

# IB Business Management – Command Terms

## Command Terms for IB Business Management Examinations

### THE IB BUSINESS MANAGEMENT COMMAND TERMS:

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

<b>Explain</b>	<b>Give a detailed account including reasons or causes.</b> 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> 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> Suggest a suitable method to improve the liquidity position of Burton Inc.®

### Level 3: Synthesis and evaluation [8-20 marks]

Term	Definition
<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> 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> 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> 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> 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> 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> 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> Justify Burton Inc.®'s decision to launch its new product X.

<b>Recommend</b>	<b>Present an advisable course of action with appropriate supporting evidence/reason in relation to a given situation, problem or issue.</b> Recommend a promotional strategy to Burton Inc.®
<b>To what extent</b>	<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> To what extent is Burton Inc.®'s decision to adopt profit-related pay a successful way to improve staff motivation?

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

<b>Term</b>	<b>Definition</b>
<b>Annotate</b>	<b>Add brief notes to a diagram or graph.</b> Copy and annotate the product life cycle of Product X for Burton Inc.®
<b>Calculate</b>	<b>Obtain a numerical answer showing the relevant stages in the working.</b> Calculate the gearing ratio for Burton Inc.® in 2014.
<b>Complete</b>	<b>Add missing information/data.</b> Copy and complete the profit and loss account for Burton Inc.® in 2014.
<b>Construct</b>	<b>Display information in a diagrammatic or logical form.</b> Construct a break-even chart showing the current margin of safety for Burton Inc.®
<b>Determine</b>	<b>Obtain the only possible answer.</b> Determine the break-even level of production for Burton Inc.®
<b>Draw</b>	<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> Draw a break-even chart for Burton Inc.®
<b>Identify</b>	<b>Provide an answer from a number of possibilities.</b> Identify two reasons why the Burton Inc.® has chosen a particular method of investment appraisal.
<b>Label</b>	<b>Add labels to a diagram.</b> Label the margin of safety on the break-even chart that you have constructed.
<b>Plot</b>	<b>Mark the position of points on a diagram.</b>
	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> Prepare a cash flow forecast for Burton Inc.® for April, May and June 2016.