

Rutgers Business Policy and Strategy 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. Which statement describes above-average returns?**
 - A. Returns equal to the market average**
 - B. Returns below what investors expect**
 - C. Returns generated only from intangible assets**
 - D. Returns in excess of what an investor expects to earn from other investments with a similar risk**

- 2. What best defines a business level strategy?**
 - A. A plan to maximize profits through global diversification.**
 - B. A framework for coordinating production schedules across plants.**
 - C. An integrated and coordinated set of commitments and actions the firm uses to gain a competitive advantage by exploiting core competencies in specific product markets.**
 - D. A strategy focused on branding only.**

- 3. Which of the following is not one of Porter's Five Forces?**
 - A. Government policy**
 - B. Threat of new entrants**
 - C. Industry rivalry**
 - D. Bargaining power of suppliers**

- 4. Which statement best describes Capital Market Stakeholders?**
 - A. They include equity shareholders and debt holders**
 - B. They include only customers and suppliers**
 - C. They are identical to Organizational Stakeholders**
 - D. They are external to the firm**

- 5. What is Information Networks?**
 - A. A linked chain of suppliers, distributors, and customers that allow a firm to adapt quickly to changing customer expectations.**
 - B. A standalone intranet used only for internal memos.**
 - C. A set of software licenses for CRM only.**
 - D. A marketing campaign on social media.**

- 6. Marketing and Sales primarily concerns**
- A. It concerns consumer learning about the product**
 - B. It encompasses inbound logistics**
 - C. It focuses on after-sales service**
 - D. It manages procurement**
- 7. Value chain analysis should identify those activities that are the sources of either cost or differentiation advantages.**
- A. Should identify only cost advantages**
 - B. Only focuses on distribution**
 - C. Should identify those activities that are the sources of either cost or differentiation advantages**
 - D. Only focuses on marketing**
- 8. Which set of elements is part of the Model of Competitive Rivalry Process?**
- A. Market commonality, resource similarity, awareness, and motivation**
 - B. Competitive dynamics and multimarket competition**
 - C. Competitor analysis, drivers of competitive behavior, competitive rivalry, and outcomes**
 - D. Ability and awareness**
- 9. Which of the following are effective strategy requirements?**
- A. Strategic Leaders**
 - B. Organizational Culture**
 - C. Both Strategic Leaders and Organizational Culture**
 - D. None of the Above**
- 10. Which statement about Slack is true in relation to being a first mover?**
- A. Slack has no impact on a firm's ability to act as a first mover.**
 - B. Slack inhibits a firm's ability to be a first mover.**
 - C. Slack slightly reduces risk but not ability to move first.**
 - D. Slack provides the resources that can enable a firm to be a first mover.**

Answers

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

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Explanations

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1. Which statement describes above-average returns?

- A. Returns equal to the market average
- B. Returns below what investors expect
- C. Returns generated only from intangible assets
- D. Returns in excess of what an investor expects to earn from other investments with a similar risk**

Above-average returns are those that exceed what you would expect to earn given the level of risk you're taking. In practice, investors compare performance to returns offered by investments with similar risk, and if you earn more than that expectation, you have a positive alpha—an above-average result for that risk level. The statement that describes this best is returns that come in higher than what an investor expects to earn from other investments with similar risk, because it directly captures earning more than the required compensation for risk. The other options don't fit because: earning exactly the market average is not above average; earning less than expected is underperformance; and returns coming solely from intangible assets say nothing about how they compare to the risk-adjusted expectations of similar investments.

2. What best defines a business level strategy?

- A. A plan to maximize profits through global diversification.
- B. A framework for coordinating production schedules across plants.
- C. An integrated and coordinated set of commitments and actions the firm uses to gain a competitive advantage by exploiting core competencies in specific product markets.**
- D. A strategy focused on branding only.

