STRATEGIC MANAGEMENT PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://strategicmanagement.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

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 16

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. Which of the following is NOT a step in constructing a SWOT Matrix?

A. List the firm's external weaknesses.

B. Match internal strengths with external threats.

C. List the firm's key external threats.

D. List the firm's external opportunities.

2. What is benchmarking in strategic management?

A. The process of innovating new products

B. Comparing business processes to industry best practices

C. Assessing market trends for future growth

D. Evaluating financial performance metrics

3. The question, "geographically, where does the firm compete?" relates to which component of the mission statement?

A. Products

B. Markets

C. Philosophy

D. Customers

4. Anything that a firm does especially well compared to rival firms is referred to as:

A. Competitive advantage

B. Market positioning

C. Strategic leverage

D. Core competency

5. A strategic group within an industry is defined as what?

A. A collection of firms offering identical products

B. Companies in the same industry following similar business strategies

C. A grouping of companies with the same market share

D. Organizations competing primarily on price

SAMPLE

6. Which management function includes job design and analysis?

A. Organizing

B. Motivating

C. Controlling

D. Planning

7. If suppliers are unreliable or too costly, which of these strategies may be appropriate?

A. Horizontal Integration

B. Market penetration

C. Backward Integration

D. Concentric Diversification

8. What is the main focus of strategic management?

A. Commodity pricing strategies

B. Workforce development programs

C. Achieving competitive advantage

D. Enhancing customer service

9. Sometimes the term _____ is used to refer to strategic formulation, implementation, and evaluation.

A. Strategic planning

B. Strategic management

C. Strategic processing

D. Strategic focus

10. What is typically the first step in developing a vision and mission statement?

A. Formulating the final statement

B. Conducting a SWOT analysis

C. Asking managers to read selected articles

D. Gathering customer feedback

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which of the following is NOT a step in constructing a SWOT Matrix?

A. List the firm's external weaknesses.

B. Match internal strengths with external threats.

C. List the firm's key external threats.

D. List the firm's external opportunities.

The correct response is that listing the firm's external weaknesses is not a step in constructing a SWOT Matrix. The SWOT Matrix is designed to facilitate strategic planning by evaluating internal and external factors. It stands for Strengths, Weaknesses, Opportunities, and Threats. In the context of this framework, weaknesses refer specifically to internal factors that can hinder an organization's performance and competitive advantage. Therefore, while it is essential to identify internal weaknesses, these should not be classified as external. Conversely, the other options correctly represent steps in the SWOT analysis: identifying external threats and opportunities helps in understanding the market context, while matching internal strengths with external threats aids in developing strategies that leverage strengths to mitigate risks. Recognizing the distinction between internal and external factors is fundamental in strategic management, as it allows for a more accurate analysis and formulation of strategic initiatives.

2. What is benchmarking in strategic management?

A. The process of innovating new products

B. Comparing business processes to industry best practices

C. Assessing market trends for future growth

D. Evaluating financial performance metrics

Benchmarking in strategic management refers to the practice of comparing business processes, performance metrics, and practices to those of industry leaders or recognized best-in-class organizations. This process helps businesses identify gaps in their operations and find opportunities for improvement by analyzing how they stack up against their competitors or industry standards. In particular, benchmarking enables organizations to gain insights into the effectiveness and efficiency of their methods, allowing them to adopt successful strategies and practices that can enhance performance and increase competitiveness. This continuous process of assessment and adaptation is crucial for maintaining relevance and achieving sustainable growth in a dynamic market environment. The other options touch on relevant aspects of strategic management but do not encapsulate the essence of benchmarking. Innovating new products, while vital for growth and competitiveness, focuses specifically on product development rather than comparative analysis. Assessing market trends for future growth pertains to understanding the market landscape but does not involve the comparative evaluation of processes or performance. Evaluating financial performance metrics is essential for financial analysis but lacks the broader comparative element that defines benchmarking.

