

# FMP Leadership & Strategy Practice Test (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. What term is the acronym indicating the necessary elements for goal setting, such as Specific, Measurable, Achievable, Relevant, and Time-bound?**
  - A. Smart**
  - B. Span of Control**
  - C. Spatial Differentiation**
  - D. Purpose Statement**
  
- 2. Which term describes the expression of an organization's character as the sum of its organizational values?**
  - A. Organizational culture**
  - B. Organizational design**
  - C. Organizational development**
  - D. Organizational structure**
  
- 3. The process of selecting and instituting an organizational structure, rewards, penalties, and policies, procedures, and practices appropriate to the organization's strategy and operating environment is known as what?**
  - A. Organizing**
  - B. Organizational design**
  - C. Organizational development**
  - D. Organizational structure**
  
- 4. Which term refers to the distance between sites and the total number of sites in an organization?**
  - A. Span of Control**
  - B. Spatial Differentiation**
  - C. Relationship Management**
  - D. Smart**
  
- 5. Which term describes the science of planning that involves developing a scheme to best accomplish important goals?**
  - A. Stretch goals**
  - B. Strategic plan**
  - C. Team**
  - D. Strategy**

- 6. The use of position power to provide a directing or restraining influence over people and inputs, processes, or outputs by observing, measuring, or verifying them through evidence or experiment.**
- A. Leading**
  - B. Directing**
  - C. Controlling**
  - D. Supervising**
- 7. Which term describes the systematic process of collecting and analyzing external data on factors like market forces and regulations?**
- A. Extrinsic rewards**
  - B. Environmental scanning**
  - C. Facilities audit**
  - D. Delegation**
- 8. In organizational design, which concept specifies how many direct reports a manager oversees?**
- A. Spatial Differentiation**
  - B. Span of Control**
  - C. Relationship Management**
  - D. Silo Effect / Stovepipe**
- 9. Which job-design approach includes vertical loading of higher-order motivating factors such as responsibility, freedom, growth opportunities, recognition, and achievement?**
- A. Job enlargement**
  - B. Job enrichment**
  - C. Job simplification**
  - D. Influence**

**10. An adjacency diagram that illustrates primary and secondary adjacencies between major work groups or departments.**

- A. Process Mapping**
- B. Organizational Chart**
- C. Value Stream Mapping**
- D. Bubble Diagram**

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## Answers

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

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## **Explanations**

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**1. What term is the acronym indicating the necessary elements for goal setting, such as Specific, Measurable, Achievable, Relevant, and Time-bound?**

**A. Smart**

**B. Span of Control**

**C. Spatial Differentiation**

**D. Purpose Statement**

SMART goals provide a framework for setting clear, actionable objectives. Specific means the goal states exactly what will be achieved, leaving no room for vague aims. Measurable adds concrete criteria to track progress and determine when the goal is reached.

Achievable ensures the target is realistic given available resources and constraints. Relevant keeps the goal aligned with larger priorities, and Time-bound adds a deadline to create focus and momentum. That combination is why the term used for these goal-setting criteria is SMART. Other phrases describe organizational structures or mission rather than a goal-setting framework.

**2. Which term describes the expression of an organization's character as the sum of its organizational values?**

**A. Organizational culture**

**B. Organizational design**

**C. Organizational development**

**D. Organizational structure**

Organizational culture is the expression of an organization's character as the sum of its values. When a company shares and lives by certain values—like integrity, teamwork, or customer focus—those beliefs shape everyday behavior, decisions, and informal practices. You can see culture in how people communicate, what gets rewarded, the rituals and stories that circulate, and how the organization handles challenges. All of these outward signs are the living embodiment of the collective values, making culture the best description of the organization's character. The other terms focus on different aspects. Organizational design concerns how work is arranged and coordinated; organizational development is about planned efforts to improve effectiveness; organizational structure refers to reporting lines and groupings. Each influences how work gets done, but they describe framework and processes rather than the character expressed through shared values.

**3. The process of selecting and instituting an organizational structure, rewards, penalties, and policies, procedures, and practices appropriate to the organization's strategy and operating environment is known as what?**

**A. Organizing**

**B. Organizational design**

**C. Organizational development**

**D. Organizational structure**

Organizational design is the process of selecting and instituting the structure, rewards, penalties, and the policies, procedures, and practices that align with the organization's strategy and operating environment. It involves deciding how to arrange tasks and roles, establish reporting relationships, and set governance and incentive systems so that the whole organization can execute the strategy effectively in its external context. This goes beyond just the formal structure or the act of organizing resources. It encompasses how incentives and rules reinforce the chosen structure and strategy, and how these elements fit with the external environment. Organizational design differs from organizational development, which focuses more on planned change and improvements in people, culture, and processes, and from organizational structure, which is the end arrangement itself rather than the full process of creating and implementing it.

