

# IB Business Management – Exams and Assessment

## Higher Level exams and assessment



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### IB BUSINESS MANAGEMENT – HIGHER LEVEL EXAMS AND ASSESSMENT

#### ASSESSMENTS

External assessment			Internal assessment
Paper 1	Paper 2	Paper 3: HL only	The IA
<ul style="list-style-type: none"> <li>Longer case study</li> <li>Pre-released statement is given 3 months before the exam. February for May centres and August for November centres</li> <li>Pre-released statement is about 180-200 words in length which gives context and background for</li> </ul>	<ul style="list-style-type: none"> <li>Shorter case studies (stimulus material)</li> </ul>	<ul style="list-style-type: none"> <li>Students will be given a case study with a short introduction about the organisation and its products or services. This business will be a <b>social enterprise</b>.</li> <li>Students will then learn more about the company through <b>different resources</b>. There will be 5-6 of these including news articles, emails,</li> </ul>	<ul style="list-style-type: none"> <li>Internal assessment</li> </ul> <p>This component is internally assessed by the teacher and externally moderated by the IB at the end of the course.</p>

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<p>the business. Here is an <u>example</u>.</p> <ul style="list-style-type: none"> <li>The statement includes additional terminology for the students to study to prepare for the exam</li> <li>HL/SL have the same exam</li> <li>There are <b>no HL only topics</b> on the exam</li> </ul>				<p>customer reviews, social media posts, infographics, etc.</p> <ul style="list-style-type: none"> <li>This is a <b>decision-making</b> paper that requires students to make a <b>recommendation</b> to the business.</li> <li>Students must answer all questions.</li> <li>There are <b>three questions</b> in the exam: 1 x 2 marks, 1 x 6 marks, and 1 x 17 marks</li> </ul>			
Time:	90 minutes	Time:	105 minutes	Time:	75 minutes		
Marks:	30	Marks:	50	Marks:	25	Marks	25
Weighting:	25% of course	Weighting:	30% of course	Weighting:	25% of course	Weighting:	20% of course
<b>Section A: 20 marks</b>		<b>Section A: 30 marks</b>		<b>The 2-mark question</b>		<b>Business research project</b>	
Answer <u>all</u> questions		Answer <u>all</u> questions		<ul style="list-style-type: none"> <li>This question is going to ask you to use business management theory to describe a human need that is being met by the organisation.</li> <li>For one mark, you need to use a theory, which will most likely be a</li> </ul>		<ul style="list-style-type: none"> <li>Students produce a research project about a real business issue or problem facing a particular organisation using a conceptual lens.</li> <li>Maximum 1,800 words.</li> <li>See <u>The Ultimate Guide to the IA</u>.</li> </ul>	
<p>There are three types of questions that appear in this section:</p> <ul style="list-style-type: none"> <li>Two-mark questions: <u>define/state</u></li> <li>Four-mark questions: <u>describe/explain</u></li> <li>Six-mark question(s):</li> </ul>		<p>Section A – Calculation focused</p> <p>Three x 10-mark questions</p> <p>This section focuses on calculations from the course. This does not mean just Finance questions, but calculations and</p>					

