

**Maryland State Department Of Education In Partnership With
The University Of Maryland Eastern Shore**

**MSDE CAREER AND TECHNOLOGY EDUCATION
PROGRAMS OF STUDY BUSINESS MANAGEMENT
PATHWAY**

Learning Objectives and Course Outlines

BMF Program Affiliate

3/5/2012



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BMF PATHWAYS

The workforce has changed dramatically as a result of technological advancements made in the past two decades demanding that students enter the workplace prepared with advanced technical and 21st century skills. A study conducted by the Georgetown Center on Education and the Workforce (2008) projects that from 2008 to 2018, about two-thirds of the job openings in the U.S. will require at least some postsecondary education and training. More specifically, approximately half of the jobs that will require post-secondary education will go to people with an associate's degree or occupational certificate. Often referred to as middle skill occupations, they include such career paths as construction, paralegal, health technology, nursing, office management, administrative services, bookkeeping, sales, event planning, repair and installation, massage therapy, and law enforcement ⁽¹⁾.

Career and Technology Education (CTE) programs are developed in response to an identified opportunity to add value to students' overall educational programs and align with the most appropriate, reliable, and valid technical standards available. CTE programs provide multiple options for students as they prepare for entry into careers and further education and are measured against student attainment of rigorous academic, employability and technical skills and student success in further education and employment.

Is there any proof CTE works? Students who complete a rigorous academic core coupled with an academically challenging CTE program of study have test scores that equal or exceed college preparatory students. Additionally, they are more likely to pursue postsecondary education, have a higher grade point average in college, are less likely to drop out of college in the first year, and have an easier time finding internships and employment opportunities than non-CTE students. In short, CTE programs have been cited for: preparing students to be career and college ready, helping students learn how to apply core academic skills to real world professional situations, building the employability soft skills of students such as communications and critical thinking, and providing students with job-specific technical skills ⁽²⁾. Further, CTE students have also been found to be significantly more likely to report that they developed problem-solving, project completion, research, math, college application, work-related, communication, time management and critical thinking skills during high school ⁽³⁾.

The Business, Management, and Finance (BMF) programs of study include: Business Administrative Services, Business Management, National Academy of Finance, Accounting, and Marketing. They represent programs of study all found at the University level. Reports consistently show that business remains the number 1 college major in the nation overall for both men and women ⁽⁴⁾. Additionally, in terms of persistence to graduation and number of degrees awarded, business holds the top spot representing nearly 25% of all degrees awarded annually ⁽⁵⁾.

Do BMF programs of study prepare students for academic studies in undergraduate business programs? Yes, students who take business courses while in high school are found to be better prepared for academic success in college business programs ⁽⁶⁾.

This Maryland BMF cluster focuses on four programs of study based on the Maryland State Department of Education framework for Business Management and Finance. Each program includes rigorous academics, broad cluster knowledge and skills, and technical skills related to one of the specific programs of study. Each course in the program of study has been identified and developed with regional postsecondary and business partners. Skills for Success and other workforce requirements are integrated throughout the coursework. Examples include workplace readiness, computer applications, written and oral communication skills, and math skills. Industry certifications are incorporated where appropriate. Opportunities are available for students to earn transcribed college credit through articulation agreements—such as dual enrollment and CLEP exams. Each program allows students to graduate with the skills and knowledge necessary to pursue post-secondary education and entry-level business positions.

