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# **ILLINOIS LICENSURE TESTING SYSTEM**

## **FIELD 171: BUSINESS, MARKETING, AND COMPUTER EDUCATION TEST FRAMEWORK**

**November 2003**

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# Illinois Licensure Testing System

## FIELD 171: BUSINESS, MARKETING, AND COMPUTER EDUCATION

### TEST FRAMEWORK

November 2003

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# ILLINOIS LICENSURE TESTING SYSTEM

## FIELD 171: BUSINESS, MARKETING, AND COMPUTER EDUCATION

### TEST FRAMEWORK

Accounting Principles and Practices  
Economics, Consumer Economics, and Career Development  
Marketing Principles and Applications  
Entrepreneurship, Management, Law, and International Business  
Business Communications and Computations  
Computer Education

#### SUBAREA I—ACCOUNTING PRINCIPLES AND PRACTICES

##### **0001 Understand the accounting cycle.**

For example:

- Define accounting and explain the steps of the accounting cycle.
- Demonstrate an understanding of the fundamental accounting equation.
- Recognize the functions of various accounting documents and analyze business transactions using source documents.
- Describe the purpose of a journal and its relationship to the ledger.
- Explain the purposes of the closing process, journalize and post closing entries, and prepare a postclosing trial balance.
- Recognize the uses of accounting software.

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**0002 Apply procedures for determining the value of assets, liabilities, and owner's equity according to generally accepted accounting principles.**

For example:

- Recognize appropriate valuation principles (e.g., depreciation); classify items as assets, liabilities, or owner's equity; and define and identify current and long-term assets and liabilities.
- Explain the purposes of notes receivable and apply procedures for maintaining the accounts receivable subsidiary ledger.
- Explain the purposes of notes payable and apply procedures for maintaining the accounts payable subsidiary ledger.
- Explain the purpose of the capital and drawing accounts for a sole proprietorship and partnership and apply appropriate accounting techniques to account for investments and withdrawals by owners.
- Explain the purpose of the following corporate accounts: common stock, preferred stock, paid-in capital, retained earnings, and dividends.

**0003 Prepare, interpret, and analyze financial statements and apply appropriate accounting principles to various forms of ownership, payroll, income taxation, and managerial systems.**

For example:

- Compare the advantages and disadvantages of different forms of business ownership.
- Analyze the income statement and balance sheet of a business and explain the limitations of the historical cost accounting model when interpreting financial statements prepared during periods of inflation.
- Apply procedures for preparing statements of cash flows using the direct and indirect methods.
- Apply appropriate accounting techniques for the formation, allocation of earnings, and liquidation of a business.
- Apply appropriate accounting techniques for maintaining payroll records and determining personal and corporate income taxes.

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**0004 Apply planning and control principles to evaluate the performance of an organization.**

For example:

- Recognize the role of managerial accounting in the management process.
- Explain and compare the behavior of fixed, variable, and mixed costs.
- Apply responsible accounting concepts to analyze cost, profit, and investment centers.
- Evaluate company performance by applying standard cost analysis.
- Apply differential analysis and present value concepts to make decisions with regard to manufacturing or buying a product, leasing or buying an asset, replacing or repairing equipment, discontinuing a product, offering discounted prices on special orders, or taking advantage of capital investment opportunities.

**SUBAREA II—ECONOMICS, CONSUMER ECONOMICS, AND CAREER DEVELOPMENT**

**0005 Understand basic economic concepts and the operation of the U.S. economy.**

For example:

- Define and apply basic economic concepts (e.g., scarcity, opportunity cost, supply and demand).
- Recognize major features of the U.S. economy (e.g., freedom of exchange, private property, economic incentives).
- Recognize the role of consumers, business, labor, and financial institutions in the U.S. economy.
- Explain the role of government in the U.S. economy (e.g., fiscal policy, monetary policy, deregulation).
- Demonstrate an understanding of the business cycle and identify methods for measuring domestic output, unemployment, and inflation.
- Describe factors related to the economics of the firm (e.g., law of diminishing returns, production costs, economies of scale).

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**0006 Understand different types of economic systems and the operation of the international economy.**

For example:

- Explain why societies develop economic systems and recognize and compare basic features of different economic systems (e.g., market, traditional, command).
- Describe and compare different types of market structures (e.g., oligopoly, monopolistic competition, monopoly) and examine the role of competitive markets in the U.S. and other economies.
- Recognize the role of major international economic institutions in the global economy (e.g., World Bank, International Monetary Fund, World Trade Organization).
- Demonstrate an understanding of the laws of comparative and absolute advantage and describe the effect of global interdependence.
- Explain economic relationships among nations and examine the role of international trade, investment, and monetary relations in the global economy.