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<p><u>explain/suggest/distinguish</u></p>	<p>interpretations from all units.</p> <p>There are three types of questions that appear in this section:</p> <ul style="list-style-type: none"> <li>▪ <u>Define/state</u></li> <li>▪ <u>Calculations</u></li> <li>▪ <u>Comment/explain</u></li> </ul>	<p>motivational theorist. Maslow is probably the <b>easiest</b> to use, but others studied are also acceptable.</p> <ul style="list-style-type: none"> <li>▪ Here is an example:             <ol style="list-style-type: none"> <li>1. <u>Identify</u> a human need GreenerPlace is satisfying and link this to a specific area of the course. [2 marks]</li> </ol> </li> <li>▪ Marks awarded: Award [1] for using an appropriate business management theory, and [1] for describing a human need.</li> </ul>	
<b>2-mark questions</b>	<b>Section A: Part I</b>	<b>The 6-mark question</b>	
<p>The first two questions usually ask students to <u>state</u> or <u>define</u> a key term. Each one is worth 2 marks. There could be up to three 2-mark questions in this section.</p> <p>Here are two examples:</p> <ol style="list-style-type: none"> <li>1. <u>Define</u> the term capital</li> </ol>	<p>The first question usually asks you to state or define a key term. This is usually not related to the calculations that you will do later in the question. This is worth 2 marks.</p> <p>Here is an example:</p> <ol style="list-style-type: none"> <li>1. <u>State</u> two features of a private limited company. [2 marks]</li> </ol>	<p>This question will ask students to explain <b>two</b> possible <b>challenges</b> facing the business.</p> <p>Students need to break this down into <b>three</b> different parts:</p> <ul style="list-style-type: none"> <li>▪ <b>Identification</b> of a problem: This is a simple sentence identifying the issue. For example,</li> </ul>	

<p>expenditure (line 17). [2 marks]</p> <p>2. <u>State</u> <b>two</b> types of above the line (ATL) marketing The Long Tie (TLT) uses. [2 marks]</p>		<p>deteriorating brand image, lack of motivation for workers, etc.</p> <ul style="list-style-type: none"> <li>▪ <b>Explanation:</b> explain the issue in the business based on relation to the case study. Students should be specific here and go into depth with quotes and information from the text that shows why this is an issue.</li> <li>▪ <b>Impact</b> of the issue/application: Explain the impact of the issue or the “so what”. How will or does this affect the business?</li> </ul> <p>Here is an example:</p> <p>2. <u>Explain</u> <b>two</b> potential organisational challenges facing GreenerPlace. [6 marks]</p> <ul style="list-style-type: none"> <li>▪ Marks awarded as a [3+3].</li> <li>▪ Award [1] for identification of a challenge, [1] for explanation and [1] for impact on the business.</li> </ul>	
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4-mark questions	Section A: Part II	The 17-mark question																							
<p>The next questions are 4-mark questions. Students should be comfortable and familiar with them. They will have command terms like <u>describe</u> and <u>explain</u>. There will be two or three 4-mark questions depending on the exam.</p> <p>These questions are 2 + 2 meaning there is one mark for identification of what is being asked and another for an explanation or description of the issue.</p> <p>Here are two examples:</p> <p>3. <u>Explain</u> one advantage and one disadvantage of The Long Tie (TLT) converting to a publicly held company. [4 marks]</p> <p>4. <u>Describe</u> two sources of finance TLT could use for the purchase of their new industrial sowing machines (line 99). [4 marks]</p>	<p>The next questions are focused on calculations. Usually, these add up to 6 marks. This can be a variety of questions ranging from 1 to 6. For example, a contribution per unit calculation might be worth 1 while a cash flow forecast would be worth the full 6.</p> <p>Here is an example:</p> <p>2. Using Table 2, <u>calculate</u> X (no working required). [1 mark]</p> <div style="border: 1px solid gray; padding: 5px; margin: 10px 0;"> <p style="font-size: small; margin: 0;">Table 2: Selected financial information for KPJ for year ending 31 December 2019 at 31 Dec 2019 (all figures in \$)</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <tbody> <tr><td>Cost of goods sold</td><td style="text-align: right;">122000</td></tr> <tr><td>Long-term liabilities (debt)</td><td style="text-align: right;">2800</td></tr> <tr><td>Interest and tax</td><td style="text-align: right;">9500</td></tr> <tr><td>Gross profit</td><td style="text-align: right;">X</td></tr> <tr><td>Total current assets</td><td style="text-align: right;">8330</td></tr> <tr><td>Sales revenue</td><td style="text-align: right;">175000</td></tr> <tr><td>Net fixed assets</td><td style="text-align: right;">63000</td></tr> <tr><td>Expenses</td><td style="text-align: right;">81000</td></tr> <tr><td>Total current liabilities</td><td style="text-align: right;">6800</td></tr> <tr><td>Share capital</td><td style="text-align: right;">60000</td></tr> <tr><td>Accumulated retained profit</td><td style="text-align: right;">1730</td></tr> </tbody> </table> </div>	Cost of goods sold	122000	Long-term liabilities (debt)	2800	Interest and tax	9500	Gross profit	X	Total current assets	8330	Sales revenue	175000	Net fixed assets	63000	Expenses	81000	Total current liabilities	6800	Share capital	60000	Accumulated retained profit	1730	<p>This question has a rubric and is broken down into four criteria.</p> <ul style="list-style-type: none"> <li>▪ Criterion A: Use of resources</li> <li>▪ Criterion B: Business management tool and theories</li> <li>▪ Criterion C: Evaluation</li> <li>▪ Criterion D: Sequence of events</li> </ul>	
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	<b>Section A: Part III</b>																								
	<p>The final question is usually a <u>comment</u> or <u>explain</u> question. This is normally related to the calculation that was done previously or the theoretical advantage</p>																								

