



EXAM INFORMATION

Items

44

Points

51

Prerequisites

NONE

Course Length

ONE SEMESTER

Career ClusterBUSINESS MANAGEMENT AND
ADMINISTRATION**Performance Standards**

INCLUDED

Certificate Available

YES

DESCRIPTION

This Business Management course seeks to develop sound management concepts within students, as management plays a role in any future employment opportunity. Students are able to analyze, synthesize, and evaluate data from the other functional areas of business (e.g., marketing, finance, and production/operation). Effective management requires decision-making abilities, long-range planning knowledge, human relations expertise, and motivational skills. Students learn the four basic functions of management: planning, organizing, directing, and controlling

EXAM BLUEPRINT

STANDARD	PERCENTAGE OF EXAM
1- Planning Functions	10%
2- Organizing Functions	12%
3- Directing (Leadership) Functions	10%
4- Controlling Functions	5%
5- Financial Information	12%
6- Economic Concepts	5%
7- Marketing Concepts	8%
8- Human Resource Management	12%
9- Ethics & Social Responsibility	10%
10- Legal Aspects	8%
11- Information Technology	8%



STANDARD 1

STUDENTS WILL IDENTIFY AND DESCRIBE THE PLANNING FUNCTIONS OF MANAGEMENT.

- Objective 1 Explain what planning is and the importance of planning.
- Objective 2 Explain the business decision-making process.
- Objective 3 Distinguish between strategic (long-term) and operational (short-term) plans.
- Objective 4 Identify planning tools used in project planning (budgets, schedules, policies, etc.).
- Objective 5 Understanding the importance and purpose of the business plan for managerial success and capital resources.

STANDARD 2

STUDENTS WILL IDENTIFY AND DESCRIBE THE ORGANIZING FUNCTIONS OF MANAGEMENT.

- Objective 1 Identify and provide examples of basic ownership forms.
 - I. List the characteristics, advantages and disadvantages of a sole proprietorship, partnership, corporation, franchise, LLC, S-corporation.
- Objective 2 Identify types of organization structures.
 - I. Distinguish between line, line and staff, matrix, and team.
- Objective 3 Understand management structures.
 - I. Describe the advantages and disadvantages of centralized and decentralized.
- Objective 4 Understand the legal aspects of starting a business.

STANDARD 3

STUDENTS WILL IDENTIFY AND DESCRIBE THE DIRECTING (LEADERSHIP) FUNCTION OF MANAGEMENT

- Objective 1 Identify leaders and effective leadership qualities.
- Objective 2 Identify different leadership styles.
 - I. Compare and contrast autocratic, democratic, and laissez-faire.
- Objective 3 Describe techniques managers use to motivate individual employees (e.g., goal setting, job advancement, cross-training, empowerment, and self-direction).

STANDARD 4

STUDENTS WILL IDENTIFY AND DESCRIBE THE CONTROLLING FUNCTIONS OF MANAGEMENT.

- Objective 1 Describe the importance of mission statement, vision statements, goals (long-term), and objectives (short-term).
- Objective 2 Evaluate and determine alternative actions when goals are not being met. (e.g., changing goals, changing strategies).



Objective 3 Identify the major factors that are considered in operations management. (e.g., TQM, lean, just-in-time, supply chain, etc.)

STANDARD 5

STUDENTS WILL ANALYZE AND UNDERSTAND THE IMPORTANCE OF FINANCIAL INFORMATION.

- Objective 1 Know basic financial terms (e.g. assets, liabilities, owner's equity, revenue, expenses).
- Objective 2 Understand the purpose of Income Statements, Balance Sheets and Cash Flow Statements.
- Objective 3 Analyze and interpret the data that appears on financial statements, for managerial decisions making. (e.g., ratio and breakeven analysis)
- Objective 4 Identify sources for securing financing to start and operate a business. List the characteristics of personal savings, bank financing, SBA loans, and venture capital.

Standard 5 Performance Evaluation included below (Optional)

STANDARD 6

STUDENTS WILL UNDERSTAND BASIC ECONOMICS CONCEPTS.

- Objective 1 Understand economic terms (e.g. recession, depression, inflation, GDP, etc.).
- Objective 2 Identify various types of economic systems.
 - I. Compare and contrast capitalism, socialism, communism, and mixed economy.
- Objective 3 Understand the factors involved in deciding to do business internationally and how global economies affect domestic businesses.
 - I. Analyze the impact of the global economy on business profitability.
- Objective 4 Understand forces of supply and demand in the economy.
- Objective 5 Identify various types of competition.
 - I. Compare and contrast monopoly, monopolistic competition, oligopoly, and pure competition.

STANDARD 7

STUDENTS WILL UNDERSTAND BASIC MARKETING CONCEPTS.