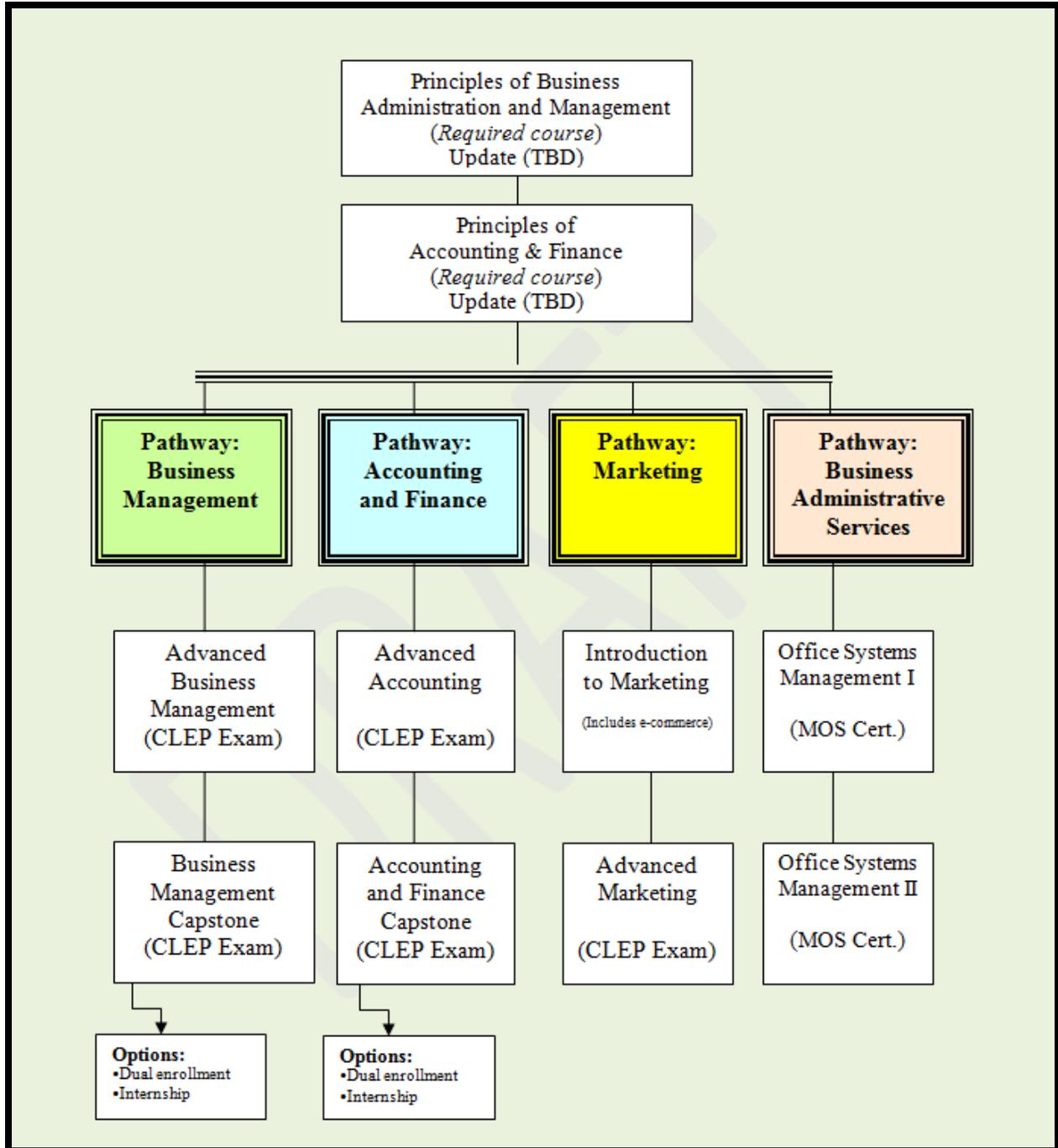
Students in all programs of study are required to take two core courses—Principles of Business Administration & Management and Principles of Accounting and Finance. All students learn effective decision-making techniques in financial management, business communication, problem-solving, teamwork and networking skills. Human resource topics such as diversity in the workplace, ethics, employer/employee rights, discrimination, accountability, time management, and setting priorities are also covered. Upon completion of the two core courses, students are required to complete remaining credits in their selected program of study such as Business Administrative Services, Business Management, Marketing, and Finance and Accounting. To complete the Finance and Accounting Pathway the required completer courses are Advanced Business Management and Business Management Capstone.

All BMF programs of study recommend that students should have access to work study, mentorship, internship, and job shadow opportunities. Students also benefit from national professional organizations such as FBLA and DECA. As part of the program of study students are also expected to take the CLEP-Management exam offered by Educational Testing Service.

- (1) Georgetown's Center on Education and the Workforce, (2010). Help Wanted: Projections of Jobs and Education Requirements Through 2018. Georgetown University
- (2) Association for Career and Technical Education. (2009). FactSheet. Retrieved 11/22/11 from: www.acteonline.org/uploadedFiles/About_CTE/files/CTUFactSheet2.0-3.doc
- (3) Grasmick, N. (2011). Across the nation during the month of February, Career and Technology Education programs are being celebrated during CTE Month. Maryland State Department of Education. Retrieved from: 2/16/2011 http://www.marylandpublicschools.org/NR/rdonlyres/F1D78DCC-1403-4029-A4CB-BF6BB8106752/27453/oped_career_technology_03_2012.pdf
- (4) Princeton Review. (2010). Top 10 College Majors. Retrieved 1/20/2011 from <http://www.princetonreview.com/college/top-ten-majors.aspx>
- (5) U.S. Department of Education, National Center for Education Statistics. (2010) Digest of Education Statistics, 2009 (NCES 2010-013)
- (6) Sweitzer, K. (2011). High School Preparation Tips for Aspiring Business Majors. Retrieved 3/17/2011 from <http://businessmajors.about.com/od/undergradbusinessmajors/a/HighSchoolPrep.htm>

