

Bachelor of General Studies (BGS) Degree Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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.

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!

Questions

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- 1. Why might a company choose to implement microfinance?**
 - A. To comply with local regulations**
 - B. To enhance brand loyalty in wealthy markets**
 - C. To support entrepreneurship among low-income individuals**
 - D. To minimize operational costs**

- 2. What type of relationship do corporations have with their stakeholders?**
 - A. Unilateral**
 - B. Compliant**
 - C. Dynamic**
 - D. Cohesive**

- 3. What is an example of public policy in relation to driving regulations?**
 - A. Export laws**
 - B. Input regulation**
 - C. Corporate taxes**
 - D. Insurance mandates**

- 4. What would a firm likely do to develop a global supply chain?**
 - A. Increase labor force in home country**
 - B. Purchase from local suppliers only**
 - C. Source materials from foreign sellers**
 - D. Limit operations to domestic suppliers**

- 5. What term describes government orders against companies doing business in another country due to ethical concerns?**
 - A. Trade embargoes**
 - B. Economic sanctions**
 - C. Tariffs**
 - D. Quotas**

6. Which chapter addresses the concept of sustainability?

- A. Chapter 6**
- B. Chapter 8**
- C. Chapter 9**
- D. Chapter 4**

7. What is the legal requirement for the financial records of publicly held companies?

- A. They must be reviewed by internal auditors**
- B. They must be audited by certified professional accountants**
- C. They may be self-reported by management**
- D. They must be verified by shareholder votes**

8. What is essential for maintaining and improving professional competence within the CFA Institute?

- A. Networking with industry leaders**
- B. Continuous professional development**
- C. Marketing oneself effectively**
- D. Maximizing personal investment returns**

9. Which statement is correct regarding stakeholders' power?

- A. All stakeholders have equal power.**
- B. Shareholders' voting power is unlimited.**
- C. Different stakeholders have varying types and degrees of power.**
- D. None of the above.**

10. Which type of law is typically created by legislative bodies?

- A. Statutory laws**
- B. Common laws**
- C. Constitutional laws**
- D. Treaty laws**

Answers

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

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Explanations

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1. Why might a company choose to implement microfinance?

- A. To comply with local regulations
- B. To enhance brand loyalty in wealthy markets
- C. To support entrepreneurship among low-income individuals**
- D. To minimize operational costs

Implementing microfinance allows a company to support entrepreneurship among low-income individuals, which can have a significant positive impact on both the community and the company itself. By providing small loans and financial services to individuals who typically lack access to traditional banking systems, companies can empower these individuals to start and grow their own businesses. This not only fosters economic growth in underserved communities but also contributes to poverty alleviation. Supporting entrepreneurship through microfinance can create a loyal customer base as these individuals often become committed to the institutions that help them succeed. Furthermore, it can enhance the company's reputation as a socially responsible organization, thus attracting customers who value corporate social responsibility. Additionally, microfinance initiatives can lead to the development of new markets and opportunities for the company, ultimately benefiting its bottom line. A focus on adhering to local regulations doesn't necessarily drive the decision to implement microfinance; it's more about meeting specific social goals and responding to market opportunities. Enhancing brand loyalty in wealthy markets is less relevant in the context of microfinance, which is primarily targeted at low-income populations. Minimizing operational costs typically aligns with efficiency strategies rather than the social mission of supporting entrepreneurship. Thus, the most compelling reason for a company to engage in microfinance is its role in fostering entrepreneurship among low-income individuals.

2. What type of relationship do corporations have with their stakeholders?

- A. Unilateral
- B. Compliant
- C. Dynamic**
- D. Cohesive

The relationship that corporations have with their stakeholders is best described as dynamic. This means that the interactions between corporations and their stakeholders—such as employees, customers, investors, suppliers, and the community—are constantly evolving. Stakeholders have varying interests, expectations, and influences that can change over time. Corporations must be flexible and responsive to these shifts to maintain positive relationships and effectively address the needs and concerns of their stakeholders. In contrast, a unilateral relationship would imply that only one party exerts influence or control without taking into account the interests of the other, which isn't representative of the collaborative nature of stakeholder interactions. A compliant relationship suggests that corporations merely follow the demands or expectations of stakeholders without engaging in meaningful dialogue, which does not reflect the proactive approach companies often take. Lastly, a cohesive relationship would indicate an ideal harmony among all parties, which, while desirable, does not capture the continuous negotiation and adaptation required in these interactions. The dynamic nature of stakeholder relationships encompasses the interactions, negotiations, and adaptations that occur as companies respond to the changing landscape of stakeholder expectations and market conditions.

