AP® Business with Personal Finance

Course Overview

About the Advanced Placement Program® (AP®)

The Advanced Placement Program® has enabled millions of students to take college-level courses and earn college credit, advanced placement, or both, while still in high school. AP Exams are given each year in May. Students who earn a qualifying score on an AP Exam are typically eligible, in college, to receive credit, placement into advanced courses, or both. Every aspect of AP course and exam development is the result of collaboration between AP teachers and college faculty. They work together to develop AP courses and exams, set scoring standards, and score the exams. College faculty review every AP teacher's course syllabus. We commit to supporting educators and communities in their efforts to make AP courses widely available, advancing students in their plans for college and careers.

AP Business with Personal Finance Course Overview

AP Business with Personal Finance is an introductory, college-level business and personal finance course. Students explore the business disciplines of entrepreneurship, marketing, finance, accounting, and management through real-world business application, business cases, and project based learning. In addition, students learn and apply all the National Standards for Personal Financial Education created by the Council for Economic Education and the Jump$tart Coalition for Personal Financial Literacy.

The AP Business with Personal Finance course is designed to be the equivalent of a one-semester, college-level introduction to business course.

PREREQUISITES

There are no specific course prerequisites for AP Business with Personal Finance. Students should be motivated and willing to work both individually and in teams on college-level projects. AP Business with Personal Finance is designed to serve as a foundational course that aligns with multiple Programs of Study within Career and Technical Education (CTE) Business Pathways.

BUSINESS CASES

Students will develop and practice business decision-making skills through the analysis and discussion of business cases, which are a required component of each unit in the course. Through business cases, students connect the knowledge and skills they gain in each unit by examining problems and opportunities faced by real-world businesses.

AP Business with Personal Finance Course Content

The course content is organized into units of study that provide a suggested sequence for the course.

- **Unit 1:** Businesses, Competition, and New Ideas
- **Unit 2:** Marketing
- **Unit 3 – Part 1:** Personal Saving and Borrowing
- **Unit 3 – Part 2:** Business Finance and Accounting
- **Unit 4:** Management and Strategy
- **Unit 5:** Personal Goals, Budgeting, and Investing

Each unit is broken down into teachable segments called topics.

AP Business with Personal Finance Course Skills

BUSINESS SKILLS

- **Concept Application:** Explain business and personal finance concepts, principles, and strategies, and apply them to scenarios.
- **Entrepreneurship:** Identify a market opportunity, and develop and test a product idea designed to address the opportunity.

PROFESSIONAL & LEADERSHIP SKILLS

- **Decision Making:** Describe opportunities or problems, and recommend courses of action to address them.
- **Communication:** Create authentic communications appropriate for a specific audience and purpose.
- **Collaboration:** Work collaboratively with and lead others to accomplish a goal or task.

AP Business with Personal Finance Exam Structure

AP BUSINESS WITH PERSONAL FINANCE EXAM:
2 HOURS AND 40 MINUTES

Assessment Overview

The AP Business with Personal Finance Exam assesses student understanding of the skills and learning objectives outlined in the course framework. The exam is 2 hours and 40 minutes long and includes 60 multiple-choice questions and 4 free-response questions, one of which is an exam-day validation question about the student's Business Canvas Project. A four-function calculator is allowed on both sections of the exam.

Format of Assessment

Section I:	Multiple Choice | 60 Questions | 70 Minutes | 60% of Exam Score

- The multiple-choice section assesses Units 1-4 and includes set-based questions.
- Skill Categories 1–4 are assessed in the multiple-choice section.

Section II:	Free-Response | 4 Questions | 90 Minutes | 40% of Exam Score

Section IIA

- **Question 1: Business Canvas Project Exam-Day Validation** presents students with the opportunity to respond in writing to questions about the execution of their Business Canvas Project.

Section IIB

- **Question 2: Personal Finance** assesses students' ability to interpret a fictional individual's or household's financial situation, including quantitative data, and explain how they could achieve their financial goals.
- **Question 3: Business Concept Application** assesses students' ability to interpret data gathered by a business and explain how the business could achieve its goals.
- **Question 4: Business Decision** describes a fictional business facing an opportunity or problem. The question assesses students' ability to establish decision-making criteria and use them to compare two courses of action, as well as students' ability to make and support a recommendation using reasoning and evidence from the scenario.

Exam Components

Sample Multiple-Choice Question

Questions 1 through 4 refer to the following.

Edi's Electronics Shop is a retail store that sells electronic products to meet the computing needs of individual and business customers in its community. To serve its customers, Edi's carries two major product lines:

- devices such as smartphones, computers, and tablets
- accessories such as gaming headsets, large external monitors, and protective cases

Edi's requires sales staff to undergo extensive training so they can provide expert product guidance, which customers report as a key reason they continue to shop at Edi's.

Edi's uses the shop's sales data, findings from customer surveys, and market trends reported in industry publications to select the store's product inventory. Inventory is ordered from a large electronics wholesaler that also serves many of Edi's competitors.

With the goal of improving the business's viability, Edi's management recently conducted a SWOT analysis. This SWOT analysis was informed by a customer survey. Results from the survey are shown in Figures 1 and 2.