**0007 Understand basic principles of consumer economics.**

For example:

- Apply consumer skills in various situations (e.g., purchasing autos, health and life insurance, food, clothing, housing).
- Recognize checking and savings options offered by banks, credit unions, and other financial institutions and demonstrate an understanding of the uses and misuses of credit.
- Demonstrate an understanding of financial decision making in areas of budgeting, taxes, and investing (e.g., stock market, precious metals, collectibles).
- Examine legal and practical issues related to consumerism and identify the appropriate consumer agency to address a specific issue or concern.

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**0008 Demonstrate the ability to plan, deliver, and evaluate instruction based upon knowledge of subject matter in the content area of business, marketing, and computer education.**

For example:

- Demonstrate an understanding of the history, organization, and future of work and recognize how work relates to the needs and functions of the economy and society.
- Apply career development concepts, examine the relationship between work and learning, and demonstrate an understanding of the career development process.
- Use information about patterns of business development, changing labor and career opportunities, postsecondary admission standards, and relevant Illinois Occupational Skill Standards to design curriculum and assessment.
- Apply techniques for integrating student organizations' activities into the curriculum and demonstrate how to develop collaborative partnerships with students, colleagues, community, business/industry, and parents to maximize resources.
- Identify and use educational research findings to create learning environments and classroom activities that develop life/workplace skills and design appropriate assessment plans for students.

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**SUBAREA III—MARKETING PRINCIPLES AND APPLICATIONS**

**0009 Understand the principles of marketing and factors affecting business marketing decisions.**

For example:

- Demonstrate an understanding of the role of marketing in business and its impact on individuals, businesses, and society.
- Explain the impact of external factors on marketing decisions (e.g., market demographics, government regulation, economic environment, technological advances).
- Examine the role of pricing in the marketing process and apply various pricing strategies.
- Recognize the stages of product development and their role in the marketing process.
- Demonstrate an understanding of distribution processes and methods to develop distribution plans.
- Identify the four general forms of promotion and examine how each contributes to successful marketing.

**0010 Apply procedures for making marketing decisions.**

For example:

- Apply procedures for collecting and interpreting market data.
- Apply procedures for developing and implementing a marketing plan.
- Use data to make marketing decisions in given situations.
- Apply forecasting principles to marketing data.

**0011 Understand marketing principles and procedures related to personal selling and customer service.**

For example:

- Recognize the importance of customer satisfaction and analyze factors that influence customer satisfaction.
- Demonstrate an understanding of steps involved in the selling process.
- Apply and evaluate various sales techniques.
- Apply procedures and policies related to customer relations.
- Apply procedures for dealing with the public, handling customer complaints, and evaluating customer service.



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**SUBAREA IV—ENTREPRENEURSHIP, MANAGEMENT, LAW, AND INTERNATIONAL  
BUSINESS**

**0012 Understand principles and procedures related to entrepreneurship.**

For example:

- Recognize the characteristics and functions of entrepreneurs and assess the advantages and disadvantages of business ownership.
- Apply economic concepts and financial competencies used to make entrepreneurial decisions.
- Identify, establish, maintain, and analyze appropriate records to make business decisions.
- Apply procedures for developing business plans for entrepreneurial ventures.
- Recognize issues and procedures involved in buying and operating a franchise.

**0013 Understand fundamental theories, functions, and procedures of business management.**

For example:

- Identify the functions of management and recognize their importance in business.
- Recognize basic tenets of management theories (i.e., strategic management, operations management) and their importance in the successful operation of an organization.
- Recognize and apply principles and procedures related to planning, organizing, staffing, directing, and controlling, including general management skills such as time management, technology, networking, and entrepreneurial thinking.
- Analyze financial data to make long- and short-term financial decisions and apply management principles and procedures to meet specific organizational goals and solve business problems related to innovation and change.
- Apply procedures for using generally accepted operations management principles to develop an operations plan.
- Apply the concepts of quality management to improve organizational effectiveness.

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**0014 Understand organizational, group, and individual behaviors and their relationship to business management.**

For example:

- Identify various organizational structures and evaluate their advantages and limitations.
- Demonstrate an understanding of social and behavioral theories related to the functioning of business organizations (e.g., corporate culture, change theory, formal and informal organization, project-based management).
- Apply procedures for using social and behavioral theories and principles to analyze group structures (e.g., team skills, group dynamics, motivation and leadership styles).
- Analyze issues related to organizational, group, and individual behaviors in management situations (e.g., conflict resolution strategies, factors influencing worker morale).

**0015 Understand human resource management and development.**

For example:

- Recognize the functions of human resource managers and how they contribute to the successful operation of an organization.
- Identify sources of new employees and apply methods used to recruit and select employees.
- Examine the role of organized labor and its influence on business and government.
- Demonstrate an understanding of training and staff development methods (e.g., continuing education, diversity training).
- Recognize legal issues related to human resource management (e.g., Equal Employment Opportunity Commission regulations, Americans with Disabilities Act).
- Analyze the effects of business decisions on employees (e.g., corporate mergers, restructuring, relocations).

