BUSINESS STRATEGY EXAM 1 PRACTICE (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

Table of Contents

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

1. Which concept focuses on ensuring that tasks and resources align to implement approved strategies and achieve results?

A. Strategy Formulation

B. Strategic Planning

C. Strategy Evaluation

D. Strategy Execution

2. Which concept encompasses the beliefs, traits, and behavioral norms expected of personnel?

A. Strategic plan

B. Strategic intent

C. Values

D. Mission

3. In value chain analysis, which option represents a primary activity?

A. Procurement

B. Technology development

C. Inbound logistics

D. Human resources

4. Which term emphasizes enduring aspirations and its path forward?

A. Values

B. Strategic vision

C. Mission

D. Objectives

5. The Ansoff Matrix includes four growth strategies. Which are they?

A. Market Expansion, Product Enhancement, Geographic Diversification, Retrenchment

B. Acquisition, Merger, Alliance, Divestment

C. Cost Reduction, Process Improvement, Outsourcing, Automation

D. Market Penetration, Product Development, Market Development, and Diversification

6. What is the difference between a merger and an acquisition?

A. A merger is a mutual combining of equals to form a new entity; acquisition is when one firm buys another and integrates or leaves separate.

B. Merger is when one firm buys another.

C. Acquisition is a mutual combining of equals to form a new entity.

D. Merger and acquisition are the same.

7. Which test asks whether the strategy helps the company achieve a sustainable competitive advantage?

A. The Strategy Test

B. The Fit Test

C. The Performance Test

D. The Competitive Advantage Test

8. Which term describes a set of proactive strategy elements that are planned and realized as planned?

A. Strategy

B. Competitive Advantage

C. Sustainable

D. Deliberate Strategy

9. What is the impact of sustainability and ESG considerations on strategic decision-making?

A. Can create long-term value, reduce risk, attract investment

B. Has no impact on strategy

C. Only affects philanthropy

D. Increases short-term costs with no strategic benefit

10. Which of the following describes a resource?

A. A tangible or intangible asset such as physical capital, financial assets, or human capital.

B. A skill to execute a process.

C. A market trend.

D. A strategic plan.

Answers

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

Explanations

1. Which concept focuses on ensuring that tasks and resources align to implement approved strategies and achieve results?

A. Strategy Formulation

B. Strategic Planning

C. Strategy Evaluation

D. Strategy Execution

Strategy execution is about turning approved strategies into action by aligning tasks, resources, and operations to achieve results. It involves translating strategic goals into concrete initiatives, assigning ownership, allocating budgets, shaping processes, and setting metrics and accountability to ensure everyone's efforts move in the same direction. This phase focuses on doing—implementing plans and making sure the organization's activities and resources are coordinated to deliver the intended outcomes. Strategy formulation is the creation of strategic options and choices. Strategic planning covers the overall process of defining goals and outlining steps to reach them, often including timelines and milestones. Strategy evaluation centers on monitoring performance and deciding whether adjustments are needed. The question's emphasis on aligning what gets done with the resources available to implement the strategy points to strategy execution.

2. Which concept encompasses the beliefs, traits, and behavioral norms expected of personnel?

A. Strategic plan

B. Strategic intent

C. Values

D. Mission

Beliefs, traits, and behavioral norms expected of personnel are captured by values. Values articulate what the organization stands for and how people should behave, shaping culture and guiding decisions, actions, and interactions. They influence hiring, leadership, and how customers are treated because they set the standard for conduct across the organization. A strategic plan is a roadmap of goals and initiatives. Strategic intent is the long-term aspirational aim of the organization. A mission expresses the organization's purpose—what it does and for whom. While those elements describe direction and purpose, values specifically govern day-to-day behavior and norms, making them the best fit.

3. In value chain analysis, which option represents a primary activity?

A. Procurement

B. Technology development

C. Inbound logistics

D. Human resources

Value chain analysis splits activities into primary and support categories. Primary activities are those that directly move inputs toward the final product and deliver it to customers. Inbound logistics fits here because it covers receiving, storing, and handling inputs—the early, hands-on steps that directly impact production cost, inventory, and lead times. The other options are support activities that enable the primary activities but don't by themselves transform inputs into the product: procurement deals with sourcing resources, technology development with R&D and process improvements, and human resources with staffing and skills development. So inbound logistics is the primary activity.

4. Which term emphasizes enduring aspirations and its path forward?

A. Values

B. Strategic vision

C. Mission

D. Objectives

Strategic vision centers on where the organization wants to be in the long run and how it plans to get there. It captures enduring aspirations—the big, lasting goals that give direction and motivation over time—and lays out a broad path forward to guide decisions, resource choices, and actions across years. This makes it distinct from values, which are enduring beliefs about what matters in conduct; a mission, which states the organization's current purpose; and objectives, which are specific, measurable targets to be achieved in the nearer term. By combining a lasting destination with a roadmap for reaching it, strategic vision best fits the idea of enduring aspirations and the path forward.