3. What is an example of public policy in relation to driving regulations?

- A. Export laws**
- B. Input regulation**
- C. Corporate taxes**
- D. Insurance mandates**

The correct answer is related to public policy as it pertains to driving regulations. Public policy often encompasses rules and guidelines that are put in place to manage the behavior of individuals and organizations in various sectors, including transportation. Driving regulations are designed to ensure safety and order on the roads. Input regulation, although not a directly recognized term commonly associated with driving, can be viewed as encompassing aspects of how vehicles are allowed to operate within public spaces, which involves rules for drivers and vehicles. This encompasses guidelines that determine who can drive, how they should operate vehicles, and what standards vehicles must meet to be allowed on public roads. In contrast, export laws, corporate taxes, and insurance mandates, while they may have implications for public safety and regulation, do not directly relate to the immediate governance of driving behaviors and public road usage in the same manner that driving regulations do. Export laws regulate the shipping of goods out of a country, corporate taxes are concerned with the taxation of businesses, and insurance mandates deal with the requirement for insurance coverage but do not directly regulate the actions of drivers on the road.

4. What would a firm likely do to develop a global supply chain?

- A. Increase labor force in home country**
- B. Purchase from local suppliers only**
- C. Source materials from foreign sellers**
- D. Limit operations to domestic suppliers**

A firm seeking to develop a global supply chain would likely source materials from foreign sellers. This strategy allows the firm to access a wider variety of resources, potentially lower costs, and benefit from different industries and innovations available in various countries. By procuring materials internationally, a firm can optimize its supply chain, leveraging the strengths of different markets to enhance productivity and efficiency. Increasing the labor force in the home country or purchasing only from local suppliers might limit the firm's access to better pricing and diverse materials available abroad. Similarly, limiting operations to domestic suppliers would confine the firm to the local market, missing out on competitive advantages and the opportunity to create a more robust and flexible global network. Sourcing materials from foreign sellers promotes a more integrated global supply chain, fostering innovation and adapting to market demands effectively.

5. What term describes government orders against companies doing business in another country due to ethical concerns?

- A. Trade embargoes**
- B. Economic sanctions**
- C. Tariffs**
- D. Quotas**

Economic sanctions refer to restrictions imposed by a government on another country or specific entities within that country, typically aimed at influencing policy or expressing disapproval over certain behaviors, including ethical concerns. These sanctions can take various forms, such as asset freezes, trade restrictions, and bans on specific interactions. In the context of the question, these sanctions can be directed at companies operating in other countries to address issues such as human rights violations, corruption, or other unethical practices. The purpose is to create pressure for change without resorting to military action. Trade embargoes, while similar in that they restrict trade with a specific country, specifically denote a prohibition on commerce altogether with that nation. Tariffs are taxes imposed on imports or exports that create a financial barrier to trade, while quotas restrict the quantity of goods that can be traded, neither of which directly address ethical concerns in the same manner as economic sanctions do.

6. Which chapter addresses the concept of sustainability?

- A. Chapter 6**
- B. Chapter 8**
- C. Chapter 9**
- D. Chapter 4**

The concept of sustainability is often explored in detailed contexts concerning environmental science, social responsibility, and economic viability. Chapter 8 likely addresses this topic because it aligns with the typical structure of educational texts, where sustainability is discussed after foundational concepts have been introduced. In a curriculum aimed at fostering a holistic understanding of general studies, Chapter 8 may focus on integrating these facets into a broader discussion about long-term societal and environmental health. This can include examining practices, policies, and theories that support sustainable development and eco-friendly initiatives. The other chapters might cover different foundational topics or specialized subjects that would not delve into sustainability as comprehensively, which generally requires a mature understanding of various interconnected disciplines. Thus, Chapter 8 is the one likely dedicated to exploring sustainability in depth, providing the insights and frameworks necessary for students to understand its importance in contemporary studies.

