STUDENT STUDY GUIDE

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• Sample Questions Answer Key
The DECA School-based Enterprise (SBE) Individual Certification Exam serves as an important component to building a resume in preparation for college and your future career, helps develop your critical thinking and problem solving skills, and verifies your competency in specific skill areas, adding value to transcripts and job applications. The exam measures the effectiveness of your involvement in a school-based enterprise and the impact your experience has on learning about key business operations concepts.

Any active DECA member may take the exam – experience working in a school-based enterprise is highly recommended although not required. The exam is administered online through a testing website. Your DECA advisor or other assigned proctor will provide you with a unique username and password to access the website on your testing day. You will have 90 minutes to complete 100 multiple choice questions. To earn a certification, a score of 70% or higher must be achieved.

### WHAT TO EXPECT

- **100 MULTIPLE CHOICE QUESTIONS**
- **90 MINUTE TIME LIMIT**
- **ADMINISTERED ONLINE VIA SECURE TESTING WEBSITE**
- **STUDENTS MUST SCORE 70% OR HIGHER TO RECEIVE CERTIFICATION**

### INSTRUCTIONAL AREAS

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage of Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Analysis</td>
<td>17%</td>
</tr>
<tr>
<td>Operations</td>
<td>10%</td>
</tr>
<tr>
<td>Marketing-Information Management</td>
<td>9%</td>
</tr>
<tr>
<td>Market Planning</td>
<td>5%</td>
</tr>
<tr>
<td>Product/Service Management</td>
<td>16%</td>
</tr>
<tr>
<td>Pricing</td>
<td>12%</td>
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<tr>
<td>Promotion</td>
<td>16%</td>
</tr>
<tr>
<td>Selling</td>
<td>10%</td>
</tr>
<tr>
<td>Human Resources Management</td>
<td>5%</td>
</tr>
</tbody>
</table>

The DECA School-based Enterprise (SBE) Certification Exam was developed in 2023 by MBA Research, a not-for-profit 501(c)(3) foundation operated by a consortium of state education departments. The SBE Certification Exam aligns with industry-validated standards developed by MBA Research for the State’s Career Clusters Initiative. The exam questions are derived from performance indicators within the Business Administration Core and Marketing Career Cluster. Individual performance indicators are based on a review of prior research and on extensive review of available online and print literature—both from industry and education. For additional information on these Performance Indicators, the National Curriculum Framework, or the National Business Administration Standards, please visit the MBA Research web site at [www.mbaresearch.org](http://www.mbaresearch.org).
This section defines the topics covered on the exam and key terms and concepts to study.
DO YOU KNOW:

- Types of budgets?
- How to calculate business profit?
- How to calculate sales tax?
- The importance and methods for maintaining financial records?
- Types of financial analysis software applications?
- Types of bookkeeping systems – (single entry, double entry)?
- The importance and advantages of accounting standards and principles?
- How to use credit responsibly?
- What information is included on a balance sheet and what purpose does it serve?
- Why an income statement is important to a business and what information it shows?

KEY TERMS TO REVIEW:

- Balance Sheet
- Budget Variances
- Cash Flow Statement
- Central Data Repository
- Double-entry Accounting
- Equity Funding
- Income Statement
- Rolling Budget
- Sales Journal

ADDITIONAL RESOURCE:
Explore the Financial Analysis instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
Do you know:

- How to help employees use equipment and machinery?
- The importance of employees following instructions on the job?
- The purpose of health and safety regulations?
- Security methods for loss prevention?
- The steps involved in opening and closing a cash drawer/cash register?
- What considerations to factor when storing merchandise?
- How to conduct inventory counts and why it’s important?
- What is shrinkage and how to measure it?

Performance Indicators:

- Describe health and safety regulations in business
- Follow instructions for use of equipment, tools, and machinery
- Maintain a safe work environment
- Explain routine security precautions
- Prepare cash drawers/banks
- Open/Close register/terminal
- Explain relationship between customer service and distribution
- Explain the receiving process
- Store inventory
- Maintain inventory levels
- Complete inventory counts
- Determine inventory shrinkage

Key Terms to Review:

- Health Regulations
- Inventory
- Loss prevention
- Safety Regulations
- Shrinkage

Additional Resource:
Explore the Operations and Distribution Management instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
MARKETING-INFORMATION MANAGEMENT STUDY CHECKLIST

9 QUESTIONS

DO YOU KNOW:

○ Why marketing data is important?
○ How marketing data is collected and analyzed?
○ Types of marketing data?
○ What a buying power index is and what variables it includes?
○ How to use marketing data?
○ Identify the steps of the consumer decision-making process?

