PIVOT POINT BUSINESS 103 PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 5
Answers 8
Explanations 10
Next Steps 15

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. Which term describes the action of increasing a sale's value by suggesting additional products or services?

A. Upselling

B. Cross-selling

C. Demographics

D. Target marketing

2. What should you do if asked a question that seems discriminatory?

A. Give a false answer

B. Remain defiantly silent

C. Politely decline to answer

D. Answer the question truthfully

3. Brand positioning is best described as:

A. The visual colors used in branding.

B. How the salon is perceived relative to competitors in the market.

C. The overall pricing strategy.

D. The day-to-day service delivery steps.

4. Which is an example of OpEx in a salon?

A. Ongoing day-to-day expenses such as supplies

B. Long-term asset purchases like equipment

C. Purchasing land or a building

D. Installing a new facility

5. Which items are included in cost of goods sold (COGS) for a salon?

A. Wages for service staff.

B. Salaries and rent.

C. Marketing expenses.

D. Retail products used and supplies used during services.

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6. In salon communications, what is a key recommended approach when responding to a phone inquiry?

A. Maintain self-control

B. Match the client's anger

C. Promote salon discounts

D. Speak louder

7. What is the primary purpose of a business plan when starting a salon?

A. To file taxes for the first year of operation.

B. To determine staff salaries for the first year.

C. To select the color scheme and interior design for the salon.

D. To outline the business idea, goals, market analysis, operations, marketing strategy, financial projections, and milestones to guide start-up and growth.

8. Which term describes a compensation structure that includes a base salary plus commissions on sales?

A. Salary

B. Pension

C. Insurance

D. Salary Plus Commission

9. How can a salon ethically handle client testimonials and reviews?

A. Fabricate testimonials and post them.

B. Edit testimonials to improve appearance.

C. Ignore all reviews.

D. Obtain consent, avoid editing; present authentic testimonials; respond professionally to negative reviews.

10. Depreciation in salon accounting is used to:

A. Record actual cash expenditures for equipment.

B. Assign tax credits for equipment purchases.

C. Estimate future resale value of assets.

D. Allocate the cost of tangible assets over their useful life.

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Answers

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1. A
2. C
3. B
4. A
5. D
6. A
7. D
8. D
9. D
10. D

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Explanations

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1. Which term describes the action of increasing a sale's value by suggesting additional products or services?

A. Upselling

B. Cross-selling

C. Demographics

D. Target marketing

Upselling is the practice of increasing a sale's value by encouraging a customer to choose a higher-priced version or add-ons that enhance the original purchase. This happens at the point of sale and aims to deliver more value, such as offering a premium model, extra features, or an extended warranty, which raises the total sale amount. The phrase "by suggesting additional products or services" fits this tactic because it centers on adding options that augment what the customer intended to buy. Cross-selling, while also boosting revenue, focuses on proposing related items that complement the initial purchase rather than elevating the item itself. Demographics and target marketing describe who you market to and how you reach them, not the tactic of increasing the sale value through add-ons or upgrades.

2. What should you do if asked a question that seems discriminatory?

A. Give a false answer

B. Remain defiantly silent

C. Politely decline to answer

D. Answer the question truthfully

When a question seems discriminatory, set a professional boundary by politely declining to answer. This keeps the focus on your relevant skills and qualifications while upholding fair and respectful communication. Declining politely signals that you won't engage with biased or irrelevant topics and helps maintain a constructive conversation about job-related abilities. It also protects your privacy and aligns with equal-opportunity expectations in most workplaces. Giving a false answer would undermine trust. Remaining defiantly silent can come across as evasive or uncooperative. Answering truthfully, while honest, may touch on sensitive or inappropriate areas and isn't necessary to demonstrate your suitability for the role. A helpful way to respond is to redirect to relevant content, for example: "I don't think that question relates to my ability to perform this job. I'd be glad to discuss my experience and skills that apply to this role."

3. Brand positioning is best described as:

A. The visual colors used in branding.

B. How the salon is perceived relative to competitors in the market.

C. The overall pricing strategy.

D. The day-to-day service delivery steps.

Brand positioning is about where the salon sits in customers' minds compared to other salons. It's the perceived place you occupy in the market—the unique value you offer and the clear benefits you promise to your target clients. This perception shapes how you message your services, what you emphasize in marketing, and the overall experience you deliver, so that when people think of a salon to choose, your brand stands out in a particular way. Visual colors are part of the brand's identity, but they don't establish the position by themselves. The pricing strategy affects how value is perceived but isn't the whole position. The day-to-day service delivery steps influence the customer experience, yet they're operational details rather than the overall market position you occupy.

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4. Which is an example of OpEx in a salon?