Business-level strategy is about how a firm competes in a particular product market. It requires an integrated set of commitments and actions—things like product design, pricing, marketing, distribution, and service—that work together to create a competitive advantage. The edge comes from exploiting the firm's core competencies in that market, aligning activities to deliver unique value relative to rivals. The other descriptions miss the bigger strategic program: maximizing profits through global diversification is about corporate-level moves; coordinating production across plants is more of an operations task; focusing on branding alone is too narrow. So the best definition is the integrated, coordinated package of actions aimed at leveraging strengths to win in specific product markets.

3. Which of the following is not one of Porter's Five Forces?

- A. Government policy**
- B. Threat of new entrants**
- C. Industry rivalry**
- D. Bargaining power of suppliers**

Porter's Five Forces analyze competitive pressure within an industry by focusing on five specific forces that shape profitability: threat of new entrants, threat of substitutes, industry rivalry among existing firms, bargaining power of suppliers, and bargaining power of buyers. Government policy belongs to the broader political and legal environment, not to these five forces themselves. It can influence how easy or difficult it is to enter an industry or operate within it, but it isn't one of the forces Porter identifies for assessing competitive intensity. Among the options, threat of new entrants, industry rivalry, and bargaining power of suppliers are all valid forces in the model, while government policy is not.

4. Which statement best describes Capital Market Stakeholders?

- A. They include equity shareholders and debt holders**
- B. They include only customers and suppliers**
- C. They are identical to Organizational Stakeholders**
- D. They are external to the firm**

Capital market stakeholders are the people or entities that provide capital to the firm and hold claims on its future cash flows. The key groups here are equity shareholders and debt holders. Equity shareholders own shares and have a residual claim on profits plus voting rights, while debt holders lend money and receive fixed interest and eventual repayment. Both are external investors who influence and are affected by the firm's financial decisions, making them the primary capital providers in the market. This distinguishes them from other groups like customers or suppliers, who are part of the operating environment rather than capital providers, and from a broader category of organizational stakeholders, which encompasses a wider set of interests beyond those who supply or own capital.

5. What is Information Networks?

- A. A linked chain of suppliers, distributors, and customers that allow a firm to adapt quickly to changing customer expectations.**
- B. A standalone intranet used only for internal memos.**
- C. A set of software licenses for CRM only.**
- D. A marketing campaign on social media.**

Information networks describe the interconnected web of suppliers, distributors, customers, and other partners through which a firm shares information and coordinates activities to respond quickly to changing customer expectations. This network enables real-time data flow, visibility across the value chain, and collaborative action, so the organization can sense shifts in demand and adjust its operations accordingly. It goes beyond internal systems or marketing efforts, linking multiple external actors to create agility and better alignment with customer needs. The other options describe narrower or unrelated concepts: an internal-only intranet lacks external collaboration; licenses for CRM cover just software access without the broader partner network; and a social media campaign is a marketing tactic, not the information-sharing network that coordinates across the supply and demand sides.

6. Marketing and Sales primarily concerns

- A. It concerns consumer learning about the product**
- B. It encompasses inbound logistics**
- C. It focuses on after-sales service**
- D. It manages procurement**

Marketing and Sales primarily concerns how consumers learn about and decide to buy the product. It's about shaping awareness, interest, and perceived value, and guiding the buyer through the decision process with messaging, promotions, and the right channels. Inbound logistics deals with bringing materials into the firm, which is an operations/supply chain function. Procurement is about obtaining inputs, a purchasing/sourcing activity. After-sales service covers support and service after purchase, belonging to customer service and operations. These areas matter for the business, but they're not the central focus of marketing and sales, which is why the option about consumer learning and purchase decisions is the best fit.