KEY TERMS TO REVIEW:

<table>
<thead>
<tr>
<th>Buying Power Index</th>
<th>Needs Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buzz Marketing</td>
<td>Product Related Data</td>
</tr>
<tr>
<td>Market Research</td>
<td>Trading Area</td>
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PERFORMANCE INDICATORS

- Describe the need for marketing data
- Identify data monitored for marketing decision making
- Monitor/measure customer “buzz”
- Collect product quality data (e.g., customer complaints, returns, quality control)
- Track trends (e.g., social, buying, social media, advertising agency, etc.)
- Analyze customer behavior (e.g., media-consumption, buying, etc.)
- Analyze market needs and opportunities
- Analyze purchasing behavior
- Scan marketplace to identify factors that could influence merchandising decisions

ADDITIONAL RESOURCE:
Explore the Marketing-Information Management instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
DO YOU KNOW:

☐ The psychographic attributes involved in profiling a target customer?

☐ How to determine customer demand for merchandise?

☐ How to determine and meet the needs of a target market?

KEY TERMS TO REVIEW:

<table>
<thead>
<tr>
<th>Behavioral Characteristics</th>
<th>Market Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Density</td>
<td>Psychographics</td>
</tr>
<tr>
<td>Demographics</td>
<td>Supply Density</td>
</tr>
<tr>
<td>Geographics</td>
<td>Target Market</td>
</tr>
</tbody>
</table>

ADDITIONAL RESOURCE:
Explore the Market Planning instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
DO YOU KNOW:

- What to consider when choosing the quality of merchandise to offer?
- Types of merchandise assortment plans?
- How to calculate stock turnover rates?
- Factors to consider when choosing suppliers/vendors?
- Types of merchandise price reductions and reasoning for planning reductions?

KEY TERMS TO REVIEW:

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Key Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Determine width and depth of assortment strategies</td>
<td>Reductions</td>
</tr>
<tr>
<td>• Select mix of brands</td>
<td>Stock Turnover</td>
</tr>
<tr>
<td>• Plan merchandise assortment (e.g., styling, sizes, quantities, colors)</td>
<td></td>
</tr>
<tr>
<td>• Plan stock</td>
<td></td>
</tr>
<tr>
<td>• Plan reductions (e.g., anticipated markdowns, employee/other discounts, stock shortages)</td>
<td></td>
</tr>
<tr>
<td>• Determine stock turnover</td>
<td></td>
</tr>
<tr>
<td>• Determine what to buy/reorder</td>
<td></td>
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<tr>
<td>• Determine quantities to buy/reorder</td>
<td></td>
</tr>
<tr>
<td>• Determine when to buy/reorder</td>
<td></td>
</tr>
<tr>
<td>• Choose vendors</td>
<td></td>
</tr>
<tr>
<td>• Identify components of a retail image</td>
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</table>

ADDITIONAL RESOURCE:
Explore the Product/Service Management instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
DO YOU KNOW:

- What factors to consider when making pricing decisions?
- The types of pricing strategies? (prestige, promotional, odd-even, cost-plus, multiple-unit, discount)
- How to calculate prices using markdown percentage and discounts?
- How to evaluate pricing decisions?
- Types of costs?
- How to calculate the break-even point?

PERFORMANCE INDICATORS

- Explain the nature and scope of the pricing function
- Explain factors affecting pricing decisions
- Determine cost of product (break-even, ROI, markup)
- Calculate break-even point
- Adjust prices to maximize profitability
- Evaluate pricing decisions

KEY TERMS TO REVIEW:

<table>
<thead>
<tr>
<th>Break-even Point</th>
<th>Odd-even Pricing</th>
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</thead>
<tbody>
<tr>
<td>Cost-plus Pricing</td>
<td>Prestige Pricing</td>
</tr>
<tr>
<td>Discount Pricing</td>
<td>Promotional Pricing</td>
</tr>
<tr>
<td>Fixed Cost</td>
<td>Variable Cost</td>
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<tr>
<td>Multiple-unit Pricing</td>
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</tbody>
</table>

ADDITIONAL RESOURCE:

Explore the Pricing instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
DO YOU KNOW:

- What elasticity of demand is and how to calculate it?
- Types of promotions and how to determine when is best to use them?
- Types of display arrangements and how they’re utilized?
- Types of visual merchandising display techniques?
- The significance of promotional plan objectives and how to measure a plan’s results?
- What is cross merchandising and why is it used?
- Types of promotional special events and how to determine when is best to use them?