A. Ongoing day-to-day expenses such as supplies

B. Long-term asset purchases like equipment

C. Purchasing land or a building

D. Installing a new facility

OpEx is about the day-to-day costs needed to run the business. In a salon, that includes ongoing items you buyregularly and use up, such as supplies, utilities, and staff wages—expenses that are booked in the period they occur and reduce net income right away. CapEx, on the other hand, covers investments in assets that will benefit the business for more than one year, like purchasing equipment, buying land or a building, or installing a new facility; these are capitalized and depreciated over time. So the example of OpEx here is the ongoing day-to-day expenses such as supplies, because they are regular operating costs rather than long-lived asset investments.

5. Which items are included in cost of goods sold (COGS) for a salon?

A. Wages for service staff.

B. Salaries and rent.

C. Marketing expenses.

D. Retail products used and supplies used during services.

COGS covers the costs tied directly to delivering the service. In a salon, that means the items you use up during the service—color, shampoos, treatments, disposable supplies like gloves and capes, towels, and any other consumables. These are variable costs that vary with how many services you perform, and they become part of the cost of providing each service. Wages for service staff are considered labor costs, typically tracked separately as payroll. Rent is a fixed overhead expense for the space, and marketing is a selling/operating expense. They aren't part of the direct cost of delivering the service, so they aren't included in COGS. So the best choice is the items that are consumed during the service.

6. In salon communications, what is a key recommended approach when responding to a phone inquiry?

A. Maintain self-control

B. Match the client's anger

C. Promote salon discounts

D. Speak louder

Staying in control of your emotions and maintaining a calm, professional tone when responding to a phone inquiry is essential. When you keep self-control, you listen more effectively, understand the caller's needs, and provide clear, accurate information, which reduces misunderstandings and builds trust. A composed voice and courteous language help de-escalate potential frustration, making the conversation productive and more likely to lead to a helpful outcome for both you and the client. Matching the caller's anger escalates the situation and signals poor handling of the interaction. Trying to promote discounts shifts the focus away from addressing the inquiry and can seem insincere or premature. Speaking louder often comes across as aggressive and can make the caller feel unheard. The best approach is to stay calm, speak clearly, and respond professionally.

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7. What is the primary purpose of a business plan when starting a salon?

A. To file taxes for the first year of operation.

B. To determine staff salaries for the first year.

C. To select the color scheme and interior design for the salon.

D. To outline the business idea, goals, market analysis, operations, marketing strategy, financial projections, and milestones to guide start-up and growth.

A business plan serves as a strategic roadmap for launching and growing a salon. It lays out the business idea and translates it into actionable elements: clear goals, the target market, the range of services, location and operations plans, the marketing approach, and financial projections with milestones. This framework helps you estimate startup costs, set pricing, determine staffing and equipment needs, and forecast revenue, so you can navigate the first year and track progress toward your goals. It also acts as a communication tool to lenders or investors and ensures everyone involved is aligned on the path forward. While elements like taxes, staffing budgets, or design details may appear in the plan, the primary purpose is to guide direction and growth with a cohesive, forward-looking plan.

8. Which term describes a compensation structure that includes a base salary plus commissions on sales?

A. Salary

B. Pension

C. Insurance

D. Salary Plus Commission

A compensation plan that blends a fixed base pay with earnings tied to performance provides income stability while still rewarding sales success. When the structure includes a base salary plus commissions on sales, the term used is Salary Plus Commission. The others describe only fixed pay (salary), retirement benefits (pension), or protection benefits (insurance), none of which capture the idea of adding commissions to base pay.

9. How can a salon ethically handle client testimonials and reviews?

A. Fabricate testimonials and post them.

B. Edit testimonials to improve appearance.

C. Ignore all reviews.

D. Obtain consent, avoid editing; present authentic testimonials; respond professionally to negative reviews.

Ethical handling of client testimonials means being truthful and respectful in how you use client feedback. The best approach is to obtain consent to share testimonials, avoid editing or fabricating them, present what clients actually said, and respond professionally to negative reviews. This builds trust with potential clients and protects the salon from claims of misrepresentation. Fabricating or editing testimonials is deception and can harm credibility and violate advertising standards. Ignoring reviews misses opportunities to show you care about customer satisfaction and to address concerns.

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10. Depreciation in salon accounting is used to:

A. Record actual cash expenditures for equipment.

B. Assign tax credits for equipment purchases.

C. Estimate future resale value of assets.

D. Allocate the cost of tangible assets over their useful life.

Depreciation allocates the cost of tangible assets over their useful life. In a salon, equipment like chairs, dryers, and cabinetry provides service for several years, so should be spread across the periods those assets help generate revenue rather than expensed all at once. This is a non-cash expense that reduces reported income without changing actual cash flow, while also reducing the asset's book value over time to reflect wear and aging. It supports the matching principle in accrual accounting by pairing the asset's cost with the revenue it helps produce. It isn't about recording actual cash expenditures—which occur when the equipment is purchased—nor is it about guessing future resale value, which is separate from how the asset's cost is allocated. And while depreciation can influence tax deductions, it is not a tax credit.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://pivotpointbusiness103.examzify.com

We wish you the very best on your exam journey. You've got this!

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