7. Value chain analysis should identify those activities that are the sources of either cost or differentiation advantages.
- A. Should identify only cost advantages
 - B. Only focuses on distribution
 - C. Should identify those activities that are the sources of either cost or differentiation advantages**
 - D. Only focuses on marketing

Value chain analysis examines every activity a firm performs to create, produce, market, and support its product or service, with the aim of spotting where value is added and where costs arise. The key idea is to identify activities that can generate a cost advantage through efficiency or scale, and activities that can enable differentiation by delivering features, quality, or service that customers value more than competitors. It's not limited to distribution or marketing alone; those are just parts of the broader chain. By looking across inbound logistics, operations, outbound logistics, marketing and sales, and service, plus supporting activities like technology development, procurement, and firm infrastructure, you can see where improvements will lower costs or raise perceived value. Focusing on only cost or only marketing would miss other avenues to gain advantage, whereas a full value-chain view captures both cost reductions and differentiation opportunities.

8. Which set of elements is part of the Model of Competitive Rivalry Process?
- A. Market commonality, resource similarity, awareness, and motivation
 - B. Competitive dynamics and multimarket competition
 - C. Competitor analysis, drivers of competitive behavior, competitive rivalry, and outcomes**
 - D. Ability and awareness

The model focuses on how rivals interact over time to shape competition. It starts with competitor analysis—evaluating who the rivals are, what they can do, and how they might act. Then it looks at the drivers of competitive behavior, which are the forces that push firms to act: awareness of rivals and opportunities, motivation to improve relative position, and the ability to execute actions. Those drivers lead to competitive actions and responses, forming ongoing rivalry among firms. The outcomes of these actions—such as changes in market position, profitability, or strategic direction—then feed back into future competitor analysis and decisions. This four-part structure—competitor analysis, drivers of competitive behavior, competitive rivalry, and outcomes—best captures the sequence of how rivalry unfolds. The other options mix related ideas or leave out essential elements (for example, focusing only on awareness and ability, or emphasizing multimarket competition without the full process), so they don't describe the complete model.

9. Which of the following are effective strategy requirements?

- A. Strategic Leaders**
- B. Organizational Culture**
- C. Both Strategic Leaders and Organizational Culture**
- D. None of the Above**

Two critical drivers of effective strategy implementation are strategic leadership and organizational culture. Strategic leaders guide the direction, make tough choices, allocate resources, and mobilize people around a clear vision. They set priorities, communicate the rationale for the strategy, and create the incentives and accountability that push the organization forward. Organizational culture, meanwhile, shapes how people actually behave day to day—what gets rewarded, what gets prioritized, how information flows, and how adaptable the organization is to change. A culture that values learning, collaboration, and experimentation supports the adoption and execution of new strategies, while a culture resistant to change can derail even the best plan. When both elements are in harmony, strategy is both well-conceived and practically executable. Leaders provide direction and drive, and culture provides the practical context that enables people to embrace and implement the strategy. Without one, the other alone often leads to weak results: leadership without culture may fail to gain buy-in or sustain effort, while culture without leadership can drift or fail to coordinate action toward strategic goals. Hence, both strategic leaders and organizational culture are necessary for an effective strategy.

10. Which statement about Slack is true in relation to being a first mover?

- A. Slack has no impact on a firm's ability to act as a first mover.**
- B. Slack inhibits a firm's ability to be a first mover.**
- C. Slack slightly reduces risk but not ability to move first.**
- D. Slack provides the resources that can enable a firm to be a first mover.**

Having organizational slack—the extra resources beyond what's needed for daily operations—is what lets a firm act quickly on new opportunities. Being a first mover often requires committing funds, time, and effort before rivals do, and slack provides the buffer to do that without imperiling ongoing activities. With this cushion, a company can fund rapid R&D, iterate on a product, run quick pilots, and lock in capabilities or partnerships that support an early market launch. In short, slack supplies the resources that make pursuing a first-mover move feasible, even in the face of uncertainty and fast-changing conditions. Other options miss the link between extra resources and the ability to move quickly and invest upfront; they either deny any impact, claim slack hinders action, or only imply a marginal effect.

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://rutgersbusinesspolicystrat.examzify.com>

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

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