Business, Management, and Finance

CTE Programs of Study



Business, Management, and Finance Program Affiliate

The goal of the Maryland Business, Management, and Finance Program Affiliate is to provide curriculum development and professional development for business teachers in schools that are implementing the Maryland BMF Programs of Study. Formed in 2010, the Program Affiliate represents a partnership between the MSDE and UMES. In a collaborative effort, the Maryland BMF Program Affiliate works with the MSDE Division of Career and College Readiness Career and Technology Education (CTE) branch to provide leadership; professional development opportunities for teachers; curriculum and technical assistance; program alignment to industry standards, professional certification requirements, and university/college credit requirements in order to ensure excellence across the BMF discipline . The Website for the BMF Program Affiliate can be found at www.BusinessEducationMSDE.com

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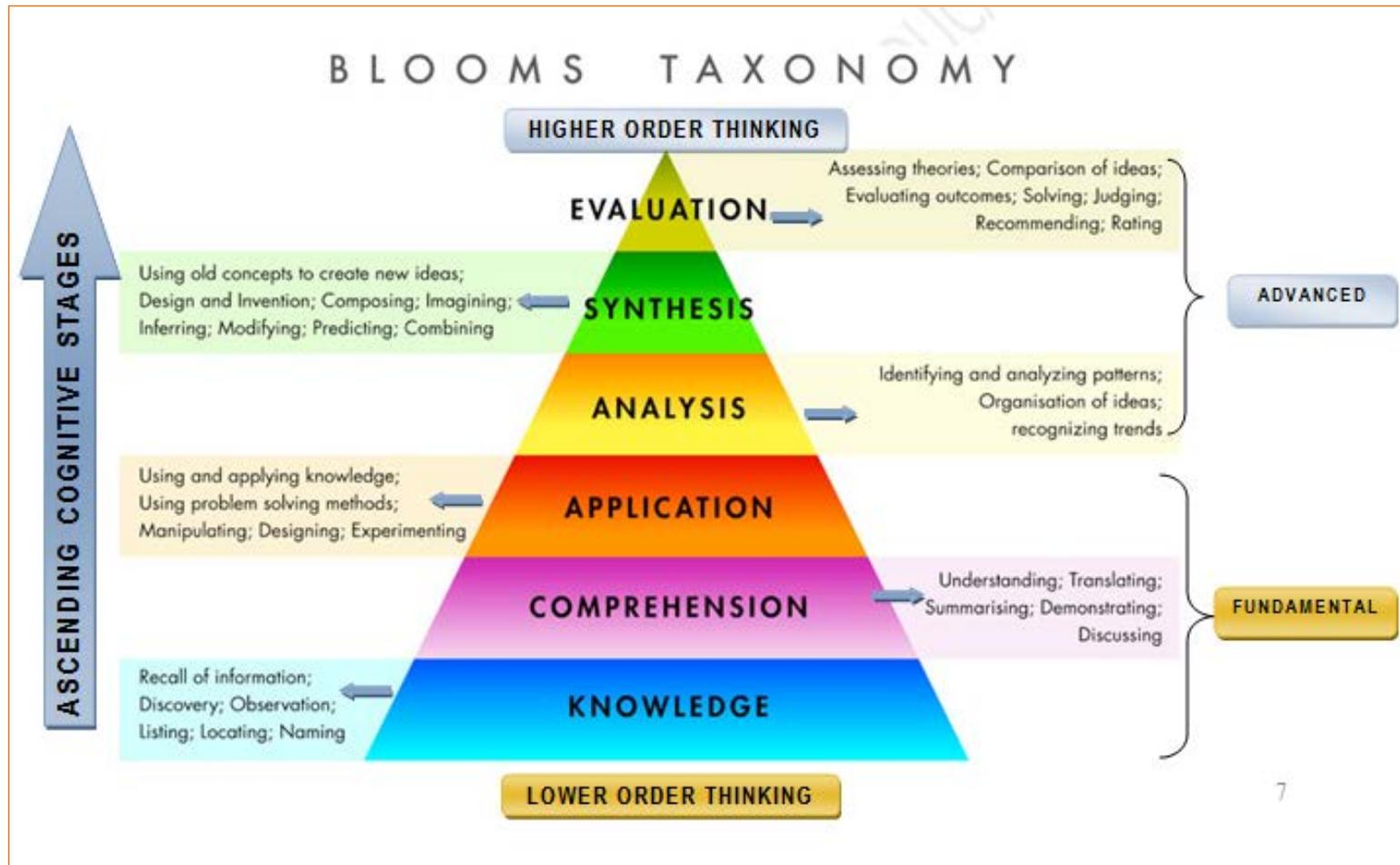
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The course objectives and learning outline have been carefully scaffolded with new concepts being built upon existing knowledge as appropriate. Performance indicators have been written using Bloom's Taxonomy of Educational Objectives. These performance indicators are appropriate to the intellectual development of the child in harmony with the curriculum content. As such, lesson plans and assessments should be developed with the educational objectives in mind. The model below is adapted from:

