RUTGERS BUSINESS POLICY AND STRATEGY PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

https://rutgersbusinesspolicystrat.examzify.com

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

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. What is Competitive Behavior?

A. The set of competitive actions and responses a given firm takes to build or defend its competitive advantages and to improve its market position.

B. The process of internal cost-cutting unrelated to market actions.

C. Corporate philanthropy initiatives.

D. Static, unchanging company strategy.

2. First movers can gain loyalty and earn above-average returns. Which option best reflects this idea?

A. Gains loyalty.

B. Earns above-average returns.

C. Do not gain loyalty.

D. Can gain loyalty and earn above-average returns.

3. What are the four criteria in the VRIO framework?

A. Value, Rarity, Imitability, Ownership.

B. Value, Rarity, Imitability, Organization.

C. Value, Relevance, Imitability, Organization.

D. Value, Rarity, Imitability, Access.

4. Which of the following best defines Strategic Action (or Strategic Response) in competitive markets?

A. a market-based move that involves a significant commitment of organizational resources and is difficult to implement and reverse.

B. a market-based move that is taken to fine-tune a strategy.

C. a firm that takes an initial competitive action in order to build or defend its competitive advantages, or to improve its market position.

D. the buffer or cushion provided by actual or obtainable resources that aren't currently in use, and are in excess of the minimum resources needed to produce a given level of organizational output.

5. Which term describes firms that respond to the first mover's competitive action, typically through imitation?

A. Firms who respond to the first mover's competitive action, typically through imitation.

B. A firm that initiates the first competitive action.

C. Late entrants that delay action.

D. A firm that disrupts the market.

SAMPLE

6. In the Industrial Organizational Model of Above Average Returns, which is the last element in the sequence?

A. The external environment

B. Attractive industry

C. Strategy formulation

D. Above-average returns

7. Which of the following is NOT one of the five business level strategies?

A. Cost Leadership

B. Differentiation

C. Focused Cost Leadership

D. Market Penetration

8. What is a platform business model and how do network effects influence value creation?

A. Exchanges or ecosystems enable value by connecting producers and consumers; network effects increase platform value as participation grows.

B. Platform value decreases as more users join.

C. Network effects are irrelevant to platform value.

D. A platform is only a retailer.

9. What best defines Tactical Action (or Tactical Response)?

A. a long-term radical reorganization.

B. a market-based move that is taken to fine-tune a strategy.

C. a minor cost-cutting measure.

D. a purely internal process improvement.

10. What actions support preventing risks in international operations?

A. Hedging currency risk, building local partnerships, adapting offerings, conducting risk assessment.

B. Ignoring political risk and regulatory differences.

C. Following a one-size-fits-all global strategy.

D. Relying only on internal forecasts.

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is Competitive Behavior?

A. The set of competitive actions and responses a given firm takes to build or defend its competitive advantages and to improve its market position.

B. The process of internal cost-cutting unrelated to market actions.

C. Corporate philanthropy initiatives.

D. Static, unchanging company strategy.

Competitive behavior is about how a firm acts in the market to gain and defend its advantages. It encompasses the set of competitive actions a firm takes to build its advantages and improve its market position, as well as the responses it makes to rivals' moves. This dynamic mix includes pricing, product development, marketing, capacity decisions, and other strategic moves aimed at strengthening position or deterring competitors. The other options miss this market-focused, action-and-response nature. Internal cost-cutting not tied to market actions won't directly change competitive standing; corporate philanthropy centers on social responsibility rather than competitive moves; and a static, unchanging strategy ignores the ongoing actions and counteractions that define competition.

2. First movers can gain loyalty and earn above-average returns. Which option best reflects this idea?

A. Gains loyalty.

B. Earns above-average returns.

C. Do not gain loyalty.

D. Can gain loyalty and earn above-average returns.

First-mover advantage means entering a market early can give a firm pathways to build customer loyalty and achieve higher profitability, but those outcomes aren't guaranteed. The best choice captures both possibilities in one statement: you can gain loyalty and earn above-average returns. It reflects the potential benefits of being first—brand awareness, customer relationships, and early pricing or distribution advantages—while still leaving room for variability based on execution, competition, and market changes. The other options miss one of these dimensions or deny the possibility altogether, so they don't fully reflect what first movers can achieve.

3. What are the four criteria in the VRIO framework?

A. Value, Rarity, Imitability, Ownership.

B. Value, Rarity, Imitability, Organization.

C. Value, Relevance, Imitability, Organization.

D. Value, Rarity, Imitability, Access.

The main idea is how a resource or capability can produce a sustained competitive advantage by meeting four criteria: Value, Rarity, Imitability, and Organization. A resource must be valuable to enable the firm to exploit opportunities or neutralize threats. It must be rare, meaning not many competitors have it. It must be hard to imitate, so competitors can't easily copy it. Finally, the firm must be organized to capture the value from that resource—having the right structure, processes, and culture to leverage it effectively. This set fits because Organization is the component that ensures the firm can actually capitalize on the others. The other options swap in terms like Ownership, Relevance, or Access, which are not part of VRIO. So the correct combination is Value, Rarity, Imitability, Organization.

SAMPLE

4. Which of the following best defines Strategic Action (or Strategic Response) in competitive markets?

A. a market-based move that involves a significant commitment of organizational resources and is difficult to implement and reverse.

B. a market-based move that is taken to fine-tune a strategy.

C. a firm that takes an initial competitive action in order to build or defend its competitive advantages, or to improve its market position.

D. the buffer or cushion provided by actual or obtainable resources that aren't currently in use, and are in excess of the minimum resources needed to produce a given level of organizational output.