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**6-mark questions**

The final question is usually a 6-mark question. 6-mark questions are 3 + 3. One mark is gained for identifying what problem/issue/way is being asked for. The next mark is gained for explaining or describing the issue in depth. The final mark is for putting it into the context of the business.

Remember, this is more marks than a 4-mark question and the length should reflect that. More depth is needed for full marks!

Here are two examples:

5. Explain one way in which TLT is achieving its mission statement and one way in which it is not achieving it. [6 marks]
5. Explain one threat and one opportunity facing TLT. [6 marks]

or disadvantage of the concept or calculations like liquidity, depreciation, break-even, etc.

Here is an example:

4. Explain the possible changes to ABCX's balance sheet for 2025 if ABC spent \$40,000 on a new delivery van. [2 marks]

**CRITERION A: USE OF RESOURCES**

- To what extent does the student use the resource materials provided to effectively support the recommended plan of action?
- 4 marks maximum
- 4 marks are awarded if the response makes reference to **all** resource materials provided to effectively support the recommended plan of action.

**Do students need to reference every resource?**

Yes, to get top marks, students need to reference **every** resource. This shows depth and variety.

**Do students need to quote the line and use exact quotes?**

Students don't need to quote the line or use exact quotes, but it must be clear which source they have referenced. For

		<p>example, “In the email, the employee mentions...” or “In Source A, the CEO is angry...”</p>	
		<p><b>CRITERION B:          BUSINESS          MANAGEMENT TOOLS          AND THEORIES</b></p> <ul style="list-style-type: none"> <li>▪ To what extent does the student’s plan of action effectively apply appropriate business management tools and theories?</li> <li>▪ 4 marks maximum</li> <li>▪ 4 marks are awarded if the response effectively applies appropriate business management tools and theories.</li> </ul> <p>Does the text mention any business tools or theories specifically? Then the student should be sure to use them in their analysis.</p> <p>If not, then make sure every paragraph has some mention of vocabulary, theorists or tools from the course. This could be</p>	



		<p>mentioning achieving economies of scale, which quadrant the student's idea falls into from the Ansoff matrix, how this would motivate someone based on Herzberg, etc.</p> <p>Students shouldn't try to force tools/theories that don't work, but this is a major part of this question.</p>	
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**CRITERION C:  
 EVALUATION**

- To what extent does the student effectively evaluate the expected impact of their plan of action on the relevant areas of the business?
- 6 marks maximum
- 6 marks awarded if the student effectively evaluates the expected impact of their plan of action on the relevant areas of the business and considers the trade-offs between those areas.

Evaluation is the biggest section of this question. Students should ensure that they talk about the impact of their ideas on the business in **different** ways. Use the ideas below to help students evaluate properly.