**4. Which term refers to the distance between sites and the total number of sites in an organization?**

**A. Span of Control**

**B. Spatial Differentiation**

**C. Relationship Management**

**D. Smart**

Spatial differentiation describes how far apart an organization's sites are and how many sites exist, capturing both geographic spread and footprint. This term is the precise fit because it directly refers to the physical distribution of locations and the total number of sites, which is exactly what the question asks about. Spanning control is about how many subordinates a manager oversees, which is a different structural measure. Relationship management focuses on handling connections with people and groups, not on geographic dispersion. The term Smart isn't the concept here and doesn't capture organizational geography either. So spatial differentiation is the concept that ties together distance between sites and the total number of sites.

**5. Which term describes the science of planning that involves developing a scheme to best accomplish important goals?**

- A. Stretch goals**
- B. Strategic plan**
- C. Team**
- D. Strategy**

Strategy is the term that describes the deliberate, systematic way of planning to best accomplish important goals. It provides the framework for evaluating options, aligning resources, and deciding the sequence of actions that will lead to the desired outcomes over time. A strategic plan is the concrete document that results from this thinking, outlining how the strategy will be put into action, whereas stretch goals are ambitious targets and a team is the group that carries out the work.

**6. The use of position power to provide a directing or restraining influence over people and inputs, processes, or outputs by observing, measuring, or verifying them through evidence or experiment.**

- A. Leading**
- B. Directing**
- C. Controlling**
- D. Supervising**

Controlling is the management function that uses formal authority to regulate performance by setting standards, monitoring actual results, comparing them to those standards, and taking corrective actions. The description centers on directing or restraining influence through observable evidence—watching inputs, processes, and outputs, measuring them, and verifying with data or experiments. That measurement-and-adjustment loop is what defines control, ensuring things stay aligned with expectations and deviations are addressed. Leading focuses on guiding and inspiring others, not the systematic measurement and correction process. Directing emphasizes issuing orders to accomplish tasks, while Supervising involves overseeing people as tasks are carried out. None of these couple measurement, verification, and corrective action in the same formal way that controlling does.

**7. Which term describes the systematic process of collecting and analyzing external data on factors like market forces and regulations?**

- A. Extrinsic rewards
- B. Environmental scanning**
- C. Facilities audit
- D. Delegation

Environmental scanning is the process of systematically gathering and examining information about external factors such as market dynamics, regulatory changes, and broader economic or technological trends. This ongoing effort helps leaders identify opportunities and threats outside the organization and informs strategic decisions, risk management, and resource allocation. It focuses on the outside world rather than internal processes or motivations, which is why it fits best when describing how external data like market forces and regulations are collected and analyzed. For example, teams might monitor shifts in consumer demand, new laws, or competitive moves to anticipate impacts on strategy or operations, often using tools like PESTEL to organize insights across political, economic, social, technological, environmental, and legal dimensions.

**8. In organizational design, which concept specifies how many direct reports a manager oversees?**

- A. Spatial Differentiation
- B. Span of Control**
- C. Relationship Management
- D. Silo Effect / Stovepipe

Span of control is the number of direct reports a manager oversees. This concept directly captures the extent of a manager's immediate supervision and shapes how an organization is structured—whether it's flatter with many reports per manager or taller with fewer reports and more layers. A wider span of control means more direct reports, quicker decision-making, and less administrative overhead, while a narrower span leads to more supervision and development opportunities but more managerial layers and potentially slower decisions. The other terms refer to different ideas: spatial differentiation is about the physical or geographic placement of units; relationship management focuses on handling interactions with people and groups; and the silo/stovepipe effect describes departments working in isolation and hindering cross-functional collaboration.

**9. Which job-design approach includes vertical loading of higher-order motivating factors such as responsibility, freedom, growth opportunities, recognition, and achievement?**

- A. Job enlargement**
- B. Job enrichment**
- C. Job simplification**
- D. Influence**

Enhancing depth in a job to elevate motivation is achieved through job enrichment. It involves vertical loading of higher-order motivators—responsibility, freedom, growth opportunities, recognition, and achievement—so the job itself provides meaningful incentives. This approach aligns with Herzberg's motivator factors, focusing on intrinsic satisfaction rather than just increasing workload. By increasing autonomy and opportunities for growth, employees experience a stronger sense of ownership and accomplishment, which is exactly what these factors aim to induce. Other approaches either add more tasks without deeper meaning (job enlargement), simplify the role reducing complexity (job simplification), or are not standard in job design (influence). Therefore, the correct concept is job enrichment.

**10. An adjacency diagram that illustrates primary and secondary adjacencies between major work groups or departments.**

- A. Process Mapping**
- B. Organizational Chart**
- C. Value Stream Mapping**
- D. Bubble Diagram**

Visualizing how major work groups relate spatially helps optimize movement and collaboration. A bubble diagram uses simple bubbles for each department and shows which groups should be near each other based on proximity or adjacency. It emphasizes primary adjacencies—the most important pairings for efficient interaction—and secondary adjacencies that are beneficial but less critical. This makes it the best fit for illustrating how departments should be positioned in a facility or workspace during early design. It isn't about mapping process steps, flows, or hierarchical structures, which are covered by process/value stream maps and organizational charts.

## 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](mailto:hello@examzify.com).**

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

**<https://fmpleadershipandstrat.examzify.com>**

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

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