

# IB Business Management – Command Terms

## Command Terms for IB Business Management Examinations



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### COMMAND TERMS

Knowing the command terms enables the student to present their answers to examination questions in a way that meets the requirements of the question (for example, the answer to a 'Define' question is a little different to that of an 'Explain' question, which is very, very different to the answer required for a 'Discuss' question).

### COMMAND TERMS – YOUR GUIDE HOW TO STRUCTURE YOUR ANSWERS IN EXAMINATIONS

**BURTON INC**®

The company will not be able to accept other construction projects in order to build the bridge. Moreover, a general election is due next year and the current government is unpopular and not expected to win. If a new government is elected, *Construir* believes that the project may be cancelled. Some local environmental pressure groups are currently campaigning against the bridge project, arguing that government funds should be spent on health and education.

(a) Define the following terms:

- (i) *productivity* [2 marks]
- (ii) *pressure groups* [2 marks]

(b) Explain two non-financial rewards used at *Construir* to motivate workers. [6 marks]

(c) Analyse two benefits for *Construir* of a public-private partnership with the government. [6 marks]

(d) Evaluate *Construir's* training and appraisal methods. [9 marks]

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*All examples of command terms*

Students should be familiar with the following key terms and phrases used in the syllabus content and in examination questions.

**Command terms need to be understood by students and taught by teachers.** There are specific areas in the mark schemes that require examiners to penalise students for not answering the question in the appropriate manner.

Although these terms will be used frequently in exam questions, other terms may be used to direct students to present an argument in a specific way. Thus, we have the first commandment of IB Business

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### THE IB BUSINESS MANAGEMENT COMMAND TERMS:

| Level 1: Knowledge and understanding [1-2 marks] |  |
|--|--|
| Term   | Definition   |
| <b>Define</b>                                    | <b>Give the precise meaning of a word, phrase, concept or physical quantity.</b><br>Define the term <i>marketing mix</i> .   |
| <b>Describe</b>                                  | <b>Give a detailed account.</b><br>Describe the relationship between costs and profit.   |
| <b>Outline</b>                                   | <b>Give a brief account or summary.</b><br>Outline one advantage and one disadvantage of Burton Inc.® using the Gantt chart to plan the development and release of Product X.                            |
| <b>State</b>                                     | <b>Give a specific name, value or other brief answer without explanation or calculation.</b><br>State one reason why Burton Inc.® has decided to structure the business as a private limited company.    |
| Level 2: Application and analysis [3-6 marks]    |  |
| Term   | Definition   |
| <b>Analyse</b>                                   | <b>Breakdown in order to bring out the essential elements or structure.</b><br>Analyse the impact of an internal opportunity and an internal threat to the business objectives of Burton Inc.®           |
| <b>Apply</b>                                     | <b>Use an idea, equation, principle, theory or law in relation to a given problem or issue.</b><br>Apply the concept outsourcing to the Burton Inc.® objective of maximising shareholder returns.        |
| <b>Comment</b>                                   | <b>Give a judgment based on a given statement or result of a calculation.</b><br>Comment on the liquidity position of Burton Inc.® based on the acid test ratio calculated.                              |
| <b>Demonstrate</b>                               | <b>Make clear by reasoning or evidence, illustrating with examples or practical application.</b><br>Demonstrate how Burton Inc.® has benefited from economies of scale in pursuing its growth objective. |
| <b>Distinguish</b>                               | <b>Make clear the differences between two or more concepts or items.</b><br>Distinguish between autocratic and democratic leadership styles.   |