Strategic action in competitive markets is about big, market-based moves that require substantial resource commitments and are hard to reverse, because they're designed to change the competitive game in a lasting way. That's exactly what the option describes: a move that involves significant organizational resources and is difficult to implement and reverse, signaling a long-term strategic bet to build or defend advantages. This contrasts with fine-tuning a strategy, which would be a smaller, more easily reversible adjustment rather than a bold, resource-intensive move. Describing the actor as the initiator of an action talks about who acts rather than the nature of the move, so it doesn't capture the defining characteristic of strategic action. And mentioning a buffer of unused resources refers to slack resources, not to the act of making a strategic move in the market.

5. Which term describes firms that respond to the first mover's competitive action, typically through imitation?

A. Firms who respond to the first mover's competitive action, typically through imitation.

B. A firm that initiates the first competitive action.

C. Late entrants that delay action.

D. A firm that disrupts the market.

The main idea here is second movers—firms that watch the first mover and then respond, often by imitation. These fast followers sidestep the high risks and costs of being first, instead leveraging the leader's market insights, customer feedback, and established demand to capture value with quicker, lower-risk execution. That's why this option fits best: it describes firms that respond to the first mover's action, typically through imitation. The other statements describe the initiator, someone who delays, or a disruptor, none of which capture the reactive, imitation-based role of the firms in question.

SAMPLE

6. In the Industrial Organizational Model of Above Average Returns, which is the last element in the sequence?

A. The external environment

B. Attractive industry

C. Strategy formulation

D. Above-average returns

The Industrial Organization model traces a path where external factors shape industry attractiveness and structure, which then leads to strategy formulation and execution, culminating in the outcome the model aims to explain: above-average returns. In other words, external environment sets the playing field, the industry's characteristics determine how attractive it is, strategy is the plan to compete, and the ultimate measure of success is the returns the firm earns. That makes the final element above-average returns, since all prior steps exist to produce that performance outcome. The other elements are inputs or steps in the process, not the end result.

7. Which of the following is NOT one of the five business level strategies?

A. Cost Leadership

B. Differentiation

C. Focused Cost Leadership

D. Market Penetration

The main idea here is how a firm competes within its industry. Business-level strategies describe the competitive posture a company adopts in a given market—how it delivers value to customers and outperforms rivals. Typical options include cost leadership (competing on low cost), differentiation (offering unique features or quality), and the focused variants (targeting a narrow market with either a low-cost or a differentiated approach). These are about the way you position your product or service in the market. Market Penetration, on the other hand, is about growth: trying to gain more market share in existing markets with existing products. It's a growth strategy at a higher, corporate-level or product-market scope, not a specific way to compete within a market. That's why it isn't categorized as one of the business-level strategies. The other choices describe direct ways to compete within the industry, either by cost, by differentiation, or by focusing on a particular segment.

8. What is a platform business model and how do network effects influence value creation?

A. Exchanges or ecosystems enable value by connecting producers and consumers; network effects increase platform value as participation grows.

B. Platform value decreases as more users join.

C. Network effects are irrelevant to platform value.

D. A platform is only a retailer.

A platform business model creates value by enabling exchanges between two or more groups, typically producers and consumers, within an ecosystem. It lowers search and transaction costs and provides a shared space where participants connect, transact, and collaborate. The value from platforms grows with participation because of network effects: direct effects where more buyers attract more sellers (and vice versa), and indirect effects where more users on one side attract more complementary offerings on the other (like apps or services). This amplification means the platform becomes more valuable as more people join, driving better matching, trust, data insights, and faster innovation. That idea is captured by describing platforms as exchanges or ecosystems that connect producers and consumers, with network effects increasing value as participation grows. The other statements either contradict how platforms actually scale, dismiss the role of network effects, or confine platforms to a retailer, which limits the true nature of platform value.

SAMPLE

9. What best defines Tactical Action (or Tactical Response)?

A. a long-term radical reorganization.

B. a market-based move that is taken to fine-tune a strategy.

C. a minor cost-cutting measure.

D. a purely internal process improvement.

Tactical actions are short-term, market-facing moves designed to fine-tune the current strategy in response to market conditions and competitive moves. They focus on improving how the existing plan fits the external environment, without overhauling the whole approach. That's why a market-based move taken to fine-tune a strategy is the best fit: it emphasizes adjusting in light of market signals to improve strategic fit, rather than making sweeping changes or staying only within internal processes. Long-term radical reorganization is a broader strategic shift, internal process improvements lack market orientation, and a minor cost-cutting measure doesn't inherently reflect targeted market-based adjustments to the strategy.

10. What actions support preventing risks in international operations?

A. Hedging currency risk, building local partnerships, adapting offerings, conducting risk assessment.

B. Ignoring political risk and regulatory differences.

C. Following a one-size-fits-all global strategy.

D. Relying only on internal forecasts.

Preventing risks in international operations relies on proactive risk management actions. Hedging currency risk reduces exposure to exchange-rate fluctuations that can erode margins when revenues and costs occur in different currencies. Building local partnerships provides on-the-ground insight, helps navigate local regulations, and distributes risk by sharing responsibilities with trusted collaborators rather than going it alone. Adapting offerings ensures products or services fit local demand, pricing, and regulatory constraints, lowering the chances of misalignment or noncompliance. Conducting risk assessments systematically identifies potential threats—from political shifts to supply-chain disruptions—and informs mitigation plans before problems arise. Together, these steps create resilience across currency, market, product, and regulatory dimensions. In contrast, ignoring political risk and regulatory differences, pursuing a one-size-fits-all global strategy, or relying only on internal forecasts leaves a business exposed to external realities it's not prepared to handle.

SAMPLE

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!

SAMPLE