KEY TERMS TO REVIEW:

- Cross Merchandising
- Elasticity of Demand
- Promotion
- Promotional Strategy
- Visual Merchandising

PERFORMANCE INDICATORS

- Plan special events
- Prepare store/department for special event
- Explain the use of visual merchandising in retailing
- Place merchandise for impact
- Use cross-merchandising techniques
- Explain types of display arrangements
- Create displays
- Plan promotional strategy (promotional objectives, budget, promotional mix, etc.)
- Explain the nature of a promotional plan
- Identify ways to track marketing-communications activities

ADDITIONAL RESOURCE:
Explore the Promotion instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
DO YOU KNOW:

- What is the selling process and identify the repeatable steps?
- Types of sales approaches/tactics?
- Methods to determine customer’s price range preference?
- Types of buying decisions?
- How to use suggestion selling?
- Methods for documenting a sales transaction?
- What are the required items on a sales check?
- How to process returns/exchanges?

KEY TERMS TO REVIEW:

- Greeting Approach
- Layaway
- Merchandise Approach
- Question Approach
- Service Approach
- Suggestion Selling

ADDITIONAL RESOURCE:
Explore the Selling instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
HUMAN RESOURCES MANAGEMENT STUDY CHECKLIST

5 QUESTIONS

DO YOU KNOW:

- Why is it important to continually train employees?
- Procedures and methods of evaluating employee performance?
- Basic understanding of a human resources department?
- Types of human resources staffing activities?

KEY TERMS TO REVIEW:

- Employee Performance
- Recruiting
- Human Resources Management
- Staffing
- Organizational Standards

PERFORMANCE INDICATORS

- Discuss the nature of human resources management
- Train staff
- Foster “right” environment for employees
- Assess employee performance

ADDITIONAL RESOURCE:
Explore the Human Resources Management instructional unit including a lesson plan and presentation slides in the Advisor Resource Center at deca.org/resources.
PERFORMANCE INDICATOR CHECK LIST

FINANCIAL ANALYSIS
• Maintain financial records (PQ)
• Make responsible financial decisions (CS)
• Describe the need for financial information (CS)
• Explain the concept of accounting (CS)
• Describe the nature of cash flow statements (SP)
• Explain the nature of balance sheets (SP)
• Describe the nature of income statements (SP)
• Explain the use of finance in business (CS)
• Describe the nature of budgets (SP)
• Describe the use of technology in the financial-information management function (SP)

OPERATIONS
• Describe health and safety regulations in business (PQ)
• Follow instructions for use of equipment, tools, and machinery (PQ)
• Maintain a safe work environment (CS)
• Explain routine security precautions (CS)
• Prepare cash drawers/banks (CS)
• Open/Close register/terminal (CS)
• Explain relationship between customer service and distribution (CS)
• Explain the receiving process (CS)
• Store inventory (CS)
• Maintain inventory levels (CS)
• Complete inventory counts (CS)
• Determine inventory shrinkage (SP)

MARKETING INFORMATION MANAGEMENT
• Describe the need for marketing data (CS)
• Identify data monitored for marketing decision making (SP)
• Monitor/measure customer “buzz” (SP)
• Collect product quality data (e.g., customer complaints, returns, quality control) (SP)
• Track trends (e.g., social, buying, social media, advertising agency, etc.) (SP)
• Analyze customer behavior (e.g., media-consumption, buying, etc.) (SP)
• Analyze market needs and opportunities (MN)
• Analyze purchasing behavior (MN)
• Scan marketplace to identify factors that could influence merchandising decisions (SP)

MARKET PLANNING
• Develop customer profile (MN)
• Conduct market analysis (market size, area, potential, etc.) (MN)
• Explain strategies for linking performance measures to financial outcomes (MN)
• Determine market needs (MN)
• Determine customer demand for merchandise (MN)
PRODUCT/SERVICE MANAGEMENT
• Determine width and depth of assortment strategies (MN)
• Select mix of brands (MN)
• Plan merchandise assortment (e.g., styling, sizes, quantities, colors) (SP)
• Plan stock (SP)
• Plan reductions (e.g., anticipated markdowns, employee/other discounts, stock shortages) (SP)
• Determine stock turnover (SP)
• Determine what to buy/reorder (SP)
• Determine quantities to buy/reorder (SP)
• Determine when to buy/reorder (SP)
• Choose vendors (SP)
• Identify components of a retail image (SP)