<http://connect.in.com/blooms-taxonomy/images-blooms-taxonomy-verbs-1-668324600279.html>



PATHWAY OBJECTIVES

Upon completion of Pathway courses and passage of the CLEP Management examination students will have been able to demonstrate:

1. Knowledge through the ability to recall and to make associations between management concepts, terminology, procedures, theories, functions, and techniques.
2. Comprehension through the student's ability to recognize, explain, and associate specific terminology with important management ideas, processes, techniques, concepts and elements;
3. Application of knowledge through the ability to interpret and use management data for strategic decision making
4. Analysis through a student's ability to analyze a business condition, case, or specific problem
5. Synthesis through a student's ability to create a business proposal.

Course Information: Principles of Business Administration and Management

Course Description:

This course provides a foundational understanding of the role of business in a global society, American business as a dynamic process, forms of business ownership, management concepts, marketing, production and distribution, and accounting and finance. Along with a brief historical perspective, business terminology and principles will be emphasized. Students will learn to analyze the functions of business through evaluating, planning, organizing, and controlling. Students will develop the communication skills that will be necessary for success in the workplace and college. Students will be expected to think analytically; improve written and oral communication skills; enhance listening and questioning skills; learn and practice the art of conversation; improve public speaking skills; broaden their awareness of career options; practice using teamwork to make decisions and solve problems; and learn why people skills, communications skills, and networking skills can help them succeed in their careers. Students will understand the business world and be more prepared to meet their career goals and objectives. This course will help students to contribute to the improvement of economic citizenship and professional literacy through analysis of the business and economic environment, in which we all live.

Goals

Upon successful completion of the course, each student will be able to:

1. Describe fundamental business concepts, key terminology, and the role of business in society.
2. Discuss major management concepts.
3. Discuss oral, written, organizational, interpersonal, and leadership business communications skills.
4. Identify core business ethics and business law concepts.
5. Discuss different career options in business.

Suggested End of Term Assessment(s)

- Teacher-designed end-of-course assessment
 - School system-designed end-of-course assessment
 - Student Project
 - E-Portfolio
 - Partner-developed exam
 - Nationally recognized examination
-

Principles of Business Administration and Management

Performance Indicators/ Behavioral Objectives

Upon successful completion of the course, each student will be able to:

1. Describe fundamental business concepts, key terminology, and the role of business in society.
 - i. Discuss the role of business in a local and global society
 - ii. Identify current topics and new concepts in the world of business
 - iii. Explain key words and phrases used frequently in the business community
 - iv. Identify the characteristics of the American enterprise system
 - v. Discuss the impact of computer and internet technologies on businesses, individuals, and the economy.
 - vi. Identify different business classifications (agricultural and mining, service, transportation, utility, consumer, financial, manufacturing, real estate, hospitality, information, entertainment/recreation)
 - vii. Describe the importance of marketing
 - viii. Define assets and liabilities
 - ix. Discuss the role of profit motive and the free market system
 - x. Discuss consumer rights and responsibilities and the development of consumer knowledge for effectively obtaining and using economic goods and services.
 - xi. Explain the basic factors involved in product mix decisions, the product life cycle, and pricing
 - xii. Explain the basic elements of production and distribution
 - xiii. Discuss the role of accounting and finance in contemporary business practices
 - xiv. Discuss the function of the financial services industry
 - xv. Discuss the function of credit in business and how to use credit wisely in the management of family and personal finances.
 - xvi. Describe the importance of having a savings plan and the most common types of saving and investments.
 - xvii. Explain basic forms of business ownership (sole proprietorship, partnership, cooperative, corporation)
2. Discuss major management concepts.
 - i. Discuss management concepts, principles, and values
 - ii. Identify the process of management
 - iii. Define basic management theories including (Maslow' Hierarchy of Needs, Human Relations Approach, Theory X/Y, Japanese Theory Z, and Scientific Management)
3. Discuss and apply oral, written, organizational, interpersonal, and leadership business communications skills.