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**0016 Understand issues related to business ethics and the basic principles of business law.**

For example:

- Recognize procedures for developing a code of ethics and apply the code to various issues confronted by business.
- Analyze factors influencing ethical decisions in business and apply ethical principles in specific business situations.
- Demonstrate knowledge of the sources of law, the structure of the court system, and the different classifications of procedural and substantive law.
- Analyze relationships among contract law, consumer law, and the law of sales.
- Identify and analyze the legal rules that apply to personal and real property and examine the role of agency law and employment law in specific business situations.

**0017 Understand international business operations.**

For example:

- Recognize major trends and developments in international business.
- Analyze social, cultural, political, legal, ethical, and economic factors affecting the international business environment.
- Demonstrate knowledge of import/export trade concepts.
- Examine the effect of international business developments and considerations on organizational structures and the management of human resources.
- Analyze factors that influence marketing decisions in international business situations.

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**SUBAREA V—BUSINESS COMMUNICATIONS AND COMPUTATIONS**

**0018 Understand business communications.**

For example:

- Demonstrate an understanding of the principles of appropriate oral, written, and electronic communication.
- Recognize the effects of various forms of nonverbal communication.
- Demonstrate the ability to communicate in a clear, courteous, concise, and correct manner on personal and professional levels and apply basic social communication skills in personal and professional situations.
- Demonstrate proficiency in written and oral communication using manual and electronic methods and apply appropriate formats for preparing various types of business communications (e.g., interoffice memo, report, business letter).
- Apply procedures for using technology to enhance the effectiveness of communications (e.g., voice mail, e-mail, faxes).

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**0019 Apply reading and research skills in business contexts and demonstrate instructional abilities to teach reading in the content area of business, marketing, and computer education.**

For example:

- Identify business and economic reference materials and other sources of business information and answer specific questions through the application of business research procedures and techniques.
- Demonstrate literal and inferential comprehension of written materials related to business and economics and use critical reasoning skills to evaluate written material in business or economic contexts.
- Apply techniques for planning and teaching units that require students to integrate the four language arts (i.e., reading, writing, listening, speaking) and carry out research or inquiry using multiple texts, including electronic resources.
- Analyze and evaluate the appropriateness of instructional materials in terms of readability, content, length, format, illustrations, and other pertinent factors.
- Recognize the role of subject-area vocabulary in developing reading comprehension and demonstrate how to provide opportunities for students to develop content-area vocabulary through instructional practices that develop connections and relationships among words, use of context clues, and understanding of connotative and denotative meaning of words.
- Apply techniques for planning and teaching lessons to help students develop study strategies that include previewing and preparing to read text effectively, recognizing organizational patterns unique to informational text, and using graphic organizers as an aid for recalling information.

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**0020 Apply basic techniques of quantitative analysis in business situations.**

For example:

- Apply procedures for creating and interpreting charts and graphs containing economic and/or business information.
- Interpret consumer and business data using computational and algebraic operations and statistical analysis.
- Apply procedures for reporting and interpreting quantitative aspects of case studies.
- Apply mathematical procedures for analyzing and solving business problems in such areas as taxation, savings and investment, cash management, sales, inventory records, and depreciation.

**SUBAREA VI—COMPUTER EDUCATION**

**0021 Understand basic computer technology principles, terminology, and keyboarding applications.**

For example:

- Demonstrate an understanding of terminology related to computer technology.
- Identify basic keyboarding skills used to access, generate, and manipulate text and data and identify procedures for formatting business documents according to industry standards.
- Use technology in communicating, collaborating, conducting research, and solving problems.
- Recognize characteristics and functions of computer input devices, output devices, processing units, network systems, and storage units.
- Apply procedures for selecting, operating, and maintaining computer hardware, software, and peripherals.

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**0022 Understand principles and procedures related to information management, information systems, and electronic communications.**

For example:

- Demonstrate an understanding of software applications (e.g., word processing, database management, simulations, spreadsheets, presentation software) and their uses in various business contexts.
- Apply procedures for accessing and manipulating data from databases.
- Recognize characteristics and uses of multimedia systems and desktop publishing applications.
- Apply knowledge of terms related to electronic communications (e.g., wide area network, Internet, uplink).
- Analyze business situations and problems to determine appropriate electronic communication solutions (e.g., teleconferencing, online services, telecommuting).

**0023 Understand principles and procedures related to maintenance, security, ethics, and data integrity of technology systems.**

For example:

- Apply basic troubleshooting strategies (e.g., virus checking) and evaluate the performance of hardware and software components of computer systems.
- Apply procedures for implementing security plans for information systems (e.g., passwords, voice imprinting, user rights).
- Recognize issues related to electronic privacy, the gathering and sharing of information, and generating, maintaining, and selling data files.
- Apply procedures for recovering data and ensuring the accuracy and integrity of electronic data.
- Recognize issues related to ownership of software and ideas (e.g., copyrights, software piracy).