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|   |  |
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| <b>Explain</b>  | <b>Give a detailed account including reasons or causes.</b><br>Explain why Burton Inc.® has changed its pricing strategy.  |
| <b>Interpret</b>                                      | <b>Use knowledge and understanding to recognise trends and draw conclusions from given information.</b><br>Interpret the difference between the gearing ratios calculated for Burton inc.® in 2014 and 2013.   |
| <b>Suggest</b>  | <b>Propose a solution, hypothesis or other possible answer.</b><br>Suggest a suitable method to improve the liquidity position of Burton Inc.®   |
| <b>Level 3: Synthesis and evaluation [8-20 marks]</b> |  |
| <b>Term</b>   | <b>Definition</b>  |
| <b>Compare</b>  | <b>Give an account of the similarities between two (or more) items or situations, referring to both (all) of them throughout.</b><br>Compare the pricing strategies of Burton Inc.® and VIBE Education™ Ltd.   |
| <b>Compare and contrast</b>                           | <b>Give an account of similarities and differences between two (or more) items or situations, referring to both (all) of.</b><br>Compare and contrast the pricing strategies of Burton Inc.® and VIBE Education™ Ltd.  |
| <b>Contrast</b>                                       | <b>Give an account of the differences between two (or more) items or situations, referring to both (all) of them throughout.</b><br>Contrast the pricing strategies of Burton Inc.® and VIBE Education™ Ltd.   |
| <b>Discuss</b>  | <b>Offer a considered and balanced review that includes a range of arguments, factors or hypotheses. Opinions or conclusions should be presented clearly and supported by appropriate evidence.</b><br>Discuss the strategic decision by Burton Inc.® to expand into an overseas market. |
| <b>Evaluate</b>                                       | <b>Make an appraisal by weighing up the strengths and limitations.</b><br>Evaluate the decision by the directors of Burton Inc.® to acquire VIBE Education™ Ltd.   |
| <b>Examine</b>  | <b>Consider an argument or concept in a way that uncovers the assumptions and interrelationships of the issue.</b><br>Examine Burton Inc.®'s decision to outsource production to the Philippines.  |
| <b>Justify</b>  | <b>Give valid reasons or evidence to support an answer or conclusion.</b><br>Justify Burton Inc.®'s decision to launch its new product X.  |

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| <b>Recommend</b>      | <p><b>Present an advisable course of action with appropriate supporting evidence/reason in relation to a given situation, problem or issue.</b></p> <p>Recommend a promotional strategy to Burton Inc.®</p>   |
| <b>To what extent</b> | <p><b>Consider the merits or otherwise of an argument or concept. Opinions and conclusions should be presented clearly and supported with appropriate evidence and sound argument.</b></p> <p>To what extent is Burton Inc.®'s decision to adopt profit-related pay a successful way to improve staff motivation?</p> |

### Level 4: Appropriate skills [1-6 marks]

| Term             | Definition   |
|------------------|--|
| <b>Annotate</b>  | <p><b>Add brief notes to a diagram or graph.</b></p> <p>Copy and annotate the product life cycle of Product X for Burton Inc.®</p>   |
| <b>Calculate</b> | <p><b>Obtain a numerical answer showing the relevant stages in the working.</b></p> <p>Calculate the gearing ratio for Burton Inc.® in 2014.</p>   |
| <b>Complete</b>  | <p><b>Add missing information/data.</b></p> <p>Copy and complete the profit and loss account for Burton Inc.® in 2014.</p>   |
| <b>Construct</b> | <p><b>Display information in a diagrammatic or logical form.</b></p> <p>Construct a break-even chart showing the current margin of safety for Burton Inc.®</p>   |
| <b>Determine</b> | <p><b>Obtain the only possible answer.</b></p> <p>Determine the break-even level of production for Burton Inc.®</p>  |
| <b>Draw</b>      | <p><b>Represent by means of a labelled, accurate diagram or graph, using a pencil. A ruler (straight edge) should be used for straight lines. Diagrams should be drawn to scale. Graphs should have points correctly plotted (if appropriate) and joined in a straight line or smooth curve.</b></p> <p>Draw a break-even chart for Burton Inc.®</p> |
| <b>Identify</b>  | <p><b>Provide an answer from a number of possibilities.</b></p> <p>Identify two reasons why the Burton Inc.® has chosen a particular method of investment appraisal.</p>   |
| <b>Label</b>     | <p><b>Add labels to a diagram.</b></p> <p>Label the margin of safety on the break-even chart that you have constructed.</p>  |
| <b>Plot</b>      | <p><b>Mark the position of points on a diagram.</b></p>  |

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|----------------|--|
|                | Plot the position of Burton Inc.® on the position map drawn in your answer to part (a).  |
| <b>Prepare</b> | <b>Put given data or information from a stimulus/source into a suitable format.</b><br>Prepare a cash flow forecast for Burton Inc.® for April, May and June 2016. |

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