Peregrine Master of Business Administration (MBA) 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

1. What does SWOT analysis identify?

- **A. Market trends and demands**
- **B. Strengths, weaknesses, opportunities, and threats**
- **C. Customer preferences and behaviors**
- **D. Financial risks and rewards**

2. Which of the following are key functions of Human Resources?

- **A. Inventory management and sales forecasting**
- **B. Recruitment and employee relations**
- **C. Marketing analysis and customer support**
- **D. Product development and quality control**

3. Which style of leadership encourages team participation in decisions?

- **A. Democratic Leadership**
- **B. Autocratic Leadership**
- **C. Transactional Leadership**
- **D. Transformational Leadership**

4. What is the function of customer relationship management (CRM)?

- **A. To increase sales through promotions**
- **B. To manage a company's interactions with customers**
- **C. To conduct market research**
- **D. To lower operational costs**

5. What is corporate governance?

- **A. The financial management system of a corporation**
- **B. The frameworks and processes that direct and control a company**
- **C. The marketing strategies employed by a corporation**
- **D. The human resource policies within a company**

6. What does a GIS (Geographic Information System) primarily do?

- **A. Creates 3D models for construction**
- **B. Maps and analyzes spatial data**
- **C. Processes financial transactions**
- **D. Tracks employee performance**

7. What is the first stage in the team development process?

- **A. Storming**
- **B. Norming**
- **C. Forming**
- **D. Performing**

8. How may effective leaders inspire their teams?

- **A. By implementing strict policies**
- **B. By dictating every decision**
- **C. By fostering trust and creating a vision**
- **D. By focusing on profits only**

9. How is a stakeholder defined in a business context?

- **A. Any employee within the organization**
- **B. Anyone with a financial interest in the company**
- **C. Any individual or group interested in the business's success**
- **D. Only the company's shareholders and investors**

10. How is net present value (NPV) calculated?

- **A. By adding cash inflows and outflows**
- **B. By calculating the sum of future cash flows**
- **C. By determining the difference between present value of cash inflows and outflows**
- **D. By estimating future profits based on current sales**

Answers

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

Explanations

1. What does SWOT analysis identify?

A. Market trends and demands

B. Strengths, weaknesses, opportunities, and threats

C. Customer preferences and behaviors

D. Financial risks and rewards

SWOT analysis is a strategic planning tool that helps organizations identify their internal strengths and weaknesses, as well as external opportunities and threats. This framework is particularly valuable because it allows businesses to gain a comprehensive understanding of both their internal capabilities and external environment. By recognizing strengths, companies can leverage these advantages to enhance their competitive position. Identifying weaknesses helps organizations to address areas needing improvement. Opportunities present potential avenues for growth or expansion, while threats highlight challenges that could jeopardize the company's success. In contrast, the other options focus on specific aspects of market and customer dynamics. Market trends and demands address the broader environmental context without the introspection of internal capabilities. Customer preferences and behaviors consider consumer insights, which are valuable but do not encompass the full scope of organizational analysis that SWOT provides. Financial risks and rewards focus on monetary aspects without considering the holistic view of internal and external forces that affect overall business strategy.

2. Which of the following are key functions of Human Resources?

A. Inventory management and sales forecasting

B. Recruitment and employee relations

C. Marketing analysis and customer support

D. Product development and quality control

Human Resources (HR) plays a critical role in any organization, focusing on managing the workforce effectively to ensure organizational success. Recruitment is one of the primary functions of HR, as it entails attracting, screening, and selecting qualified candidates to fill job vacancies. This process is essential for maintaining a skilled and competent workforce, which impacts overall organizational performance. Employee relations is another vital function of HR, involving managing the relationship between the organization and its employees. This includes addressing employee grievances, fostering a positive work environment, and ensuring compliance with labor laws. Strong employee relations contribute to workforce morale, productivity, and retention, which are key to organizational success. The other options pertain to roles outside of Human Resources. Inventory management and sales forecasting are primarily functions of operations and sales departments. Marketing analysis and customer support are typically handled by the marketing and customer service teams, respectively. Product development and quality control fall under the purview of research and development and production departments. Therefore, the functions of recruitment and employee relations are central to the HR domain, making them the correct choice.