Examples of ways to add evaluation:

- Long-term vs short-term
- Financial vs non-financial
- Stakeholders
- Context of the business (economic conditions)



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Section B: 20 marks	Section B: 20 marks		
<p>This section focuses on 10-mark questions. You will be given <b>two</b> options and will choose only <b>one</b> to answer.</p> <p>Common command terms include: <u>discuss</u>, <u>evaluate</u>, <u>recommend</u>, or <u>justify</u>.</p> <p>Make sure to follow the guidelines for 10-mark questions and rubric for marking.</p> <p>Here are two examples:</p> <ol style="list-style-type: none"> <li>1. <u>Discuss</u> whether TLT should implement the new CSR program that Elijah, the CEO, has proposed. [10 marks]</li> <li>2. <u>Recommend</u> a new leadership style for Elijah given the ongoing issues facing TLT. [10 marks]</li> </ol>	<p>This section focuses on the theoretical aspects of the course with relation to the case study/stimulus material presented.</p> <p>There are two options presented and you must choose one! Each question is worth 20 marks.</p> <p>There are two distinct sections:</p> <ul style="list-style-type: none"> <li>▪ Short response questions</li> <li>▪ The 10-mark question</li> </ul>	<p>brand image will increase or volunteers will be more motivated if they receive free lunches during their shift, etc.</p> <p>Stakeholders: Who will be affected? Will this be a positive or negative effect? Which stakeholders are the most important?</p> <p>Context of the business: Make sure to take the context of the business into consideration like the products they sell, the economic conditions (if mentioned), competitors that they have, etc.</p> <p>Objectives of the business: Has the business mentioned objectives that they have? Will the students action plan help them achieve them? Do they want to help more people? Do they want to increase sales? Expand to another area? This must be considered when providing a recommendation.</p>	
	<p><b>Section B Part I: Short responses</b></p>		
	<p>Short response questions (total: 10 marks).</p> <p>In Part 1, there will be a mix of questions, but they follow a general</p>		

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format. Within this section, there are three types of questions:

- Define/state
- Advantages and disadvantages
- Comment/explain/describe

Define/state – these questions do not need to be related to the case study. They are testing for depth of knowledge in the definition. Examples do not receive marks.

Here are some examples:

1. Define the term corporate social responsibility (CSR). [2 marks]
2. Explain one advantage **and one** disadvantage for XYZ using a cost plus (mark-up) pricing strategy. [4 marks]

The final four marks are a mix of questions. It is hard to predict what they might be. But it will probably be a command term such as explain, describe, comment, etc. Students might also be asked to interpret data from a

Do students need to include all of these points for top marks?

No! But it is good to include at least **three** to show effective evaluation of the plan.

Students should ensure that they consider trade-offs or **opportunity costs** as well.

For example: If they do X then they can't do Y. Or X will make one stakeholder happy, but it will demotivate another stakeholder. In the short-term, it will help them reduce the damage the media has caused, but in the long-term, it will be too expensive to maintain.

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	<p>chart. Here is an example:</p> <p>3. With reference to XYZ, <u>explain</u> the relationship between investment, profit <b>and</b> cash flow. [4 marks]</p>		
	<p><b>Section B Part II: Long response</b></p>	<p><b>CRITERION D: SEQUENCE OF IDEAS IN ACTION PLAN</b></p>	
	<p>This question will always be a 10-mark question. It will likely ask you decide between two options, evaluate a decision that was made by the business, recommend a course of action for the organisation, etc.</p> <p>Here is an example:</p> <p>4. Recommend whether XYZ should choose <b>Option 1</b> or <b>Option 2</b>. [10 marks]</p>	<ul style="list-style-type: none"> <li>▪ To what extent are the student's ideas and plan of action sequenced in a clear and coherent manner?</li> <li>▪ Maximum of 3 marks</li> <li>▪ 3 marks are awarded if the response effectively sequences appropriate ideas and a plan of action in a clear and coherent manner.</li> </ul> <p>It is important for students to show that they have considered the order of their ideas. What are they doing first? Why?</p> <p>To do this, it is important that they mention the plan in the introduction, use numerical transition</p>	

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		<p>words (first, second, etc.), and explain the reasoning behind their order.</p> <p>For example: “The marketing campaign must be done first to limit the damage to the brand image. Looking for a source of finance is secondary as the business has a surplus that can be used in the interim...”</p>	
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