

Business Management

for the IB Diploma Exam Preparation Guide

Alex Smith

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How to use this book

Aims of the IB Business management exam preparation guide

This is an IB exam preparation book for Higher and Standard Level Business Management. The aims of the book are to provide you with effective support when preparing for the Business Management examination in the following ways:

- To set out clearly all the learning outcomes from the IB Business Management guide you can be tested on.
- To provide revision notes that cover all the learning outcomes you will need to know, understand, apply and evaluate when you are answering examination questions.
- To give you specific case study, illustrative and worked examples to illustrate the learning outcomes covered in the guide.
- To use progress questions and exam-style questions to develop your question answering technique.
- To develop your exam question answering technique by giving exam tips based on the assessment criteria used by the IB.

Using the exam preparation guide should give you a better understanding of the material in the IB Business Management course and help you to answer questions in a way that will give you the highest possible grade in the final examination. It should also help you understand Business Management as a subject in a real-world context and to think critically about the issues raised by the subject.

Learning outcomes and assessment objectives

Learning outcomes

A learning outcome sets out what you should know, understand, apply and evaluate when you cover each section of the Business Management Subject Guide. Only material set out as a learning outcome in the guide can be covered by the questions in the Business Management guide. If it is not a learning outcome, it cannot be in the exam.

The learning outcomes for each chapter are set out at the start of the chapter in the ‘What you should know by the end of this chapter’ section.

Assessment objectives (AOs)

The assessment objectives specify the level of knowledge, understanding, application and evaluation students will need to show when they answer questions on the different learning outcomes. In the exam preparation guide, the assessment objectives (AOs) for each learning outcome are set out at the start of each chapter. The assessment objectives are set out in Table 0.1.

How to use this book

Table 0.1

Assessment objective	From the learning outcomes students have to demonstrate:	Command terms	Example
AO1	Knowledge and understanding	Describe, state, outline and define	Define the term 'short-term finance'.
AO2	Application and analysis	Explain, analyse and suggest	Explain why an organisation's labour turnover might increase.
AO3	Synthesis and evaluation	Discuss, evaluate and examine	Discuss the benefits and limitations of break-even analysis.
AO4	Appropriate skills related to diagrams, charts and calculations	Construct, calculate and draw	Calculate a business's net profit margin.

Questions and case studies

Emphasis on case study examples

Each chapter has business case study examples to illustrate the business theory covered. The illustrative examples are also developed into worked examples in the technical parts of the course. This particularly applies to learning outcomes involving (AO4) questions such as calculations and charts used in, for example, break-even analysis.

Case study examples are used in each chapter to develop the learning outcomes into real-world situations. The case study examples are used to give contextual case material that shows how business theory is used and applied by real organisations.

Progress test questions

The case study examples are used with progress questions that test you on the learning outcomes covered in each chapter. The progress questions are all in IB Business Management format so that you are continuously practising writing answers used to test the different learning outcomes and in the way students are tested in the final exam.

Exam practice questions

Each chapter finishes with exam-style questions based on the Paper 1 and Paper 2 Higher and Standard Level questions students will face in the final examination.

- **Paper 1** – Each section of the Business Management guide has a Paper 1 style case study used to test the learning outcomes in that section.
- **Paper 2** – These questions are based on individual case study organisations written in the same style as they would be in Business Management SL and HL Paper 2.

Exam tips

Each chapter has two exam tips linked to progress questions and exam practice questions. The key theme of the exam tips is the way to answer questions in response to the assessment objective (AO) command terms used in the question. This is a key focus for practising questions to achieve the highest marks related to the assessment objective. An 'evaluative' command term, for example, is examined to AO3 level and requires you to write an answer that shows knowledge, understanding, application and evaluation to achieve full marks.

Key terms

An important aspect of producing good examination answers is using precise business management terminology based on accurately defined key terms. Definitions of key terms are highlighted in each chapter by underlining the term and highlighting its definition.