FIGURE 1. **Percent of Edi's Customers by Customer Type**

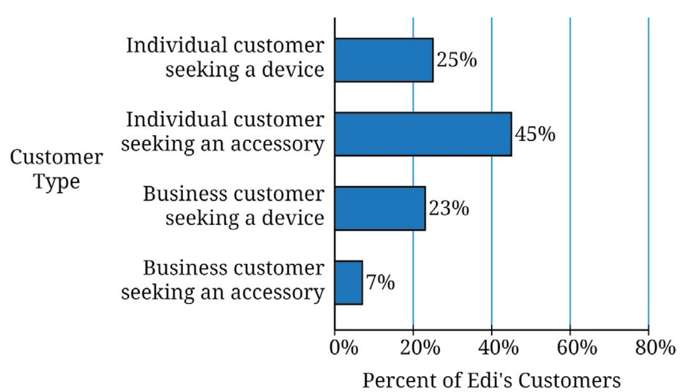
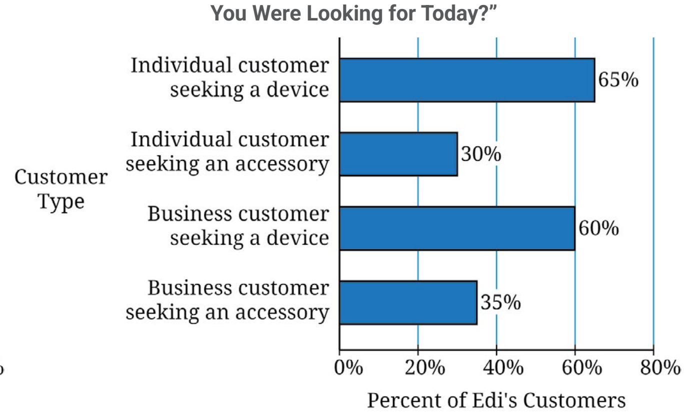


FIGURE 2. **Percent of Edi's Customers Responding "Yes" to the Question: "Does Edi's Carry the Product You Were Looking for Today?"**



2. Which of the following statements best describes a market opportunity revealed by the results of the customer survey?
   (A) There is unmet customer demand for expert product knowledge among individual and business customers.
   (B) There is unmet customer demand for accessories among individual and business customers.
   (C) There are no electronic product wholesalers meeting business customer accessory needs.
   (D) There are no electronic product retailers meeting individual customer device needs.

Sample Free-Response Question

Question 3: Business Concept Application

CableFusion—a large media company that produces movies, TV shows, and news programs—wants to enter the streaming-service market. Streaming services allow customers to watch content on demand, over the internet. Subscribers to CableFusion Plus, the company's streaming-service product, will have full access to all of CableFusion's movies, TV shows, and news for one monthly fee.

The streaming-service market is characterized by intense competition among five major companies, with the top three controlling 86% of market share, by revenue. Although their streaming services are very similar, VistaFlix has a vast collection of movies, OrbioTV features live TV shows, and Vistify is known for its great customer service.

CableFusion's marketing and finance executives have been tasked with developing a competitive advantage strategy to attract customers and gain market share for the new product. They consulted websites and publications on the streaming-service industry and reviewed publicly available financial statements of the five existing streaming services. Figure 1 shows the market share, by revenue, for each potential rival. Figure 2 shows the monthly subscription fee for basic service (with ads) and premium service (no ads) for each potential rival.

FIGURE 1. Streaming-Service Market Share, by Revenue

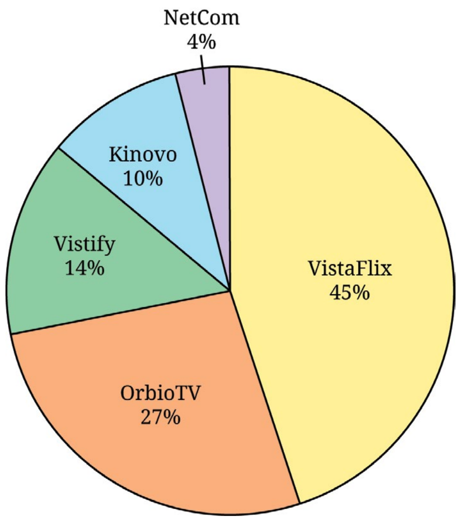
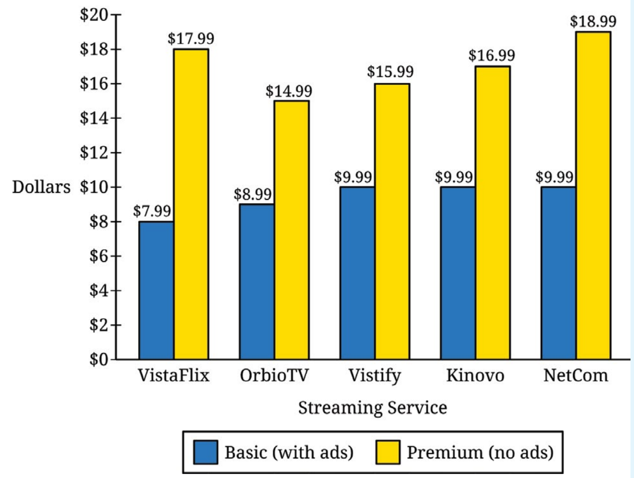


FIGURE 2. Monthly Subscription Fees for Basic and Premium Services



3. Respond to parts A, B, and C.

(A) **Describe** a market research method CableFusion executives employed to gather the information represented in the scenario.

(B) **Describe** a finding revealed by the research.

(C) **Explain** how CableFusion could use a finding from the research to achieve a business goal.