



California Subject Examinations for Teachers®

TEST GUIDE

BUSINESS SUBTEST I

Subtest Description

This document contains the Business subject matter requirements arranged according to the domains covered by Subtest I of CSET: Business. In parentheses after each named domain is the domain code from the Business subject matter requirements.

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California Subject Examinations for Teachers (CSET®)

Business **Subtest I: Business Management; Marketing**

Part I: Content Domains for Subject Matter Understanding and Skill in Business

BUSINESS MANAGEMENT (SMR Domain 1)

Candidates demonstrate an understanding of the purpose and function of business management. Candidates understand the functions of management, organizational theory, and organizational behavior, including leadership and motivational theories. Candidates explain the importance and implications of ethical and legal behavior. They apply effective processes and procedures for making sound business decisions. They understand the basic principles and procedures required to manage service, trade, manufacturing, nonprofit, and public organizations. Candidates understand the role of managing human resources in successful business organizations.

0001 Management Functions and Decision Making (SMR 1.1)

- a. Define and explain the five major management functions (i.e., goal setting, planning, organizing, leading, and controlling).
- b. Understand planning and problem-solving processes within an organization and explain how competition affects these processes in formulating strategy and policy.
- c. Understand major functions of an organization (e.g., accounting, marketing, operations, finance, human resources, research and development, information systems) and describe their roles and interrelationships within the organization.
- d. Identify principles and methods for managing change, incorporating innovation, and using decision-making processes in business organizations.
- e. Interpret quantitative and qualitative business information (e.g., charts, graphs, spreadsheets, articles, manuals, technical consumer and workplace documents).
- f. Apply basic mathematical operations and define quantitative analysis and methods to facilitate decision making (e.g., dependent and independent variable analysis, estimation, forecasting, descriptive and inferential statistics, quality control methods).

0002 Organizational Behavior and Theory (SMR 1.2)

- a. Demonstrate an understanding of leadership and motivational theories, styles, and qualities that foster effective leadership and positive team dynamics.
- b. Understand the interrelationships among group and individual behaviors and the culture and climate of an organization.

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- c. Understand principles of organizational theory and compare and contrast different organizational structures.

0003 Ethical and Social Responsibility (SMR 1.3)

- a. Understand procedures for developing a code of ethics and apply ethical codes to various business situations.
- b. Analyze factors that affect ethical conduct and their implications in business decision making.
- c. Identify and analyze issues related to ethical and social responsibility in the global marketplace.
- d. Understand the social responsibilities of business organizations and the function of management in making decisions related to social responsibilities.

0004 Business Law (SMR 1.4)

- a. Understand the history, sources, structure, and operations of the U.S. legal system and the basic principles of law relevant to business operations in a global economy.
- b. Demonstrate an understanding of laws, regulations, and codes related to business (e.g., enforceable contracts, personal and real property, antitrust, uniform commercial code).
- c. Apply knowledge of laws and regulations in various situations and explain their effect on business.
- d. Recognize and differentiate between ethical and legal issues related to business.

0005 Production and Operations Management (SMR 1.5)

- a. Understand the processes by which resources such as labor and raw materials are converted into finished goods and services.
- b. Understand components of successful business operations (e.g., quality control, planning, resource scheduling, inventory management).
- c. Explain the importance of productivity in business and identify factors that affect profitability (e.g., specialization, innovation, investment, technology).
- d. Identify the interrelationships between business operations and the social dynamics of the workplace.

0006 Human Resource Management (SMR 1.6)

- a. Understand and describe methods an organization can use to effectively manage its personnel policies, practices, and resources.
- b. Understand and apply methods of employee recruitment and selection, development and training, performance documentation, evaluation, and termination of employment.
- c. Demonstrate a basic understanding of the issues arising from legislation (e.g., Americans with Disabilities Act, Equal Employment Opportunity Commission, Family and Medical Leave Act) related to human resource management.

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- d. Understand regulations and apply procedures related to health and safety practices and policies.