SAMPLE

3. The question, "geographically, where does the firm compete?" relates to which component of the mission statement?

A. Products

B. Markets

C. Philosophy

D. Customers

The question of "geographically, where does the firm compete?" directly relates to the "Markets" component of a mission statement. This aspect outlines the target markets or geographical areas in which the organization intends to operate. By defining the markets, a firm clarifies the specific regions or demographic segments it aims to serve, which is crucial for strategic planning and resource allocation. Understanding the geographical scope helps a firm focus its efforts on specific locations where it can establish a competitive advantage. This is essential for strategies related to market entry, distribution channels, and customer engagement in those regions, thus influencing overall business strategy and competitive positioning. In contrast, the other components, such as products, philosophy, and customers, address different facets of the company's identity and strategy. Products focus on what the firm offers, philosophy outlines the values and guiding principles, and customers pertain to who the firm serves, none of which specifically address geographic considerations.

4. Anything that a firm does especially well compared to rival firms is referred to as:

A. Competitive advantage

B. Market positioning

C. Strategic leverage

D. Core competency

The term that describes anything a firm does exceptionally well in comparison to rival firms is "competitive advantage." This concept encapsulates the unique strengths that allow a company to outperform its competitors. When a firm has a competitive advantage, it can create more value for its customers or operate at a lower cost than its rivals, thereby achieving superior performance in the marketplace. Competitive advantage can stem from various factors, such as innovative technology, superior quality, customer service, brand reputation, or operational efficiencies. It is essential for long-term success, as it helps the firm establish a strong market position and defend itself against competitors. When businesses are able to leverage these advantages effectively, they can achieve higher profitability and market share. The other options refer to concepts that, while related to competitive dynamics, do not specifically denote the exceptional capabilities of a firm compared to its rivals in such direct terms. 'Market positioning' focuses on how a firm positions itself in the marketplace relative to competitors and customers. 'Strategic leverage' is more about utilizing resources and capabilities strategically rather than highlighting performance superiority. 'Core competency' refers to a firm's unique strengths or resource bundles that provide a competitive edge but isn't synonymous with the broader concept of being better than rivals.

SAMPLE

5. A strategic group within an industry is defined as what?

A. A collection of firms offering identical products

B. Companies in the same industry following similar business strategies

C. A grouping of companies with the same market share

D. Organizations competing primarily on price

A strategic group within an industry refers to a collection of companies that pursue similar strategies, often based on factors such as pricing, product quality, distribution channels, and marketing approaches. These firms tend to compete more directly with each other than with those in different strategic groups, as they target similar customer segments and often address comparable market needs. Understanding strategic groups is crucial for strategic management because it helps businesses identify where they stand in relation to their competitors, discern market dynamics, and recognize potential threats or opportunities within the market landscape. Companies within the same strategic group might differentiate themselves based on fine nuances in their strategies, but the overarching similarity in approach ties them together, making this answer the most accurate representation of what defines a strategic group. The other options reflect misconceptions about strategic groups. While they might involve aspects related to market activity, they do not accurately represent the broader concept of strategic grouping based on shared business strategies.

6. Which management function includes job design and analysis?

A. Organizing

B. Motivating

C. Controlling

D. Planning

The management function that includes job design and analysis is organizing. Organizing involves structuring the organization in a way that optimizes roles, responsibilities, and resources to achieve goals. Job design is a critical aspect of this function, as it focuses on how tasks are structured and combined to create jobs that enhance efficiency and employee satisfaction. When managers engage in job analysis, they assess the specific tasks involved in a position, required skills, and the relationship to other jobs within the organization. This process ensures that roles are aligned with the overall strategy of the organization and contributes to effective workflow. The organizing function is about creating a framework that supports effective communication, coordination, and collaboration among employees. In contrast to the other management functions—motivating, controlling, and planning—organizing specifically addresses the arrangement of resources and workforce, which includes detailed aspects like job design and analysis.

