

# Rutgers Business Policy and Strategy Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

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

**SAMPLE**

# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

SAMPLE

# 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

SAMPLE

- 1. It is critical to gather competitor intelligence using legal and ethical practices.**
  - A. Unknown**
  - B. True**
  - C. Not necessary**
  - D. False**
  
- 2. Which statement best defines a capability?**
  - A. A cash asset held to cover expenses**
  - B. A brand identity in the market**
  - C. An ability to perform a task in an integrative manner toward the fulfillment of a firm's mission**
  - D. A standalone product line**
  
- 3. Which statement best defines competitive advantage?**
  - A. When a firm achieves low-cost status only**
  - B. When a firm replicates competitors' strategies quickly**
  - C. When a firm implements a strategy that creates superior value for customers AND that its competitors are unable to duplicate**
  - D. When a firm increases product variety without regard to customer needs**
  
- 4. Which term refers to Resources and Capabilities that serve as a source of competitive advantage for a firm over its rivals?**
  - A. Core competency**
  - B. Strategic asset**
  - C. Competitive parity**
  - D. Operational excellence**
  
- 5. Which description best captures the essence of an integrated strategy?**
  - A. It balances pursuing low costs with offering differentiated features through coordinated value chain activities.**
  - B. It focuses exclusively on price competition.**
  - C. It ignores customer preferences.**
  - D. It relies solely on outsourcing.**

- 6. If capabilities satisfy this four criteria, they can be considered core competencies.**
- A. Valuable; Rare; Costly to imitate; Nonsubstitutable**
  - B. Valuable; Common; Easy to imitate; Nonsubstitutable**
  - C. Rare; Valuable; Readily substitutable; Costly to imitate**
  - D. Valuable; Rare; Readily adaptable; Nonessential**
- 7. Which Porter's force addresses the threat of new entrants?**
- A. Threat of new entrants**
  - B. Bargaining power of suppliers**
  - C. Threat of substitutes**
  - D. Industry rivalry**
- 8. Which of the following is a segmentation variable used for industrial markets?**
- A. Geographic**
  - B. End use**
  - C. Product**
  - D. Customer size**
- 9. Which concept is defined as the set of competitive actions and responses a firm takes to build or defend its competitive advantages and to improve its market position?**
- A. Competitors**
  - B. Competitive Behavior**
  - C. Competitive Rivalry**
  - D. Information Networks**
- 10. What best describes a focus strategy?**
- A. An integrated set of actions taken to produce goods or services that serve the needs of a broad market.**
  - B. A plan that emphasizes mass production and low cost.**
  - C. A strategy focusing on high-end luxury brands exclusively.**
  - D. An integrated set of actions taken to produce goods or services that serve the needs of a particular competitive segment.**

## Answers

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. It is critical to gather competitor intelligence using legal and ethical practices.**

**A. Unknown**

**B. True**

**C. Not necessary**

**D. False**

Gaining competitor intelligence is essential for strategic decision-making, but it must be done within legal and ethical boundaries. By using legitimate methods—public sources such as filings, financial reports, press releases, market research, and conversations with customers or industry analysts—you uncover insights into competitors' strategies and capabilities without crossing legal lines. This approach provides reliable, actionable data while protecting your organization from legal risk and reputational damage. Without ethics and legality, you risk sanctions, loss of trust, and decisions based on questionable information. That's why the statement is true.

**2. Which statement best defines a capability?**

**A. A cash asset held to cover expenses**

**B. A brand identity in the market**

**C. An ability to perform a task in an integrative manner toward the fulfillment of a firm's mission**

**D. A standalone product line**

A capability is the organization's sustained ability to coordinate and apply resources and processes across functions to perform a task that advances the firm's mission. It comes from routines, skills, and interdepartmental coordination, not from a single asset or a standalone offering. This makes it distinct from a cash asset (a financial resource), a brand identity (a market-facing asset), or a standalone product line (a specific offering). Therefore, the statement describing an integrative ability to perform a task toward the firm's mission best defines a capability.

**3. Which statement best defines competitive advantage?**

**A. When a firm achieves low-cost status only**

**B. When a firm replicates competitors' strategies quickly**

**C. When a firm implements a strategy that creates superior value for customers AND that its competitors are unable to duplicate**

**D. When a firm increases product variety without regard to customer needs**

Competitive advantage comes from delivering superior value to customers in a way that rivals cannot easily imitate. The best statement captures both parts: it describes creating value that customers prefer and that competitors are unable to duplicate. When value is high and hard to copy, the firm enjoys a sustained edge over competitors. Focusing only on being low-cost can be matched by others, and adding products without aligning to customer needs may dilute value or fail to create a real advantage. Simply copying what competitors do rarely yields a lasting separation in the market.

**4. Which term refers to Resources and Capabilities that serve as a source of competitive advantage for a firm over its rivals?**

- A. Core competency**
- B. Strategic asset**
- C. Competitive parity**
- D. Operational excellence**

Core competencies are the resources and capabilities that give a firm a competitive advantage over rivals. They consist of the unique combination of skills, knowledge, and routines that let the company deliver greater value in ways competitors find hard to replicate. When these capabilities are valuable, rare, difficult to imitate, and the firm is organized to exploit them, they can sustain a competitive edge over time. While strategic assets or operational excellence relate to valuable strengths or performance goals, they do not specifically name the bundle of capabilities that uniquely differentiates a firm. Competitive parity is simply matching what rivals do, not outperforming them, so it isn't the term for the source of sustained advantage.

