

Balanced Scorecard

Exam Preparation Guide



Questions 1–4: Foundations of the Balanced Scorecard

1

Q1 – Primary Purpose

What is the primary purpose of the Balanced Scorecard?

- A. Measure financial performance only
- B. Manage operational budgets
- C. Translate strategy into measurable objectives
- D. Replace project management methodologies

2

Q2 – Developers

Who developed the Balanced Scorecard framework?

- A. Michael Porter and Peter Drucker
- B. Robert Kaplan and David Norton
- C. Philip Kotler and Gary Hamel
- D. W. Edwards Deming and Joseph Juran

3

Q3 – Four Perspectives

Which is NOT one of the four traditional BSC perspectives?

- A. Financial
- B. Customer
- C. Internal Process
- D. Risk Management

4

Q4 – Shareholder View

Which perspective answers "How do shareholders view us?"

- A. Customer
- B. Learning and Growth
- C. Financial
- D. Internal Process

Answer Key

Q1 – C | Q2 – B | Q3 – D | Q4 – C

Questions 5–8: Perspectives & Strategy Maps

1

Q5 – Learning & Growth

Which perspective focuses on employee capabilities, culture, and innovation?

- A. Customer
- B. Learning and Growth
- C. Financial
- D. Internal Process

2

Q6 – Internal Process

Which perspective focuses on processes an organization must excel at?

- A. Financial
- B. Customer
- C. Internal Process
- D. Learning and Growth

3

Q7 – Customer View

Which perspective addresses "How do customers view us?"

- A. Financial
- B. Customer
- C. Internal Process
- D. Learning and Growth

4

Q8 – Strategy Map

What is a strategy map?

- A. A project timeline
- B. A visual representation of cause-and-effect relationships among strategic objectives
- C. A budget allocation document
- D. A list of organizational KPIs

Answer Key

Q5 — B | Q6 — C | Q7 — B | Q8 — B

Questions 9–12: Strategy Maps & KPIs

1

Q9 – Strategy Map Flow

In a typical strategy map, improvements in Learning and Growth drive improvements in:

- A. Financial outcomes directly
- B. Internal Processes
- C. Customer satisfaction only
- D. Shareholder returns only

2

Q10 – Linking Strategy

Which element links strategy to measurable outcomes?

- A. Risk register
- B. KPI
- C. Organization chart
- D. Workflow diagram

3

Q11 – KPI Definition

A Key Performance Indicator (KPI) is best defined as:

- A. A financial statement
- B. A quantifiable measure used to evaluate success
- C. A project management tool
- D. A customer feedback mechanism

4

Q12 – Effective KPIs

Which characteristic is NOT typically associated with effective KPIs?

- A. Specific
- B. Measurable
- C. Ambiguous
- D. Relevant

Answer Key

Q9 — B | Q10 — B | Q11 — B | Q12 — C

Questions 13–16: Indicators & Cascading

1

Q13 – Lagging Indicator

Which is an example of a lagging indicator?

- A. Employee training hours
- B. Customer complaints resolved within 24 hours
- C. Revenue growth rate
- D. Sales pipeline value

2

Q14 – Leading Indicator

Which is an example of a leading indicator?

- A. Net profit margin
- B. Annual revenue
- C. Employee engagement score
- D. Return on assets

3

Q15 – Cascading Purpose

What is the primary purpose of cascading a Balanced Scorecard?

- A. Reduce the number of KPIs
- B. Align departmental objectives with enterprise strategy
- C. Increase reporting frequency
- D. Automate performance management

4

Q16 – Strategic Initiatives

Strategic initiatives are:

- A. Daily operational tasks
- B. Projects designed to achieve strategic objectives
- C. Financial reports
- D. Customer satisfaction metrics

Answer Key

Q13 — C | Q14 — C | Q15 — B | Q16 — B

Questions 17–20: BSC Logic & KPI Classification

1

Q17 – BSC Sequence

Which sequence best represents the Balanced Scorecard logic?

- A. KPI → Initiative → Objective → Target
- B. Objective → KPI → Target → Initiative
- C. Target → Initiative → KPI → Objective
- D. Initiative → Target → KPI → Objective

2

Q18 – Cause-and-Effect

Cause-and-effect relationships in the BSC help organizations:

- A. Eliminate financial metrics
- B. Understand how objectives influence one another
- C. Reduce employee headcount
- D. Replace governance processes

3

Q19 – Customer Perspective KPI

Which KPI would most likely belong to the Customer perspective?