SAMPLE

7. If suppliers are unreliable or too costly, which of these strategies may be appropriate?

A. Horizontal Integration

B. Market penetration

C. Backward Integration

D. Concentric Diversification

When suppliers are unreliable or too costly, one effective strategy is backward integration. This strategy involves a company taking control of its supply chain by acquiring or merging with suppliers. By doing so, the firm can ensure a consistent supply of materials and components, reduce reliance on external vendors, and potentially lower costs. Implementing backward integration allows a business to oversee production processes more directly, which can enhance quality and efficiency. When a company becomes its own supplier, it can also forge stronger relationships with key production inputs, gaining greater control over prices and availability, and reducing the risk of supply chain disruptions. This approach can be especially valuable in industries where reliable access to materials is critical for maintaining production schedules and fulfilling customer demand. In contrast, other strategies listed may not effectively address the core issue of supplier reliability. Horizontal integration focuses on expansion within the same industry but does not solve supplier problems. Market penetration seeks to increase market share for existing products, while concentric diversification involves adding new products or services that are related to current offerings, neither of which directly address the challenges posed by unreliable or costly suppliers.

8. What is the main focus of strategic management?

A. Commodity pricing strategies

B. Workforce development programs

C. Achieving competitive advantage

D. Enhancing customer service

The primary focus of strategic management is achieving competitive advantage. This concept involves analyzing internal and external environments to make informed decisions that set an organization apart from its competitors. Strategic management encompasses a range of activities, including the formulation of strategies, the implementation of these strategies, and the evaluation of their effectiveness in relation to the competitive landscape. By prioritizing competitive advantage, organizations aim to leverage their unique strengths and capabilities to outperform rivals in the marketplace. This pursuit often leads to improved market positioning, better resource allocation, and enhanced operational efficiencies. Strategic management also involves continuous assessment and adaptability to changing market conditions, ensuring that the organization remains ahead of its competitors. In contrast, commodity pricing strategies, workforce development programs, and enhancing customer service are important aspects of a business but are typically viewed as specific tactics or initiatives rather than the overarching focus of strategic management. While these factors can contribute to achieving competitive advantage, they do not encompass the broader objectives of strategic management, which is fundamentally about positioning the organization favorably within the competitive arena.

SAMPLE

9. Sometimes the term _____ is used to refer to strategic formulation, implementation, and evaluation.

A. Strategic planning

B. Strategic management

C. Strategic processing

D. Strategic focus

The term that best captures the comprehensive nature of strategic formulation, implementation, and evaluation is strategic management. This concept encompasses the entire process of developing strategies, putting them into action, and then assessing their effectiveness over time. It signifies a holistic approach to managing an organization's direction and ensures that every aspect of strategy—from inception to execution and review—is included under one umbrella. Strategic management also involves continuous monitoring of both internal and external environments, enabling organizations to adapt their strategies as necessary to meet dynamic market conditions. This reflects its importance not merely as a planning tool but as an ongoing practice that guides an organization's long-term vision and daily operations. By integrating formulation, implementation, and evaluation, strategic management ensures that an organization can effectively align its resources and capabilities with its strategic objectives. The other terms do not fully encapsulate this comprehensive approach. For instance, "strategic planning" typically refers only to the formulation aspect, and "strategic focus" might denote the alignment of strategies but lacks the broader scope. "Strategic processing" is not a widely recognized term in the context of strategic management literature, making it less relevant in this discussion.

10. What is typically the first step in developing a vision and mission statement?

A. Formulating the final statement

B. Conducting a SWOT analysis

C. Asking managers to read selected articles

D. Gathering customer feedback

The first step in developing a vision and mission statement is to ensure that there is a solid understanding of the organization's direction and purpose. Asking managers to read selected articles can provide them with insights and frameworks about effective vision and mission statements, as well as an understanding of the broader strategic context within which the organization operates. This foundational knowledge can help inform discussions and decisions about what the organization aspires to achieve and the core values that will guide its actions. By equipping managers with relevant literature, they are more likely to engage in meaningful dialogue regarding the organization's aspirations and purpose. This preparatory step fosters a shared understanding among the leadership team, which is crucial as they work together to articulate a clear vision and mission that resonates across the organization and with stakeholders. In contrast to this choice, other options do not serve as an initial step in this process. Conducting a SWOT analysis, for instance, typically comes after an understanding of vision and mission is established, as it evaluates strengths, weaknesses, opportunities, and threats in relation to the organization's goals. Gathering customer feedback can also be more effective once a draft of the statement has been created, allowing for alignment with customer expectations and preferences. Formulating the final statement is clearly a later stage in the process, as

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://strategicmanagement.examzify.com

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

SAMPLE