3. Which style of leadership encourages team participation in decisions?

A. Democratic Leadership

B. Autocratic Leadership

C. Transactional Leadership

D. Transformational Leadership

Democratic leadership is characterized by its emphasis on collaboration and participation from team members in the decision-making process. Leaders who adopt this style create an environment where input from team members is valued, and collective discussions drive the direction of projects or initiatives. This participative approach not only fosters engagement and satisfaction among team members but also often results in more informed and effective decisions, as diverse perspectives are considered. In contrast, other leadership styles, such as autocratic leadership, rely on a top-down approach where decisions are made by the leader with little to no input from team members. Transactional leadership focuses on structured tasks and established procedures, where rewards and penalties are used to manage team dynamics, without emphasizing participation in decision-making. Transformational leadership, while promoting motivation and inspiration, does not necessarily prioritize collective decision-making in the same way that democratic leadership does. This makes democratic leadership the best fit for encouraging team participation in decisions.

4. What is the function of customer relationship management (CRM)?

A. To increase sales through promotions

B. To manage a company's interactions with customers

C. To conduct market research

D. To lower operational costs

The function of customer relationship management (CRM) is fundamentally centered around managing a company's interactions with its customers. This involves utilizing data analysis about customers' history with the company to enhance business relationships, streamline processes, and improve customer retention and satisfaction. By implementing a CRM system, organizations can collect and analyze customer information, such as purchasing habits and preferences, which aids in personalizing communication, predicting customer needs, and providing a tailored experience. The ultimate goal is to maintain long-term relationships with customers, which is vital for driving loyalty and ensuring sustained revenue growth. While increasing sales through promotions, conducting market research, and lowering operational costs are important aspects of business strategy, they do not encapsulate the essence of what CRM specifically aims to achieve. CRM focuses primarily on fostering engagement and communication between a business and its customers.

5. What is corporate governance?

A. The financial management system of a corporation

B. The frameworks and processes that direct and control a company

C. The marketing strategies employed by a corporation

D. The human resource policies within a company

Corporate governance is best defined as the frameworks and processes that direct and control a company. This encompasses the structures, rules, and practices that determine how a corporation is managed and held accountable to its stakeholders, including shareholders, management, customers, suppliers, and the broader community. Essentially, corporate governance sets the foundation for achieving a company's objectives, ensuring accountability, fairness, and transparency in a company's relationship with its stakeholders. It includes aspects such as the role of the board of directors, the rights and responsibilities of shareholders, and the policies that ensure compliance with laws and regulations. By contrast, the financial management system of a corporation specifically pertains to managing the company's finances and making investment decisions, while marketing strategies focus on promoting and selling products or services. Human resource policies relate to managing the company's workforce, including recruitment, training, and employee management. Each of these are important components within a corporation but does not encompass the broader scope of corporate governance as a whole.

6. What does a GIS (Geographic Information System) primarily do?

A. Creates 3D models for construction

B. Maps and analyzes spatial data

C. Processes financial transactions

D. Tracks employee performance

A Geographic Information System (GIS) primarily maps and analyzes spatial data, making it a powerful tool in numerous fields, including urban planning, environmental science, and transportation. By integrating hardware, software, and data, GIS allows users to visualize, interpret, and understand patterns and relationships in spatial information. This functionality is crucial for tasks such as resource management, navigation, and urban development, where geographic context plays a vital role in decision-making. GIS can also handle a variety of data types, including satellite imagery and GPS data, enabling analysts to create layered maps that provide a comprehensive view of the geographical information in question. The other options do not capture the essence of what a GIS does: creating 3D models is typically associated with CAD software, processing financial transactions pertains to financial software systems, and tracking employee performance involves human resources management systems. Thus, the focus of GIS on spatial data is what sets it apart as a unique and essential tool.