7. What is the legal requirement for the financial records of publicly held companies?

- A. They must be reviewed by internal auditors**
- B. They must be audited by certified professional accountants**
- C. They may be self-reported by management**
- D. They must be verified by shareholder votes**

Publicly held companies are required to have their financial records audited by certified professional accountants to ensure accuracy and compliance with applicable financial reporting standards. This audit process serves as an important mechanism for maintaining transparency and trust for investors, regulators, and the public at large. The involvement of certified professional accountants adds credibility to the financial statements since these professionals are trained to assess financial records critically and are bound by ethical standards to report their findings honestly. This requirement is designed to protect stakeholders by providing assurance that the financial statements are free from material misstatements, whether due to fraud or error. Regular audits thus play a vital role in enhancing investor confidence and ensuring that publicly traded entities operate with a high level of financial integrity. Other choices, such as reliance on internal audits, self-reporting by management, or shareholder verification, do not fulfill the regulatory requirements established for publicly held companies, which prioritize rigorous external audits to ensure comprehensive oversight.

8. What is essential for maintaining and improving professional competence within the CFA Institute?

- A. Networking with industry leaders**
- B. Continuous professional development**
- C. Marketing oneself effectively**
- D. Maximizing personal investment returns**

Continuous professional development is essential for maintaining and improving professional competence within the CFA Institute because it encompasses a range of activities aimed at enhancing knowledge, skills, and competencies pertinent to the financial profession. This ongoing education helps professionals stay current with industry developments, regulatory changes, and new investment strategies, ensuring that they can navigate the evolving landscape effectively. By engaging in continuous professional development, individuals not only deepen their expertise but also demonstrate their commitment to the highest standards of professional integrity and competence, which aligns with the CFA Institute's mission. This process typically includes participating in training programs, attending workshops, pursuing additional certifications, and staying updated with industry literature and research. While networking with industry leaders, marketing oneself, and focusing solely on investment returns can also contribute to professional success, they do not directly address the need for regular skill enhancement and knowledge acquisition that is crucial in maintaining professional competence. Continuous professional development is fundamentally about learning and improvement, making it a cornerstone of a successful career in finance within the context of the CFA Institute's expectations.

9. Which statement is correct regarding stakeholders' power?

- A. All stakeholders have equal power.
- B. Shareholders' voting power is unlimited.
- C. Different stakeholders have varying types and degrees of power.**
- D. None of the above.

The statement regarding the varying types and degrees of power among stakeholders is correct because it acknowledges the reality of how stakeholder influence operates within an organization. Stakeholders can include a diverse group such as employees, customers, suppliers, shareholders, and the community, each wielding different types of power based on their relationship with the organization. For instance, shareholders have significant financial influence due to their investment but may not have direct decision-making authority on operational matters. Employees may possess power through their skills and ability to drive productivity, while customers can significantly affect a company's reputation and market success through their preferences and purchasing decisions. This variance in power dynamics means that stakeholders cannot be seen as homogenous; instead, their influence largely depends on the context and specific circumstances surrounding the organization. Recognizing these distinctions is vital for effective stakeholder management and strategic decision-making.

10. Which type of law is typically created by legislative bodies?

- A. Statutory laws**
- B. Common laws
- C. Constitutional laws
- D. Treaty laws

Statutory laws are those that are explicitly created and enacted by legislative bodies, such as parliaments or congresses. These laws are written, codified, and organized into statutes that govern various aspects of society, such as criminal behavior, civil rights, and public services. The process of creating statutory laws involves proposals, discussions, and votes among legislators, ensuring that they reflect the will of the electorate and adhere to the broader legal framework. Common laws, in contrast, are developed through court decisions and judicial precedents rather than legislative action. They evolve over time based on the outcomes of individual legal cases. Constitutional laws relate to the framework of the constitution itself, governing the structure and function of government and the rights of citizens. Treaty laws emerge from agreements between countries and require a different context and process for establishment than statutory laws. Thus, the right choice reflects the standard legislative process by which laws are formally written and enacted at the governmental level.

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://bgsdegree.examzify.com>

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

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