**5. Which description best captures the essence of an integrated strategy?**

- A. It balances pursuing low costs with offering differentiated features through coordinated value chain activities.**
- B. It focuses exclusively on price competition.**
- C. It ignores customer preferences.**
- D. It relies solely on outsourcing.**

Integrated strategy means pursuing a position that combines cost efficiency with differentiated value, achieved by coordinating activities across the value chain so that cost-focused actions support differentiating features and vice versa. This approach lets a firm offer products or services with unique features, quality, or services while still keeping costs in check through coordinated sourcing, production, distribution, and marketing. The key is alignment across activities so that pursuing cost leadership and differentiation reinforce each other rather than competing at cross-purposes. Choosing a path that focuses only on price misses the differentiating aspect, while ignoring customer preferences or relying solely on outsourcing fails to create the balanced value that an integrated strategy aims for.

**6. If capabilities satisfy this four criteria, they can be considered core competencies.**

**A. Valuable; Rare; Costly to imitate; Nonsubstitutable**

**B. Valuable; Common; Easy to imitate; Nonsubstitutable**

**C. Rare; Valuable; Readily substitutable; Costly to imitate**

**D. Valuable; Rare; Readily adaptable; Nonessential**

Capabilities become core when they meet four tests: they are valuable, rare, costly to imitate, and nonsubstitutable. Valuable means the capability creates real value for customers or the firm, improving offerings or efficiency. Rarity indicates not many rivals possess it, so it distinguishes the company. If competitors can copy it cheaply, the advantage erodes quickly, so the ability to imitate must be costly—in terms of time, money, or organizational barriers. Finally, nonsubstitutability means there aren't readily available substitutes that deliver the same benefit, so the advantage isn't easily bypassed by changing to a different approach. The option that lists these four characteristics—valuable, rare, costly to imitate, and nonsubstitutable—best captures what makes a capability a true core competency. Choices that include common, easy to imitate, readily substitutable, or nonessential attributes would not sustain a lasting competitive edge.

**7. Which Porter's force addresses the threat of new entrants?**

**A. Threat of new entrants**

**B. Bargaining power of suppliers**

**C. Threat of substitutes**

**D. Industry rivalry**

In Porter's Five Forces framework, the force that directly captures how easy or hard it is for new competitors to enter the market is the threat of new entrants. This force looks at barriers that could deter or enable new firms to start competing, such as capital requirements, economies of scale, product differentiation, switching costs for customers, access to distribution channels, and regulatory constraints or expected retaliation from incumbents. When entry barriers are low and potential entrants expect they can earn attractive profits, the threat is high and incumbent firms must consider strategies to defend their position. When barriers are high, entry is difficult, and the threat is low, helping current players preserve margins. The other options correspond to different competitive pressures—suppliers' bargaining power, substitutes, and existing industry rivalry—rather than the specific issue of new entrants entering the market.

**8. Which of the following is a segmentation variable used for industrial markets?**

- A. Geographic**
- B. End use**
- C. Product**
- D. Customer size**

In industrial markets, focusing on end use—the application or how the buyer will use the product—is the most informative way to segment. Grouping customers by their end-use needs ties directly to what the product must do, which standards it must meet, and what kind of service or integration support is required. Different industries often demand distinct specifications, certifications, and after-sales arrangements, so targeting by end use allows you to tailor your offerings, messages, and support precisely to those needs. Geographic segmentation considers where buyers are located, which matters for logistics and channel strategy but doesn't inherently capture differences in product requirements across applications. Using the product itself as a basis for segmentation isn't a typical approach in industrial markets, since the product is what you're selling to all segments rather than a way to differentiate segments. Buyer size can influence purchasing behavior and terms, but it doesn't fundamentally define the use case or the core needs driving the purchase.

**9. Which concept is defined as the set of competitive actions and responses a firm takes to build or defend its competitive advantages and to improve its market position?**

- A. Competitors**
- B. Competitive Behavior**
- C. Competitive Rivalry**
- D. Information Networks**

The main idea here is competitive behavior—the deliberate set of actions a firm takes and the responses it makes in the market to build or defend its advantages and improve its position. This captures both the moves a company makes to outperform rivals and the reactions it has to rivals' actions, all aimed at strengthening its competitive standing. That's why it's the best fit: it specifically describes the ongoing pattern of competitive actions and countermoves a firm uses to shape its advantage and market position. Other terms refer to things like the rivals themselves, the overall pressure of competition, or the channels for sharing information, but they don't define the firm's own intentional sequence of moves and responses.

**10. What best describes a focus strategy?**

- A. An integrated set of actions taken to produce goods or services that serve the needs of a broad market.**
- B. A plan that emphasizes mass production and low cost.**
- C. A strategy focusing on high-end luxury brands exclusively.**
- D. An integrated set of actions taken to produce goods or services that serve the needs of a particular competitive segment.**

A focus strategy means directing a company's efforts toward a narrow market segment and tailoring its offerings to meet the specific needs of that group. The best choice captures this idea by describing an integrated set of actions—product, price, service, and delivery choices—that are designed to serve the needs of a particular competitive segment. By concentrating resources on that segment, the firm can achieve a closer fit between what it offers and what that segment values, often gaining a competitive edge within the niche. The other descriptions describe broader approaches. A broad-market approach aims to serve a wide audience rather than a specific segment, which isn't what a focus strategy is about. A plan centered on mass production and low cost targets cost leadership across the whole market, not a particular segment. The option about luxury brands suggests a positioning within a high-end space, which can be part of a focus approach but is less precise about targeting a defined segment with an integrated, tailored action set.

## 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://rutgersbusinesspolicystrat.examzify.com>**

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

SAMPLE