7. What is the first stage in the team development process?

A. Storming

B. Norming

C. Forming

D. Performing

The first stage in the team development process is forming. This initial stage is characterized by team members coming together and beginning to understand their roles and the group dynamics. During the forming phase, individuals are typically polite and may be uncertain about their expectations, team objectives, and how they will fit into the team. In this phase, team members are focused on getting to know each other, establishing ground rules, and creating initial connections. Leaders or facilitators often play a crucial role in guiding the team through this stage, helping to clarify goals and fostering an environment conducive to collaboration. Understanding this stage is vital for effective team management, as it lays the foundation for progressing to subsequent stages like storming, norming, and performing, where the dynamics become more intricate and the focus shifts from individual to collective team goals.

8. How may effective leaders inspire their teams?

A. By implementing strict policies

B. By dictating every decision

C. By fostering trust and creating a vision

D. By focusing on profits only

Effective leaders inspire their teams by fostering trust and creating a vision. This approach is critical because trust establishes a safe and open environment where team members feel valued and empowered to contribute. When leaders cultivate a culture of trust, they encourage collaboration, innovation, and a sense of belonging among team members. Creating a vision is equally essential as it provides direction and motivates the team toward common goals. A compelling vision aligns the efforts of the team members, instills a sense of purpose, and helps individuals understand how their contributions fit into the larger objectives of the organization. When employees see the bigger picture and feel included in the journey, they are more likely to be engaged, motivated, and committed to their work. In contrast, strict policies, dictating every decision, or focusing solely on profits can stifle creativity and decrease morale. Such approaches can lead to a lack of engagement and can make team members feel disconnected from their work, ultimately hindering performance and success. By prioritizing trust and vision, effective leaders create an inspiring environment that drives positive results.

9. How is a stakeholder defined in a business context?

- A. Any employee within the organization
- B. Anyone with a financial interest in the company
- C. Any individual or group interested in the business's success
- D. Only the company's shareholders and investors

A stakeholder in a business context is broadly defined as any individual or group that has an interest in the success and performance of a business. This encompasses a wide variety of parties, such as employees, customers, suppliers, investors, and even the community where the business operates. Because stakeholders can influence or be affected by the business’s decisions and actions, recognizing them as integral to the organization’s ecosystem is crucial for long-term success and strategic planning. This understanding aligns with modern business principles that emphasize corporate social responsibility and engagement with various groups beyond just those with financial stakes. Other options narrow the definition too much. For instance, limiting stakeholders to just employees overlooks the critical roles that customers and suppliers play. Similarly, defining stakeholders as only those with a financial interest overlooks the broader impact of community relationships and employee satisfaction on a business’s success. With this inclusive perspective, it's clear why option C accurately captures the essence of what a stakeholder is in the context of business.

10. How is net present value (NPV) calculated?

- A. By adding cash inflows and outflows
- B. By calculating the sum of future cash flows
- C. By determining the difference between present value of cash inflows and outflows
- D. By estimating future profits based on current sales

Net Present Value (NPV) is calculated by determining the difference between the present value of cash inflows and the present value of cash outflows over a specific period. The concept of NPV is rooted in the time value of money, which emphasizes that a dollar today is worth more than a dollar in the future due to its potential earning capacity. To compute NPV, future cash flows are discounted back to their present value using a chosen discount rate, which often reflects the project’s required rate of return or the cost of capital. The present value of all expected cash inflows is then analyzed against the present value of cash outflows, including initial investments and any associated costs. When cash inflows exceed cash outflows, the NPV is positive, indicating that the investment is likely to be profitable. Conversely, a negative NPV suggests that the project may not generate sufficient returns. This method effectively allows businesses and investors to evaluate the profitability and feasibility of investment opportunities by providing a clear quantitative measure of anticipated financial performance.

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://peregrinemba.examzify.com

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