- i. Discuss key aspects of Business Communications
 - ii. Identify forms of business communications
 - iii. Discuss how relationships, communication, and networking skills can contribute to successful career growth.
 - iv. Identify the elements of a successful business plan (Entrepreneurship)
 4. Identify core business ethics and business law concepts.
 - i. Discuss the fundamental concepts of business ethics
 - ii. Describe the rights, and responsibilities of the workers, investors, managers and the government in the American business environment.
 - iii. Identify and discuss the major categories of law impacting business
 5. Discuss different career options in business.
 - i. Explain and give examples of, the need for well trained workers and for the necessity of considering careers in which each individual can make the greatest contribution to personal, civic, social and economic well-being.
 - ii. Identify career opportunities in the world of business
-

Principles of Business Administration and Management Units

Unit 1 (Learning Objective 1)

What is business?

The role of business in a local and global society

Current topics and new concepts in the world of business

Key words and phrases used frequently in the business community

Unit 2 (Learning Objective 1)

Economic systems

Characteristics of the American enterprise system

Basic forms of business ownership (sole proprietorship, partnership, cooperative, corporation)

Business classifications (agricultural and mining, service, transportation, utility, consumer, financial, manufacturing, real estate, hospitality, information, entertainment/recreation)

The role of profit motive and the free market system

Business innovation

Globalization and international business

Unit 3 (Learning Objective 5)

Career opportunities in the world of business

The need for well trained workers and for the necessity of considering careers in which each individual can make the greatest contribution to personal, civic, social and economic well-being.

Unit 4 (Learning Objective 2)

What is management?

Management concepts, principles, and values

Basic management theories including (Maslow' Hierarchy of Needs, Human Relations Approach, Theory X/Y, Japanese Theory Z, Scientific Management)

The process of management

Operational aspects of management;

Functional aspects of management;

Human resources

Unit 5 (Learning Objective 1)

What is marketing?

The importance of marketing

Consumer rights and responsibilities and the development of consumer knowledge for effectively obtaining and using economic goods and services.

4 P's of Marketing (Product, Price, Promotion, and Place)

Unit 6 (Learning Objective 2)

5 Elements of production

- Objects or product of production

- Agents of production
- Methods of production
- Space, and
- Time

Unit 7 (Learning Objective 1)

What is accounting?

What is finance?

The role of accounting and finance in contemporary business practices

Assets and liabilities

The function of the financial services industry

Personal, Corporate, and Public Finance

The function of credit in business

Types of credit

How to use credit wisely in the management of family and personal finances.

The importance of having a savings plan and the most common types of saving and investments.

Three major sources of short term financing (short term loans, trade credit, commercial paper)

The nature and cause of economic risk and how insurance protects from the risk of property loss or earning power.

Unit 8 (Learning Objective 4)

What is business ethics?

Importance of Business Ethics

Emerging Business Ethics Issues

Social Responsibility

Business Ethics in a Global Economy

Understanding Ethical Decision Making

Individual Factors in business ethics: Moral Philosophies

Organizational Factors: Corporate Culture

Ethics Programs

The Federal Sentencing Guidelines for Organizations

Unit 9 (Learning Objective 4)

What is Business Law?

Intellectual property (trademark, copyright, patent)

Contracts

International trade law

Product liability

Employee protection (OSHA)

Impact on hiring practices

Fraud deterrence

Consumer protection

The rights, and responsibilities of the workers, investors, managers and the government in the American business environment.

Unit 10 (Learning Objective 3)

Business communications

Verbal communication

Non-verbal communication

Interpersonal communication

Written communication

Employment communication

Electronic communication

Organizational communication

Marketing communications

Forms of business communications (Web-based, Meetings, Reports, Presentations, Business Letters, and Memos)

Unit 11 (Learning Objective 1 and 3)

Entrepreneurship

Intrapreneurship

What is a business plan?

Elements of a successful business plan

Unit 12 (Learning Objective 5)

Career Planning

**Please note, pacing of instruction is a local decision to be made by individual districts, schools, or teachers. Not all units will require the same length of time to cover. Additionally, it may be necessary at times to alter the order of delivery of some content.*

***While all content contained should be covered, additional content can be added by local districts as needed*

****No curriculum specifies different content or standards for students with a disability (SWD). IEPs identify specific accommodations to be made for individual students.*

Course Information: Advanced Business Administration

Course Description:

This course is designed to be the second of two sequential business administration courses of the complete requirement for students enrolled in the Business Management Program of Study. This course provides students with the knowledge that will prepare them for post-high school levels of education and entry-level positions in the work force. It is followed by the Capstone course. Focus will be on the role of business in society; the changing nature of contemporary business practices; major management concepts, theories, and theorists, the processes of management (functional, operational, human relations), business law and ethics, and business communications. Career pathways will be examined and the use of business management knowledge in a variety of career clusters is also explored. Awareness of ethical issues and application of ethical decision-making models will be reinforced throughout the course. Students will understand the business world and be more prepared to meet their career goals and objectives. This course will help students to contribute to the improvement of economic citizenship and professional literacy through analysis of the business and economic environment, in which we all live. Upon completion, opportunities will be made for students to earn transcribed college credit through such methods as articulation agreements with local colleges, dual enrollment and CLEP exams.

