

Key Terms: Activity II



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IB BUSINESS MANAGEMENT – CASE STUDY NOVEMBER 2017: KEY TERMS AND DEFINITIONS

Below are the definitions for all key terms as they appear in the IB Business Management November 2017 pre-released case study for SL and HL Paper 1 examinations.

Match these definitions with the key terms as they appear in Activity I.

DEFINITIONS FOR THE KEY TERMS

The internal formal framework of a business that has few levels of hierarchy and a wider span of control where managers will be responsible for many subordinates and many management functions will be delegated.

Using the assets of the business efficiently to allow it to continue functioning profitably over time.

Reductions in a firm's unit (average) costs of production that result in an increase in the scale of operations. Decreasing average unit costs as output increases.

Moral principles that govern a person's behaviour or the conducting of an activity.

The growth of a business which can be measured by increases in sales revenues, market share (customer numbers; i.e., number of students), number of employees, and/or profits.

The funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. This type of outlay is made by companies to maintain or increase the scope of their operations. These expenditures can include everything from replacing a roof to building a brand new factory.

The lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future.

A sum of money given by a government or other organization for a particular purpose.

The proportion of a firm's workforce that leaves during the course of a year.

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The organisation and coordination of the activities of a business in order to achieve defined objectives.

A person responsible for controlling or administering an organisation or group of staff.

Any organisation that uses resources to meet the needs of customers by providing a product or service that they demand.

The level of output at which total costs equal total revenue.

Learning to earn or maintain professional credentials such as academic degrees to formal coursework, conferences and informal learning opportunities situated in practice.

The act or fact of being raised in position or rank; e.g., from teacher to principal.

An organization set up to provide help and raise money for those in need.

The capacity of the environment to meet the needs of the present generation, without hindering future generations from being able to meet their needs. This means a business should be using our natural resources wisely in the short-term so that these resources are available in the long-term.

The process of collecting, recording and analysing data about customers, competitors and the market.

The management task that links the business to the customer by identifying and meeting the needs of customers profitably.

An effort by an organisation to maintain a working environment which supports current staff in remaining with the organisation. Such policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

The cash a business spends in sales revenue generation or the costs associated with maintaining a revenue generating fixed asset.

The collection of first-hand data that are directly related to a firm's needs.

Analysing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organisation.

Differentiating factor that makes a company's product unique, designed to motivate customers to buy.

A statement of what the organisation would like to achieve or accomplish in the long term.

The key decisions that must be taken in the effective marketing of a product, including the "4Ps" – Product, Price, Place and Promotion.

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A statement of the business's core aims, phrased in a way to motivate employees and to stimulate interest by outside groups.

The expenses which are related to the operation of a business, or to the operation of a device, component, piece of equipment or facility. They are the cost of resources used by an organization just to maintain its existence.

The diagrammatic representation of a firm's formal organisation structure.

The internal formal framework of a business that shows the way in which management is organised and linked together and how authority is passed through an organisation.

Oral or written recommendation by a satisfied customer to the prospective customers of a good or service (often considered to be the most effective form of promotion).



Source: BusinessManagementIB.com