- Objective 1 Identify and understand the four P's.
- Objective 2 Identify the elements of product development.
- Objective 3 Understand the use of pricing strategy.
- Objective 4 Identify and understand distribution channels (place).
- Objective 5 Recognize the different types of promotion.



STANDARD 8

STUDENTS WILL DESCRIBE HUMAN RESOURCE MANAGEMENT AND ITS IMPORTANCE TO THE SUCCESSFUL OPERATION OF AN ORGANIZATION.

- Objective 1 Understand management theories.
1. Compare and contrast Theories X, Y, and Z.
 2. List the characteristics of Herzberg's Theory and Maslow's Hierarchy of Needs.
- Objective 2 Understand management responsibilities of recruiting, hiring, training, appraising, and firing employees.
- Objective 3 Identify employment arrangements (e.g., teams, flexible work schedules, job-sharing, telecommuting, etc.).
- Objective 4 Understand compensation and benefits. (wages, salaries, insurance, and retirement benefits, etc.).

Standard 8 Performance Evaluation included below (Optional)

STANDARD 9

STUDENTS WILL UNDERSTAND AND IDENTIFY ETHICS AND SOCIAL RESPONSIBILITY AS IT RELATES TO BUSINESS.

- Objective 1 Describe a business code of ethics.
- Objective 2 Explain the overall nature of social responsibility (e.g. philanthropy, human rights violations, child labor, etc.).

Standard 9 Performance Evaluation included below (Optional)

STANDARD 10

STUDENTS WILL UNDERSTAND LEGAL ASPECTS THAT REGULATE BUSINESS.

- Objective 1 Describe how labor legislations affects the workplace (e.g., drug testing, ADA, sexual harassment, right-to-privacy, FLSA, etc.)
- Objective 2 Understand governmental agencies which regulate business practices. Identify the agency and their purpose: OSHA, EEOC, and FTC.

STANDARD 11

STUDENTS WILL BE ABLE TO DESCRIBE THE ROLE OF INFORMATION TECHNOLOGY TO CONDUCT BUSINESS EFFECTIVELY AND EFFICIENTLY IN A MODERN WORLD.

- Objective 1 Describe how the Internet provides information to users.
- Objective 2 Describe the basic technology infrastructure used by businesses.
- Objective 3 Describe technology's impact on strategy.



Objective 4 Describe the impact of planning an online business.

Standard II Performance Evaluation included below (Optional)



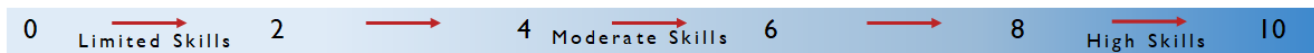
Business Management Performance Standards (Optional)

Performance assessments may be completed and evaluated at any time during the course. The following performance skills are to be used in connection with the associated standards and exam. To pass the performance standard the student must attain a performance standard average of **8 or higher** on the rating scale. Students may be encouraged to repeat the objectives until they average **8 or higher**.

Students Name _____

Class _____

PERFORMANCE RATING SCALE



STANDARD 5 Financial Information

Score:

- Analyze a financial statement.
 - o Income Statement, Balance Sheet or Cash Flow Statements.

STANDARD 8 Human Resource Management

Score:

- Analyze human resource case study, current even, or example.

STANDARD 9 Ethical & Social Responsibility

Score:

- Analyze business ethics case study, current event, or examples.

STANDARD 11 Information Technology

Score:

- Locate information on an existing corporation. Include the following:
 - o Mission statement
 - o Code of ethics (conduct)
 - o Company history (story)
 - o Current leadership
 - o Current financial statements or create a business plan
- Organize or participate in one of the following activities:
 - o Class presentation
 - o Collaborative activity
 - o School service activity

PERFORMANCE STANDARD AVERAGE SCORE:



Business Management Vocabulary List

- **Added value** - takes an existing product, adds additional "value" usually in the form of a specific application, packaging, etc. and resells it as a new product or "package."
- **Affirmative-action programs** – Program set up by a business firm to increase employment opportunities for women and minorities.
- **Autocratic leadership style** – Leader reaches a decision, communicates the decision to subordinates, and requires them to implement it without further input.
- **Balance sheet** – Statement of a firm’s financial position on a particular date; including assets, liabilities, and owner’s equity.
- **Benefits** – Non-wage compensation provided to employees—includes such things as paid vacation, sick leave, insurance, etc.
- **Break-even analysis** – Method of determining the minimum sales volume needed at a certain price to cover all costs. There would be no profit or loss at this point.
- **Brainstorming** – Presenting a problem to a group and allowing group members to produce many ideas for the solution to the problem.
- **Budget** – Statement of expected results or requirements expressed in financial or numerical terms.
- **Business ethics** – Standards of business conduct and moral values.
- **Centralized** – Communications by team members through a single person to solve problems or make decisions.
- **Clayton Act** – Passed in 1914. Makes it illegal to charge different prices to different wholesale customers. It also bans the practice of requiring a customer to purchase a second good.
- **Code of Ethics** – Principles of conduct to be used in making decisions within a company.
- **Comparable worth** – The idea that one group of individuals such as women should get pay equal to men for performing the same type of work with regard to such things as difficulty and responsibility or requiring similar levels of education and/or training.
- **Compensation** – Payment, usually monetary, received as payment or reparation for goods or services.
- **Computers** – Programmable electronic devices that can store, retrieve, and process data.
- **Controlling** – Evaluating the organization’s performance to determine whether it is accomplishing its objectives.
- **Copyright** – Legal protection provided to creative work such as books, movies and music.
- **Corporation** – Legal Entity with authority to act and incur liability separate from its owners.
- **Cross training** – To provide training in different tasks or skills than those usually needed so the employee can do another job if the need arises.
- **Culture** – A group’s social heritage, including behavior patterns and values.
- **Customers** – Consumers of goods and services.
- **Day planner** – A hard copy or electronic way of planning daily activities that allows the user to better organize their time, keep track of meetings and events, etc.
- **Debt financing** – Raising money through selling bonds, notes, or mortgages or borrowing direction from financial institutions.
- **Decentralized** – System in which team members communicate freely among themselves to arrive at decisions together.
- **Decision making process** – Recognizing a problem, identifying it, evaluating alternatives, selecting and implementing an alternative, and following up.



- **Democratic leadership style** – A set up leadership characteristics favoring social equality that encourages participation of all team members in the decision-making process.
- **Depression** – A period of low general economic activity marked especially by rising levels of unemployment.
- **Directing** – Providing leadership to give direction so activities can be accomplished in a timely manner.
- **Economics** – The study of the decisions or choices that go into making, distributing, and consuming products.
- **Empowerment** - To delegate responsibility and authority to an employee to complete a task.
- **Entrepreneur** - Person who conceives and initiates business activity. A risk-taker.
- **Environmental control** - Protection of the environment through policies and laws concerning the control of the environment.
- **Evaluate performance expectations** - To determine the significance, worth, or condition of usually by careful appraisal and study. Results are the ultimate goal.
- **Exchange rates** - Rate at which one country's currency is exchanged for another's currency.
- **Factors of production** - Resources used in the process of production. These are usually divided into three main groups—natural (land), human resources (labor) and capital (money)—but may also include entrepreneurship.
- **Financial statements** - Financial report that summarizes accounting data, balance sheet and income statement are examples.
- **Flexible work schedules** - A system that allows employees to choose their own times for starting and finishing work within a broad range of available hours.
- **Form utility** – Utility created by converting raw materials and other inputs into finished goods and services.
- **Franchise** - A license, granted by one company (franchisor) to another company or person (franchisee), entitling the franchisee to produce or market a product or service in a specific area. The license is usually reviewed periodically, typically every 6 months or annually.
- **Franchiser** – The seller of a franchise.
- **Herzberg Theory - Two Factor** theory of human motivation. According to his theory people were influenced by two factors. **Satisfaction and psychological growth was a factor of motivation factors. Dissatisfaction was a result of hygiene factors.** *Essentially, hygiene factors were needed to ensure an employee was not dissatisfied. In order to motivate an employee into higher performance motivation factors were needed.*
- **Human resource department** - The department of a business concerned with recruiting and managing employees.
- **Human resource management** – Branch of a business that deals with the creation and management of systems that integrate people, materials, and energy in productive ways.
- **Income statement** – A financial record of sales, expenses, and net profit for a given period.
- **Inflation** - When the amount of money supply and business activity dramatically increases, accompanied by sharply rising prices.
- **International trade** - Trade between two or more partners from different countries (an exporter and an importer). Early international trade consisted mostly of barter transactions.
- **Interstate Commerce Act** – Passed in 1887 by Congress to force railroads to publish their rates and forbade them to change rates without notifying the public. Also established the Interstate Commerce Commission (ICC) to supervise the railroads.