- A. Return on Investment
- B. Employee Turnover Rate
- C. Customer Retention Rate
- D. Process Cycle Time

4

Q20 – Internal Process KPI

Which KPI would most likely belong to the Internal Process perspective?

- A. Market Share
- B. Defect Rate
- C. Employee Satisfaction Score
- D. Operating Margin

Answer Key

Q17 — B | Q18 — B | Q19 — C | Q20 — B

Questions 21–24: KPI Perspectives & Common Mistakes



Q21 – Learning & Growth KPI

Which KPI belongs to the Learning and Growth perspective?

- A. Revenue per Customer
- B. Net Profit Margin
- C. Training Hours per Employee
- D. Customer Acquisition Cost



Q22 – Financial KPI

Which KPI belongs to the Financial perspective?

- A. Customer Satisfaction Score
- B. Employee Engagement Score
- C. Return on Investment (ROI)
- D. First-Pass Yield



Q23 – Selecting KPIs

What is the recommended approach when selecting KPIs?

- A. Measure everything available
- B. Focus only on financial metrics
- C. Choose metrics aligned with strategic objectives
- D. Use industry benchmarks exclusively



Q24 – Common Mistake

What is a common mistake in BSC implementation?

- A. Defining strategic objectives
- B. Limiting KPIs to critical measures
- C. Including too many KPIs
- D. Conducting regular reviews



Answer Key

Q21 – C | Q22 – C | Q23 – C | Q24 – C

Questions 25–28: Alignment, Governance & Strategy Map Flow

1

Q25 – Strategic Alignment

Which best describes strategic alignment?

- A. Matching budgets with expenses
- B. Ensuring organizational activities support strategic goals
- C. Creating departmental silos
- D. Increasing reporting frequency

2

Q26 – Executive Sponsor Role

What is the role of an executive sponsor in BSC implementation?

- A. Manage daily operations
- B. Approve employee leave requests
- C. Provide leadership support and remove barriers
- D. Develop technical dashboards

3

Q27 – Review Frequency

Which review frequency is most common for KPI performance monitoring?

- A. Daily
- B. Weekly
- C. Monthly
- D. Every five years

4

Q28 – Strategy Map Direction

Strategy maps typically flow from:

- A. Financial → Customer → Internal Process → Learning and Growth
- B. Learning and Growth → Internal Process → Customer → Financial
- C. Customer → Financial → Learning and Growth → Internal Process
- D. Internal Process → Financial → Customer → Learning and Growth



Answer Key

Q25 — B | Q26 — C | Q27 — C | Q28 — B

Questions 29–32: Comparing Frameworks

1

Q29 – OKRs

Which methodology focuses on short-term objectives and measurable outcomes?

- A. Balanced Scorecard
- B. SWOT Analysis
- C. OKRs
- D. PESTLE Analysis

2

Q30 – OKRs vs BSC

Which best differentiates OKRs from Balanced Scorecards?

- A. OKRs focus on long-term strategy only
- B. BSC emphasizes multiple perspectives and strategic alignment
- C. OKRs do not include measurable outcomes
- D. BSC excludes financial metrics

3

Q31 – SWOT

Which framework evaluates strengths, weaknesses, opportunities, and threats?

- A. PESTLE
- B. SWOT
- C. VRIO
- D. McKinsey 7S

4

Q32 – PESTLE

Which framework analyzes political, economic, social, technological, legal, and environmental factors?

- A. Porter's Five Forces
- B. SWOT
- C. PESTLE
- D. Balanced Scorecard

Answer Key

Q29 — C | Q30 — B | Q31 — B | Q32 — C

Questions 33–36: Governance, Targets & Success Factors

1

Q33 – Success Characteristic

Which characteristic is essential for a successful BSC program?

- A. Exclusive focus on operational metrics
- B. Strong executive sponsorship
- C. Elimination of governance structures
- D. Annual reviews only

2

Q34 – Setting Targets

What is the purpose of setting targets for KPIs?

