

Business Management

for the IB Diploma

SECOND EDITION

**Peter Stimpson and
Alex Smith**

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- help students develop a positive attitude to learning in preparation for higher education
- assist students in approaching complex questions, applying critical-thinking skills and forming reasoned answers.



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Introduction

Nature of the subject

The International Baccalaureate Diploma Programme Business Management is designed to develop an understanding of essential business theory and the ability to apply business principles, practices and skills. It encourages students to analyse the diverse range of business organisations and activities and the cultural and economic context in which businesses operate. The emphasis is placed on strategic decision-making and the business functions of marketing, production, human resource management and finance. Business Management is the study of both the way in which individuals and groups interact in an organisation and of the transformation of resources. It is, therefore, perfectly placed within the group 3 subject area (individuals and societies) of the IB Diploma Programme hexagon.

Who is this book for?

This book accurately and comprehensively follows the 2014 International Baccalaureate (IB) higher level (HL) and standard level (SL) syllabus for Business Management.

If you are a student preparing for the assessments based on this syllabus, or a teacher preparing students for the assessments, you can be confident that this book provides comprehensive coverage of the course. Other students of business management courses at equivalent levels could also greatly benefit from the subject content, activities and advice that this book contains.

What are the aims of the book?

Apart from providing the appropriate subject content for the IB Business Management course, this book aims to:

- introduce business management as a study of the ways in which individuals and groups interact in an organisation and of how resources are transformed by businesses
- explain that business management is a rigorous and rewarding subject that examines dynamic decision-making processes and assesses how these decisions impact on and are affected by internal and external environments
- help students to develop an understanding of business theory and the ability to apply business principles, practices and skills
- encourage students to consider the activities of business in a global market and appreciate cultural diversity
- evaluate the diverse range of business organisations and activities
- develop in students an awareness of the cultural and economic context in which businesses operate
- encourage the appreciation of ethical issues and the concept of social responsibility in the global business environment

Introduction

- enable the development of decision-making skills through the use of case studies that enhance students' ability to make informed business decisions
- make a clear distinction between higher-level and standard-level content
- help students improve their performance on the internal and external assessments used in the Business Management syllabus
- show how the Business Management syllabus relates to the Theory of Knowledge part of the IB Programme.

The six key concepts that underpin the Diploma Programme are referred to throughout the book. These concepts are featured in the 'Setting the scene' case studies and a key concept question is included in all of the exam practice questions.

What are the key features of this book?

- **Learning objectives** – identifying the key syllabus-related topics and concepts covered in each chapter.
- **'Setting the scene' case studies** – raising important areas for discussion on business issues through case studies drawn from many different countries. These provide a context to the business applications of the material to be covered in each chapter.
- **Clearly laid-out text** – with easy-to-follow subsections and many tables of data and key advantages and disadvantages.
- **Exam tips** – helping to avoid common errors made by students in examinations.
- **Activities** – based on business case studies, these give practice at applying learning.
- **Revision checklists** – allowing monitoring of understanding of key issues.
- **Revision case studies and exam practice questions** – testing the skills of application, analysis and evaluation, using international business situations.
- **Theory of Knowledge assignments** – these reflect the very close relationship between Theory of Knowledge and Business Management.

Skills needed by Business Management students

The skills acquired and developed by successful students of Business Management interlink with the IB learner profile. In particular, decision-making, risk-taking and thinking skills are needed to weigh up and make judgements on a wide range of business strategies, and options will be transferable both to other disciplines and to higher-level undergraduate study at university.

The assessments used in the IB Business Management course will test the following skills:

- **Knowledge and understanding** of business terminology, concepts, principles and theories
- **Application** of skills and knowledge learned to hypothetical and real-business situations
- **Analysis and evaluation** of business decisions and business strategies and practices using critical thinking

- **Decision-making** by identifying the issue(s), selecting and interpreting data, applying appropriate tools and techniques, and recommending suitable solutions
- **Synthesise** knowledge in order to develop a framework for business decision-making.

Difference between higher and standard levels

The HL course in Business Management differs from the SL course in a number of important ways. These differences are reflected in this book by the clear distinction made between SL and HL material with several chapters specifically devoted to HL content. The HL material is supported by more evaluative questions and strategic decision-based tasks within the activities and exam practice questions.

IB assessment

The exam practice questions at the end of each chapter are IB-style questions designed to give students practice at answering examination questions.

The final chapter of the book gives clear guidance on the forms of assessment used at both SL and HL. It explains the requirements for the extended essay coursework, internal assessment and examination papers. Written by a senior IB examiner with many years' experience in preparing students for both levels of the IB Diploma, it is essential reading for all those preparing for the assessment in IB Business Management.

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