Goals

Upon successful completion of the course, each student will be able to:

- 1) Explain fundamental business concepts, key terminology, and the role of business in society.
- 2) Evaluate the role and functions of marketing, production, distribution, accounting, and financial services in business practice
- 3) Analyze and apply major management concepts, theories, and theorists.
- 4) Evaluate the processes of management (functional, operational, human relations)
- 5) Discuss International Management and Contemporary Issues
- 6) Apply oral, written, organizational, interpersonal, and leadership business communications skills.
- 7) Explore different career options in business and prepare a career plan

Suggested End of Term Assessment(s)

- Locally designed end-of-course assessment
- Business Plan
- E-Portfolio
- Nationally recognized examination: CLEP Principles of Management

Advanced Business Administration

Performance Indicators/Behavioral Objectives

Upon successful completion of the course, each student will be able to:

1. Explain fundamental business concepts, key terminology, and the role of business in society.
 - i. Explain the role of business in a local and global society
 - ii. Identify, analyze, and critique current topics and new concepts in the world of business
 - iii. Define and explain key terms and concepts used frequently in the business community
 - iv. Compare the characteristics of the American enterprise system with other economic systems.
 - v. Explain the differences and debate the benefits of basic forms of business ownership (sole proprietorship, partnership, cooperative, corporation) and the benefits and drawbacks of each
 - vi. Discuss the impact of computer and internet technologies on businesses, individuals, and the economy.
 - vii. Explain the major types of management information systems

2. Analyze and apply major management concepts, theories, and theorists.
 - i. Compare and apply basic management theories including (TQM, Contingency Theory, Maslow' Hierarchy of Needs, Human Relations Approach, Theory X/Y, Japanese Theory Z, Scientific Management, Chain of Command)
 - ii. Evaluate management concepts, principles, and values
 - iii. Discuss the evolution of management theory
 - iv. Explain the changing role of management in a modern world

3. Evaluate the processes of management
 - i. Analyze management functions:
 - a. Planning
 - b. Organizing
 - c. Leading
 - d. Controlling
 - e. Authority
 - f. Decision making
 - g. Organization charts
 - h. Leadership
 - i. Organizational structure

- j. Budgeting
- k. Problem solving
- l. Group dynamics and team functions
- m. Conflict resolution
- n. Communication
- o. Change
- p. Organizational theory
- q. Historical aspects
- ii. Explain the Operational Aspects of Management
 - a. Operations planning and control
 - b. Work scheduling
 - c. Quality management (e.g., TQM)
 - d. Information processing and management
 - e. Strategic planning and analysis
 - f. Productivity
- iii. Discuss Human resource management
 - a. Personnel administration
 - b. Human relations and motivation
 - c. Training and development
 - d. Performance appraisal
 - e. Organizational development
 - f. Legal concerns
 - g. Workforce diversity
 - h. Recruiting and selecting
 - i. Compensation and benefits
 - j. Collective bargaining

4. Discuss International Management and Contemporary Issues

- i. Value dimensions
- ii. Regional economic integration
- iii. Trading alliances
- iv. Global environment
- v. Social responsibilities of business
- vi. Business Ethics
- vii. Systems
- viii. Environment
- ix. Government regulation
- x. Management theories and theorists
- xi. E-business
- xii. Creativity and innovation
- xiii. Business Law

5. Examine the role and functions of marketing, accounting, and financial services in business practice

- i. Discuss Marketing management and the importance, impact, and role of each of the 4P's of marketing
- ii. Compare options and analyze information in order to make informed decisions regarding product mix, the product life cycle, and pricing
- iii. Compare options and analyze information in order to make informed decisions regarding production and distribution
- iv. Discuss distribution models
- v. Examine basic accounting and finance functions in contemporary business practices
- vi. Discuss the function of credit in business and how to use credit wisely including identifying three major sources of short term financing (short term loans, trade credit, commercial paper)
- vii. Explain the nature and cause of economic risk and how insurance protects from the risk of property loss or earning power.

