and Financial Management
Services, Other



Career Cluster -
Finance



11-3031.00 -
Financial Managers



The Association for Career and Technical Education (ACTE), the leading professional organization for career and technical educators, commends all students who participate in career and technical education programs and choose to validate their educational attainment through rigorous technical assessments. In taking this assessment you demonstrate to your school, your parents and guardians, your future employers and yourself that you understand the concepts and knowledge needed to succeed in the workplace. Good Luck!



The A*S*K Institute offers independent proof of learning for and about business, finance, marketing, management, and entrepreneurship. A*S*K certification is a critical tool for serious students of business who wish to document their understanding of key business skills, their willingness to be accountable for their learning, and their interest in positioning for employment and promotion. The Institute operates as a quasi-independent agency providing objective, industry-based proof of learning based on continuing research of the business community. The Institute is administered by MBA Research with guidance from a variety of public and private organizations nationwide. www.ASKInstitute.org

Written Assessment

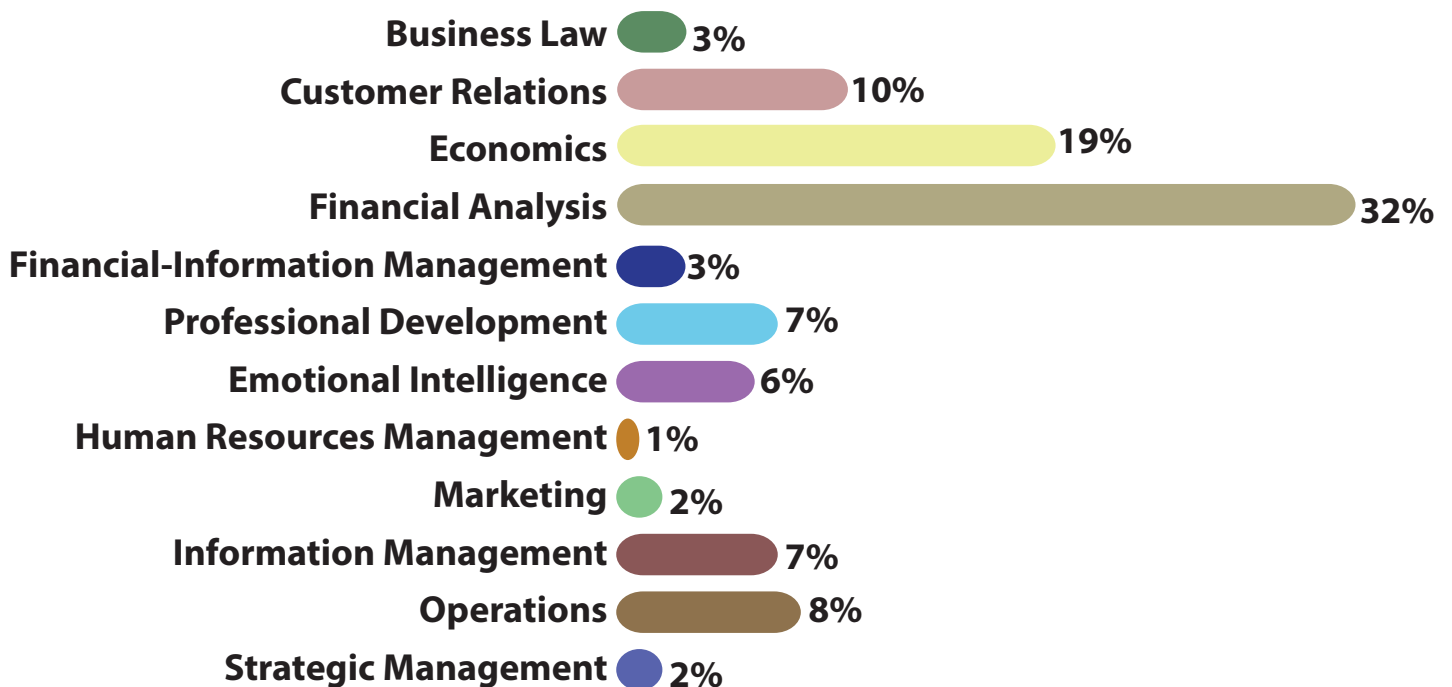
This written assessment consists of questions to measure an individual's factual theoretical knowledge.

Administration Time: 1 hour and 40 minutes

Number of Questions: 100

Number of Sessions: This assessment may be administered in one, two, or three sessions.