PRICING
• Explain the nature and scope of the pricing function (SP)
• Explain factors affecting pricing decisions (SP)
• Determine cost of product (break-even, ROI, markup) (MN)
• Calculate break-even point (MN)
• Adjust prices to maximize profitability (MN)
• Evaluate pricing decisions (MN)

PROMOTION
• Plan special events (SP)
• Prepare store/department for special event (SP)
• Explain the use of visual merchandising in retailing (CS)
• Place merchandise for impact (SP)
• Use cross-merchandising techniques (SP)
• Explain types of display arrangements (CS)
• Create displays (SP)
• Plan promotional strategy (promotional objectives, budget, promotional mix, etc.) (MN)
• Explain the nature of a promotional plan (SP)
• Identify ways to track marketing-communications activities (SP)

SELLING
• Establish relationship with customer/client (CS)
• Determine customer/client needs (CS)
• Recommend specific product (CS)
• Demonstrate suggestion selling (SP)
• Process returns/exchanges (CS)
• Process retail sales documentation (SP)

HUMAN RESOURCES MANAGEMENT
• Discuss the nature of human resources management (CS)
• Train staff (SU)
• Foster “right” environment for employees (SU)
• Assess employee performance (SU)
Each performance indicator is assigned to one of six curriculum-planning levels that represent a continuum of instruction ranging from simple to complex.

Use the following Curriculum Planning Levels to further break down the performance indicators.

**PREREQUISITE (PQ)**
Content develops employability and job-survival skills and concepts, including work ethics, personal appearance, and general business behavior.

**CAREER SUSTAINING (CS)**
Content develops skills and knowledge needed for continued employment in or study of business based on the application of basic academics and business skills.

**SPECIALIST (SP)**
Content provides in-depth, solid understanding and skill development in all business functions.

**SUPERVISOR (SU)**
Content provides the same in-depth, solid understanding and skill development in all business functions as in the specialist curriculum, and in addition, incorporates content that addresses the supervision of people.

**MANAGER (MN)**
Content develops strategic decision-making skills in all business functions needed to manage a business or department within an organization.

**OWNER (ON)**
Content develops strategic decision-making skills in all aspects of business that are needed to own and operate a business.
1. Why is it important for the employees at Alphonso’s Sandwich Shop to follow instructions when using meat slicer?
   A. To minimize loss
   B. To speed up production
   C. To decrease overtime
   D. To increase output

2. Amelia’s Design Store is located in a beach-side town in a warm climate. What type of merchandise is the store likely to carry year-round?
   A. High-quality hardware and tools
   B. Custom-made outdoor furniture
   C. Licensed apparel merchandise
   D. Hats, gloves, and wool coats

3. The Main Street Book Store attractively arranges books in an inverted pyramid. This is an example of a ________ display arrangement.
   A. step
   B. pyramid
   C. fan
   D. zigzag

4. Fifty-five percent of 100 customers surveyed said that they purchased eight sparkling waters every week. What was the total number of sparkling waters purchased by this group of customers in a twelve-week period?
   A. 96
   B. 440
   C. 5,280
   D. 9,600

5. Determine whether the following statement is true or false: School stores do not participate in HR management activities.
   A. False; in school stores, other managers and supervisors participate in HR management activities.
   B. False; in school stores, all employees participate in HR management activities.
   C. True; school stores have no need for HR management.
   D. True; only companies with HR departments can complete these activities.
6. Which of the following is an example of a customer profile based on demographics:
   A. College student, works full-time, limited income
   B. Mother, lives in the suburbs
   C. Senior citizen, likes to travel
   D. Young adult, enjoys fine dining

7. Which of the following is a product factor that clothing boutiques consider when deciding on the price to charge for items:
   A. Cost of product
   B. Type of decor
   C. Amount of advertising
   D. Method of delivery

8. The school store keeps an average of 50 long sleeve T-shirts in stock and sells 300 long sleeve T-shirts a year. Calculate the stock turnover.
   A. 6.25
   B. 5.75
   C. 6
   D. 5

9. A salesperson asking “So you are saying that you like the length and fit of the pants but not the color?” is an example of a(n) _______ question.
   A. rephrasing
   B. beneficial
   C. open-ended
   D. assumptive

10. Which of the following businesses is most likely to depend on a cash surplus during certain months of the year:
    A. A hardware store
    B. A sandwich shop
    C. A water park
    D. A clothing boutique
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