6. Apply oral, written, organizational, interpersonal, and leadership business communications skills.

- i. Evaluate key aspects of Business Communications
- ii. Prepare major forms of business communications
- iii. Incorporate appropriate leadership and supervision techniques, customer service strategies, and personal ethics standards to communicate effectively with various business constituencies.
- iv. Judge how relationships, communication, and networking skills can contribute to successful career growth.
- v. Prepare a basic business plan

7. Explore different career options in business and prepare a career plan

- i. Explore different career options in business
 - ii. Prepare a career plan.
 - iii. Discuss the labor movement in the United States
 - iv. Describe the rights, and responsibilities of the workers, investors, managers and the government in the American business environment.
-

Advanced Business Administration Units

Unit 1 (Learning Objective 1)

Changing roles of business in a local and global society

Review of key words and phrases used frequently in the business community

Review of the characteristics of the American enterprise system and how it compares with other economic systems.

Review of forms of business ownership (sole proprietorship, partnership, cooperative, and corporation) and business classifications

Business innovation

The major types of management information systems

Unit 2 (Learning Objective 2)

Review of management concepts, principles, and values

The evolution of management theory

Major management theories and theorists

- Total Quality Management
- Maslow' Hierarchy of Needs
- Human Relations Approach
- Theory X
- Theory Y
- Japanese Theory Z
- Scientific Management
- Chain of Command Principle
- Management by Exception
- Exclusionary management
- Inclusionary management
- Management by objective
- Participatory management

The changing role of management in a modern world

Leadership Styles

- Autocratic Theory
- Participatory Theory
- Permissive Theory
- Delegation Theory
- Contingency Theory

Unit 3 (Learning Objective 3)

Functional aspect of management

- Planning
- Organizing
- Leading
- Controlling

- Authority
- Decision making
- Organization charts
- Leadership
- Organizational structure
- Budgeting
- Problem solving
- Group dynamics and team functions
- Conflict resolution
- Communication
- Change
- Organizational theory
- Historical aspects

Unit 4 (Learning Objective 3)

Operational Aspects of Management

- Operations planning and control
- Work scheduling
- Quality management (e.g., TQM)
- Information processing and management
- Strategic planning and analysis
- Productivity

Unit 5 (Learning Objective 3)

Human resource management

- Personnel administration
- Human relations and motivation
- Training and development
- Performance appraisal
- Organizational development
- Legal concerns
- Workforce diversity
- Recruiting and selecting
- Compensation and benefits
- Collective bargaining

Unit 6 (Learning Objective 5)

Marketing management

Review The 4Ps of marketing

Factors involved in management decision making when it comes to product mix decisions, the product life cycle, and pricing

Consumer Oriented Marketing

Unit 7 (Learning Objective 3)

Review 5 Elements of production

- Objects or product of production
- Agents of production
- Methods of production
- Space, and
- Time

Quality Control

Six Sigma

ISO (International Organization for Standardization)

Distribution channels

Distribution models

Unit 8 (Learning Objective 5)

Review of the role of accounting and finance in contemporary business practices

Equity (stock, home equity, public equity, private equity)

How to read a stock sheet

Review of Assets and liabilities

Review function of credit in business

Short and long term financing.

The nature and cause of economic risk and how insurance protects from the risk of property loss or earning power.

How one can plan for a secure financial future in an environment of economic instability?

How to use credit wisely in the management of family and personal finances.

Unit 9 (Learning Objective 4)

International Management and Contemporary Issues

- Value dimensions
- Regional economic integration
- Trading alliances
- Global environment
- Social responsibilities of business
- Business Ethics
- Systems
- Environment
- Government regulation
- E-business
- Creativity and innovation
- Business law
- The rights, and responsibilities of the workers, investors, managers and the government in the American business environment.

Unit 10 (Learning Objective 7)

Career opportunities in the world of business

The need for well trained workers and for the necessity of considering careers in which each individual can make the greatest contribution to personal, civic, social and economic well-being.
Career planning

Unit 11 (Learning Objective 6)

Business communications

Role of oral, written, interpersonal, intercultural, small group, leadership, and organizational communications in business.

How communication and networking skills can contribute to successful career growth.

The appropriate leadership and supervision techniques, customer service strategies, and personal ethics standards to communicate effectively with various business constituencies.

Preparing effective written communications as a business professional

Unit 12 (Learning Objectives 1, 2, 3, & 6)

Entrepreneurship

Designing a simple business plan

- Executive Summary
- Background
- Mission Statement
- Industry, Competition, and Market
- Management, Organization, and Ownership
- Marketing
- Operations
- Budget

Unit 13

CLEP Principles of Management Exam Review

**Please note, pacing of instruction is a local decision to be made by individual districts, schools, or teachers. Not all units will require the same length of time to cover. Additionally, it may be necessary at times to alter the order of delivery of some content.*

***While all content contained should be covered, additional content can be added by local districts as needed*

****No curriculum specifies different content or standards for students with a disability (SWD). IEPs identify specific accommodations to be made for individual students.*

CLEP Principles of Management Exam

The Principles of Management exam consists of 100 multiple-choice questions and must be completed within 90 minutes. After the exam is complete, an unofficial score report will be made available. This score report will include the total score on a scale of 20 to 80; the American Council on Education recommends that students get credit if they score 50 or above. The total score is the raw score (number of correct answers) adjusted according to the difficulty of the exam version. The College Board does not distinguish between unanswered questions and questions answered incorrectly, so test-takers are encouraged to respond to every question. Some of the questions on the exam are pre-test questions, which are used to develop future versions of the exam and do not contribute to the raw score. It is impossible for test-takers to determine which questions are pre-test questions. The CLEP exams are administered in both computer and paper formats (College Board, 2011).