- **Joint venture** - An agreement between two or more firms to undertake the same business strategy and plan of action resulting in sharing a foreign business or government's operation costs, risks, and management.
- **Laissez-faire leadership style** – A leadership philosophy or practice characterized by a usually deliberate abstention from direction or interference especially with individual freedom of choice and action.
- **Leadership** – Act of motivating or causing others to perform activities designed to achieve specific objectives.
- **Leadership style** – The way a leader chooses to act to motivate or cause others to perform activities designed to achieve specific objectives.
- **Line-and-Staff** – Structure that combines the direct flow of authority of a line or organization with staff departments that serve, advise, and support the line department.
- **Management functions** – The activities of planning, leading, organizing, and controlling.
- Market segmentation - To divide a market by a strategy directed at gaining a major portion of sales to a subgroup in a category, rather than a more limited share of purchases by all category users.
- **Marketing mix** - Organization's combined **product, pricing, distribution,** and **promotional** strategies.
- **Marketing research** - The systematic gathering, recording, analyzing, and use of data relating to the transfer and sale of goods and services from producer to consumer.
- **Maslow's hierarchy of needs** – A pyramid of needs consisting of physiological, safety, social, esteem, and self-actualization; where lower level needs are met before higher level needs.
- **Mission statement** - Definitive scope of the overall business, in a concise narrative format.
- **Nepotism** - The practice of giving promotions, basic employment, higher earnings, and other benefits to employees who are relatives of management.
- **Net income** - The amount remaining when expenses are deducted from gross income.
- **Oligopoly** - Not quite a monopoly, but getting there. A small group of large suppliers dominate a market, providing similar versions of a product, like soft drinks.
- **Organizational chart** - A graphic representation of how authority and responsibility is distributed within a company or other organization.
- **Organizing** - To put together into an orderly, functional, structured whole.
- **OSHA (Occupational Safety and Health Act)** - An arm of the U.S. Department of Labor that attempts to keep people safe in their workplace by setting safety standards and enforcing them. OSHA will inspect for such problems as contaminants in a factory's air.
- **Partnership** – An association of two or more persons who jointly own a business and where all partners have unlimited liability for business debts.
- **Patent** – Document issued by the federal government giving exclusive rights to inventors and companies for particular inventions.
- **Planning** - Act of setting goals, developing strategies and tactics, and outlining tasks and timelines to meet those goals.
- **Planning tools** – Those items that make it easier for a person or organization to set goals, develop strategies, and outline tasks and schedules to accomplish goals.
- **Product safety** – The degree to which a product is safe from undergoing or causing hurt, injury, or loss; governed by the Consumer Product Safety Commission.



- **Profits** - The excess of income over all costs, including the interest cost of the wealth invested. The net income of a business is not an accurate measure of its profit.
- **Proprietorship** - Ownership of a business, including income-producing real estate, by an individual, as contrasted with a partnership or corporation.
- **Pure monopoly** - A **market** in which only one firm has total control over the entire **market** for a product due to some sort of barrier to entry for other firms, often a **patent** held by the controlling firm.
- **Recession** - A period of general economic decline; specifically, a decline in gross domestic product (GDP) for two or more consecutive quarters.
- **Recruitment** – The process of persuading someone or a business entity to become a new member of an organization.
- **SBA (Small Business Administration) loan** – Obtaining a loan for the purpose of starting or continuing a small business. The SAB is a Federal government agency in Washington, D.C. that makes low interest loans to qualified small businesses.
- **Sherman Act** – Passed in 1890. Made it illegal for companies to create monopolies.
- **Social responsibility** - The idea that businesses should not function amorally, but instead should contribute to the welfare of their communities.
- **Social Security Act** - A law passed in 1935 providing old-age retirement insurance, a federal-state program of unemployment compensation, and federal grants for state welfare programs.
- **Strategic objectives** - The process of determining a company's long-term objectives and then identifying the best approach for achieving those goals.
- **SWOT** – A business analysis using strengths, weaknesses, opportunities and threats.
- **Theory X** – Management assumption that workers dislike work and must be coerced, controlled, or threatened to motivate them to work. Belief that employees need constant supervision.
- **Theory Y** – Managerial assumption that workers like work; and, under proper conditions, accept and seek out responsibilities to fulfill their social, esteem, and self-actualization needs. Belief that employees are motivated to work and thrive in a culture that supports motivation.
- **Theory Z** – Management approach emphasizing employee participation as the key to increased productivity and improved quality of work life. Belief that management should create an environment for employees that values both performance and involvement.
- **Trademark** – Name, symbol or slogan a business uses to identify its goods.
- **Training** - Education to develop a person's professional skills.
- **Unemployment insurance** - State run insurance program funded by employers and payroll taxes that provide workers with weekly payments when they are fired or laid off.
- **Variance Reports** – A report that goes through the difference between budget, standard costs and actual costs.
- **Venture capitalists** – Organizations or individuals that make money available for investment in innovative enterprises or research, especially in high technology, in which both the risk of loss and the potential for profit may be high.
- **Wheeler-Lea Act** – Passed in 1938. Bans unfair or deceptive acts or practices. Businesses must inform consumers of possible negative consequences of using their products.
- **Whistle blowers** - A person or persons who tell someone in authority about something illegal that is happening, especially in a government department or a company.