(Challenge Standards for Student Success: Career Preparation—Business Education [2000]: Standards 1.2, 1.7, 3.2, 3.3. Business Teacher Preparation in California: Standards of Quality and Effectiveness for Subject Matter Programs [1999]: Standards 8, 9, 11.)

MARKETING (SMR Domain 3)

Candidates demonstrate an understanding of marketing principles and how to use marketing strategies to improve product and service sales. Candidates recognize the customer-oriented nature of marketing and analyze the impact of marketing activities on the individual, business, society, and the global economy. They understand the role of distribution in providing products and services to consumers. Candidates understand how customer service and promotion affect sales. Candidates understand how emerging technologies influence e-commerce and global trade.

0007 Marketing Strategy and Concepts (SMR 3.1)

- a. Understand principles and procedures for developing a marketing plan and apply marketing strategies to a variety of business situations and industries.
- b. Describe how the principles of market segmentation, target marketing, and positioning are used in conducting market research and related business decisions.
- c. Understand and apply principles of the five P's (i.e., product, price, promotion, place/distribution, and people) to make marketing decisions while recognizing the influence of emerging technologies.
- d. Recognize how cultural differences in language, values, social behavior, and business protocol can affect market strategies and concepts.
- e. Identify emerging media technology trends and their impact on marketing strategies.
- f. Apply appropriate mathematical procedures to analyze and solve business problems related to marketing (e.g., purchasing, sales, promotions).

0008 Customer Service, Sales, and Promotion (SMR 3.2)

- a. Understand the nature, importance, strategies, and steps of the selling process.
- b. Understand customer buying motives and behaviors and their relationship to the decision-making process involved in selling.
- c. Understand factors affecting customer satisfaction and customer service options that are appropriate for selected types of businesses and their target markets.
- d. Apply promotional strategies for marketing products and services.
- e. Understand the different tools in the promotional mix (e.g., advertising, personal selling, sales promotion, public relations).
- f. Recognize how cultural differences in language, values, social behavior, and business protocol can affect customer service, sales, and promotion.

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0009 Global Marketing (SMR 3.3)

- a. Identify political, economic, geographical, and commercial factors in global markets.
- b. Recognize how cultural differences in language, values, social behavior, and business protocol can affect market behavior and marketing strategies.
- c. Identify factors that affect global marketing (e.g., global alliances, balance of trade, logistics, market entry, marketing mix, trade barriers).

(Challenge Standards for Student Success: Career Preparation—Business Education [2000]: Standards 5.1–5.11.
Business Teacher Preparation in California: Standards of Quality and Effectiveness for Subject Matter Programs [1999]: Standard 4.)

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Part II: Subject Matter Skills and Abilities
Applicable to the Content Domains in Business

Candidates understand and are able to effectively communicate the central role that business plays in the lives of all individuals. They understand the skills, attitudes, and knowledge that students need to compete and succeed in a rapidly changing global marketplace. Candidates apply critical thinking and creativity to investigate and solve business-related problems. They understand how to collect and analyze business information, make business decisions, and implement those decisions by communicating and interacting effectively in a diverse workplace.

Candidates understand the organizational, team, leadership, and communication skills needed to work effectively with business and community leaders. They understand the fundamentals of supervising, advising, and supporting people. Candidates understand the characteristics, functions, and organizational structures of leadership organizations. They are able to effectively network in individual and group settings in educational institutions, the community, and industry. Candidates understand the need to include all stakeholders and are able to respond to issues related to diversity and equity in business.

Candidates understand historical events, current research, and recent developments in business. They are familiar with social, economic, legal, and ethical issues in the field. They apply strategies (e.g., accessing resources, joining professional organizations) for staying abreast of current issues and developments in business. They are able to identify industry trends and job opportunities, employers' expectations, and the personal characteristics (e.g., appropriate work habits, social and communication skills) necessary for a successful career in business. They apply their knowledge to assist in career planning and development and in applying for, obtaining, maintaining, and exiting employment in business and related fields.

Candidates understand the interrelationships and connections among the various subdisciplines of business and the integration of business and other disciplines commonly taught in public schools. They understand the importance of technology, reading, writing, mathematics, speaking, and active listening skills and how to apply this knowledge in a variety of business situations.