- A. Replace strategic objectives
- B. Define expected performance levels
- C. Eliminate initiatives
- D. Reduce reporting requirements

3

Q35 – Target Sources

Which source can be used to establish KPI targets?

- A. Historical performance data
- B. Industry benchmarks
- C. Strategic goals
- D. All of the above

4

Q36 – BSC Governance

Balanced Scorecard governance primarily ensures:

- A. Increased project budgets
- B. Consistent oversight and accountability
- C. Reduced employee training
- D. Elimination of strategic initiatives



Answer Key

Q33 — B | Q34 — B | Q35 — D | Q36 — B

Questions 37–40: Ownership, Initiatives & Performance Reviews

1

Q37 – KPI Ownership

What is KPI ownership?

- A. Outsourcing measurement activities
- B. Assigning accountability for monitoring and improving performance
- C. Eliminating metric reviews
- D. Creating duplicate reports

2

Q38 – Strategic Initiative Example

Which is an example of a strategic initiative?

- A. Quarterly revenue report
- B. Customer experience transformation program
- C. Employee attendance record
- D. Cost per transaction metric

3

Q39 – Maturity Level

Which maturity level represents enterprise-wide alignment and strategy execution?

- A. KPI reporting only
- B. Department scorecards
- C. Enterprise-wide alignment
- D. No formal measurement process

4

Q40 – Performance Reviews

What is the primary objective of performance reviews in a BSC system?

- A. Assign blame for poor performance
- B. Evaluate progress and enable corrective action
- C. Reduce strategic initiatives
- D. Eliminate KPI tracking

Answer Key

Q37 — B | Q38 — B | Q39 — C | Q40 — B

Questions 41–44: Benefits, Indicators & Roles

1

Q41 – BSC Benefits

Which is a benefit of Balanced Scorecards?

- A. Increased organizational silos
- B. Improved communication of strategy
- C. Reduced accountability
- D. Elimination of financial reporting

2

Q42 – Predicting Future Performance

Which metric type predicts future performance?

- A. Historical indicator
- B. Lagging indicator
- C. Leading indicator
- D. Financial indicator

3

Q43 – BSC Starting Point

A Balanced Scorecard should begin with:

- A. KPI selection
- B. Dashboard design
- C. Vision and strategy definition
- D. Budget allocation

4

Q44 – Scorecard Coordinator

Which role is typically responsible for coordinating scorecard implementation?

- A. Marketing Manager
- B. Strategy Office
- C. Procurement Team
- D. Help Desk Team

Answer Key

Q41 – B | Q42 – C | Q43 – C | Q44 – B

Questions 45–48: Cascading, Objectives & Adaptation



Q45 – Scorecard Cascading

What is the purpose of scorecard cascading?

- A. Reduce governance requirements
- B. Link strategic goals to teams and individuals
- C. Increase the number of KPIs
- D. Eliminate performance reviews



Q46 – Strategic Objectives

Which best describes strategic objectives?

- A. Detailed operational procedures
- B. Broad outcomes the organization seeks to achieve
- C. Financial transactions
- D. Short-term project milestones only



Q47 – Misaligned KPIs

What should organizations do when KPIs no longer align with strategy?

- A. Ignore the issue
- B. Increase reporting frequency
- C. Review and update the scorecard
- D. Remove governance controls



Q48 – Innovation Perspective

Which perspective often contains objectives related to innovation and employee development?

- A. Customer
- B. Financial
- C. Internal Process
- D. Learning and Growth



Answer Key

Q45 — B | Q46 — B | Q47 — C | Q48 — D

Questions 49–50: Strategy Execution & Final Summary

1

Q49 – Effective Strategy Execution

Which is a key outcome of effective strategy execution?

- A. Reduced transparency
- B. Improved organizational performance
- C. Elimination of competition
- D. Fewer strategic objectives

2

Q50 – BSC Definition

Which best describes the Balanced Scorecard?

- A. A financial reporting system only
- B. A project management framework
- C. A strategic management system that translates vision into measurable action
- D. A budgeting methodology

Answer Key

Q49 — B | Q50 — C



CERTIFIED BALANCED SCORECARD PROFESSIONAL

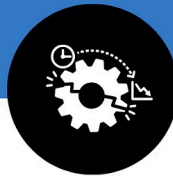


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