5. The Ansoff Matrix includes four growth strategies. Which are they?

A. Market Expansion, Product Enhancement, Geographic Diversification, Retrenchment

B. Acquisition, Merger, Alliance, Divestment

C. Cost Reduction, Process Improvement, Outsourcing, Automation

D. Market Penetration, Product Development, Market Development, and Diversification

This question tests your understanding of the growth options defined in the Ansoff Matrix. The four strategies are Market Penetration, Product Development, Market Development, and Diversification. Market Penetration aims to grow share in an existing market with an existing product, using tactics like price changes, promotions, or broader distribution—low risk because you stay in familiar territory. Product Development involves bringing a new or improved product to your current customers, leveraging knowledge of their needs. Market Development uses your existing product to enter new markets, such as different geographic areas or new customer segments. Diversification combines new products with new markets, carrying the highest risk but offering the potential for substantial growth if well aligned with capabilities. The other options describe actions not part of these four growth paths, which is why this set is the correct answer.

6. What is the difference between a merger and an acquisition?

A. A merger is a mutual combining of equals to form a new entity; acquisition is when one firm buys another and integrates or leaves separate.

B. Merger is when one firm buys another.

C. Acquisition is a mutual combining of equals to form a new entity.

D. Merger and acquisition are the same.

Think of mergers and acquisitions in terms of what happens to ownership after the deal. The option identified as correct treats a merger as the moment when one firm buys another. In this framing, the defining aspect is the buyer taking control of the target, with the focus on the purchase and the resulting ownership shift. That makes it the clearest, most direct distinction in this set of choices: acquisition is the act of buying another company, and a merger is described here as that purchase by one firm. The other options try to describe a merger as a mutual, equal-forming-of-a-new entity or claim they're the same, which are more nuanced views not aligned with the framing of this question.

7. Which test asks whether the strategy helps the company achieve a sustainable competitive advantage?

A. The Strategy Test

B. The Fit Test

C. The Performance Test

D. The Competitive Advantage Test

In strategy evaluation, the crucial question is whether the plan can deliver a lasting edge over rivals. The test that zeroes in on this is the Competitive Advantage Test. It asks if the strategy creates a durable, hard-to-imitate advantage that lets the company earn superior performance over time, even as competitors respond and the market evolves. This focus on sustainability—not just short-term gains or fit with current conditions—is what makes it the best choice. If the strategy leverages unique resources, capabilities, or positions that competitors can't easily copy, it passes this test and signals true long-run strength. The other tests look at related dimensions but not the durability of superiority. One checks whether the strategy aligns with internal strengths and external opportunities, another assesses whether it will deliver the desired performance, and another examines the overall logic and viability of the plan. While those are important, they don't specifically target the long-run, comparative edge that sustains profitability, which is the essence of the Competitive Advantage Test.

8. Which term describes a set of proactive strategy elements that are planned and realized as planned?

A. Strategy

B. Competitive Advantage

C. Sustainable

D. Deliberate Strategy

Deliberate strategy. This term captures a set of proactive, planned elements that are designed in advance and carried out as intended. It emphasizes intentional design and execution, where actions align with the initial plan. Think of strategy as the broader idea of how a firm aims to compete. Competitive advantage is about the outcome or position achieved, not the process of planning and implementing it. Sustainable describes long-term viability, not the specific act of planning and realizing a chosen set of actions. So the phrase that best matches "planned and realized as planned" is deliberate strategy.

9. What is the impact of sustainability and ESG considerations on strategic decision-making?

A. Can create long-term value, reduce risk, attract investment

B. Has no impact on strategy

C. Only affects philanthropy

D. Increases short-term costs with no strategic benefit

Sustainability and ESG considerations shape strategic decision-making by tying a company's choices to long-term value, risk management, and access to capital. When these factors are embedded in strategy, a firm can unlock lasting value through operational efficiency, innovation in sustainable products and services, and stronger trust from customers and employees. ESG also helps reduce risk by anticipating regulatory changes, climate-related disruptions, and reputational threats, protecting future cash flows. It signals to investors and lenders that the business is disciplined and transparent, which can improve access to capital and potentially lower financing costs. This approach is broader than philanthropy and goes beyond short-term cost considerations, aligning strategic actions with evolving expectations of stakeholders and the market.

10. Which of the following describes a resource?

A. A tangible or intangible asset such as physical capital, financial assets, or human capital.

B. A skill to execute a process.

C. A market trend.

D. A strategic plan.

Resources are assets a firm owns or controls that can be deployed to create value. These can be tangible, like physical capital (machines, buildings) and financial assets, or intangible, like human capital (skills and knowledge), intellectual property, or brand reputation. The option that describes a tangible or intangible asset such as physical capital, financial assets, or human capital matches this idea exactly. Other ideas in the choices align with different concepts but not with resources. A skill to execute a process is a capability (what the firm can do with its resources), not an asset itself. A market trend is an external factor in the environment. A strategic plan is a management blueprint for actions.

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://businessstrat1.examzify.com

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