Knowledge and Skills Required

Questions on the Principles of Management examination require candidates to demonstrate one or more of the following abilities in the approximate proportions indicated.

- Specific factual knowledge, recall, and general understanding of purposes, functions, and techniques of management (about 10 percent of the exam)
- Understanding of and ability to associate the meaning of specific terminology with important management ideas, processes, techniques, concepts, and elements (about 40 percent of the exam)
- Understanding of theory and significant underlying assumptions, concepts, and limitations of management data, including a comprehension of the rationale of procedures, methods, and analyses (about 40 percent of the exam)
- Application of knowledge, general concepts, and principles to specific problems (about 10 percent of the exam)
- The subject matter of the Principles of Management examination is drawn from the following topics. The percentages next to the main topics indicate the approximate percentage of exam questions on that topic.

Subject Matter

The subject matter of the Principles of Management examination is drawn from the following topics. The percentages next to the main topics indicate the approximate percentage of exam questions on that topic.

15–25% Organization and Human Resources

- Personnel administration
- Human relations and motivation
- Training and development
- Performance appraisal
- Organizational development

- Legal concerns
- Workforce diversity
- Recruiting and selecting
- Compensation and benefits
- Collective bargaining

10–20% Operational Aspects of Management

- Operations planning and control
- Work scheduling
- Quality management (e.g., TQM)
- Information processing and management
- Strategic planning and analysis
- Productivity

45–55% Functional Aspects of Management

- Planning
- Organizing
- Leading
- Controlling
- Authority
- Decision making
- Organization charts
- Leadership
- Organizational structure
- Budgeting
- Problem solving
- Group dynamics and team functions
- Conflict resolution
- Communication
- Change
- Organizational theory
- Historical aspects

10–20% International Management and Contemporary Issues

- Value dimensions
- Regional economic integration
- Trading alliances
- Global environment
- Social responsibilities of business
- Ethics
- Systems
- Environment
- Government regulation
- Management theories and theorists
- E-business

Appendix A: CLEP Principles Of Management Practice Questions

1. What is the term used to define the number of subordinates directly controlled by a manager?

- A: division management
- B: departmentation
- C: sphere of influence
- D: investment span
- E: span of management

2. Which management theorist is responsible for the motivation-hygiene theory?

- A: Abraham Maslow
- B: Dale Hawthorne
- C: Peter Drucker
- D: Frederick Herzberg
- E: Dave Pelz

3. What kind of organizational structure combines a vertical chain of command with horizontal reporting requirements?

- A: line authority
- B: matrix
- C: functional
- D: quality circle
- E: line-and-staff

4. What is the name for a contract that expressly forbids an employee from joining a union?

- A: fixed-price contract
- B: yellow-dog contract
- C: blacklist contract
- D: cost-reimbursement contract
- E: unfair list contract

5. What kind of training program is most appropriate for a simple task?

- A: on-the-job training
- B: vestibule training
- C: laboratory training
- D: away-from-the-job training
- E: job rotation

6. Which leadership theory suggests that management style should adapt itself to changing circumstances?

- A: autocratic theory
- B: participatory theory
- C: permissive theory
- D: delegation theory
- E: contingency theory

7. According to Abraham Maslow, the most elevated type of need is _____.

- A: safety
- B: esteem
- C: self-actualization
- D: physiological
- E: social

8. Which of the following was NOT a result of the Wagner Act of 1935?

- A: employers were forbidden from interfering with union activity.
- B: the National Labor Relations Board was created.
- C: a normal workweek was defined as 40 hours.
- D: employers could no longer engage in collective bargaining with unions.
- E: employers could no longer discriminate in hiring and firing based on union membership.

9. Which management concept suggests that low-importance decisions be handled by subordinates, so that managers can focus on high-importance decisions?

- A: management by exception
- B: exclusionary management
- C: inclusionary management

- D: management by objective
- E: participatory management

10. Which human resource document outlines the qualifications required for the jobholder?

- A: job announcements
- B: job specification
- C: job application
- D: job description
- E: job portfolio

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