Areas Covered



Specific Competencies and Skills Tested in this Assessment

Business Law

- Explain types of business ownership
- Discuss legal considerations in the finance industry
- Discuss the nature and scope of compliance in the finance industry

Customer Relations

- Explain the nature of positive customer relations
- Demonstrate a customer service mindset
- Reinforce service orientation through communication
- Interpret business policies to customers/clients
- Handle difficult customers
- Handle customer/client complaints
- Explain the responsibilities of finance professionals in providing client services
- Adapt communication to the cultural and social differences among clients
- Develop rapport with customers
- Build and maintain relationships with customers



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Specific Competencies and Skills (continued)

Economics

- Describe the concepts of economics and economic activities
- Distinguish between economic goods and services
- Determine economic utilities created by business activities
- Explain the principles of supply and demand
- Describe the functions of prices in markets
- Explain the types of economic systems
- Determine the relationship between government and business
- Determine factors affecting business risk
- Explain the concept of competition
- Explain the concept of Gross Domestic Product (GDP)
- Identify the impact of small business/entrepreneurship on market economies
- Describe types of business activities
- Discuss the measure of consumer spending as an economic indicator
- Describe the economic impact of inflation on business
- Explain the economic impact of interest-rate fluctuations
- Explain the concept of economic resources
- Explain the concept of private enterprise
- Identify factors affecting a business's profit
- Discuss the impact of a nation's unemployment rates

Financial Analysis

- Discuss the nature of the accounting cycle
- Discuss the role of ethics in accounting
- Explain the time value of money
- Describe types of financial-services providers
- Explain types of investments
- Explain the concept of accounting
- Explain the nature of balance sheets
- Describe the nature of income statements
- Describe the nature of budgets
- Calculate the time value of money

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Specific Competencies and Skills (continued)

Financial Analysis (continued)

- Describe the role of financial institutions
- Explain types of financial markets (e.g., money market, capital market, insurance market)
- Explain the purpose of internal accounting controls
- Explain the use of technology in accounting
- Explain legal considerations for accounting
- Explain the role of finance in business
- Discuss the role of ethics in finance
- Explain legal considerations for finance
- Explain the nature of accounts receivable
- Discuss the nature of convergence/consolidation in the finance industry
- Describe the relationship between economic conditions and financial markets
- Explain the nature and scope of financial globalization
- Describe the need for financial information
- Explain methods used to value inventory (e.g., FIFO, LIFO, average cost, etc.)
- Explain the nature of statements of changes in equity
- Describe types of costs used in managerial accounting (e.g., direct cost, indirect cost)
- Describe marginal analysis techniques and applications
- Explain the nature of managerial accounting
- Discuss the use of variance analysis in managerial accounting
- Discuss the nature of cost accounting budgets
- Discuss the nature of cost allocation
- Distinguish among types of business transactions

Financial-Information Management

- Explain the nature and scope of the financial-information management function
- Describe techniques used to analyze customer financial information
- Describe the use of technology in the financial-information management function

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Specific Competencies and Skills (continued)

Professional Development

- Describe the components of a well-governed company (e.g., board of directors, reporting)
- Make decisions
- Set personal goals
- Demonstrate problem-solving skills
- Discuss employment opportunities in the finance industry
- Discuss the importance of corporate governance in business
- Follow chain of command

Emotional Intelligence

- Explain the concept of leadership
- Treat others with dignity and respect
- Explain reasons for ethical dilemmas
- Build trust in relationships
- Foster open, honest communication
- Assess long-term value and impact of actions on others

Human Resources Management

- Discuss the nature of human resources management

Marketing

- Explain marketing and its importance in a global economy
- Describe marketing functions and related activities

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Specific Competencies and Skills (continued)

Information Management

- Describe the nature of business records
- Identify ways that technology impacts business
- Obtain needed information efficiently
- Evaluate quality and source of information
- Apply information to accomplish a task
- Store information for future use
- Discuss the nature of information management

Operations

- Explain the nature and scope of purchasing
- Explain the concept of production
- Explain the nature of overhead/operating costs
- Explain employee's role in expense control
- Explain the concept of supply chain
- Plan project
- Monitor projects and take corrective actions
- Evaluate project success

Strategic Management

- Explain the concept of management
- Explain the nature of risk management

Sample Questions

Which major marketing function communicates information to consumers about a business's products?

- A. Promotion
- B. Channel management
- C. Product/Service management
- D. Pricing

What type of software program allows business/people to combine graphics, transparencies, slides, and text for an on-screen display of information?

- A. Application
- B. Publishing
- C. Operating
- D. Presentation

A tornado destroyed a local business. This is an example of a(n) _____ risk.

- A. pure
- B. unisurable
- C. speculative
- D. predictable



Sample Questions (continued)

Calculate the total amount of the sale, using a sales-tax rate of 6%:

2 shirts @ \$14.95 each

1 pair of jeans @ \$39.99 each

1 sweater @ \$21.55 each

- A. \$91.44
- B. \$95.94
- C. \$91.34
- D. \$96.93

Dan and Sarah are planning to open a business. Sarah is unable to devote full time to daily business operations but plans to provide financial support. Which form of business partnership would you suggest to Sarah?

- A. Open
- B. Closed
- C. General
- D. Limited

While at work, employees see that a customer has been in an accident. The customer appears to be unconscious. What should they do?

- A. Take careful notes
- B. Start CPR
- C. Call 911
- D. Move victim to a more comfortable position

