

# 6.5 Exam technique

*Proper preparation prevents poor performance.* The five Ps of effective exam preparation

## Command words

It is crucial that command words are read properly in the examinations. Each command word in a question indicates to students the depth of answers required (see below). Hence, if asked to **calculate** the break-even point for a business, there is no need to **define** or to **explain** break-even. Note the new syllabus uses Assessment Objectives (AO) rather than Learning Outcomes (as in the previous syllabus).

Define	AO1	<b>Assessment Objective 1</b> Demonstrate knowledge and understanding	These command terms require students to learn and comprehend the meaning of information.
Describe	AO1		
Outline	AO1		
State	AO1		

Analyse	AO2	<b>Assessment Objective 2</b> Demonstrate application and analysis	These command terms require students to use their knowledge and skills to break down ideas into simpler parts and to see how the parts relate.
Apply	AO2		
Comment	AO2		
Demonstrate	AO2		
Distinguish	AO2		
Explain	AO2		
Interpret	AO2		
Suggest	AO2		

Compare	AO3	<b>Assessment Objective 3</b> Demonstrate synthesis and evaluation	These command terms require students to rearrange component ideas into a new whole and make judgments based on evidence or a set of criteria.
Compare and contrast	AO3		
Contrast	AO3		
Discuss	AO3		
Evaluate	AO3		
Examine	AO3		
Justify	AO3		
Recommend	AO3		
To what extent	AO3		

Annotate	AO4	<b>Assessment Objective 4</b> Demonstrate a variety of appropriate skills	These command terms require students to demonstrate the selection and use of subject-specific skills and techniques.
Calculate	AO4		
Complete	AO4		
Construct	AO4		
Determine	AO4		
Draw	AO4		
Identify	AO4		
Label	AO4		
Plot	AO4		
Prepare	AO4		

Consult the syllabus guide (pages 92–95) for an explanation and example of each of these command words. Notice that ‘analyse’ has dropped to AO2, to be in line with other Group 3 subjects. Other new command terms introduced for exams from 2016 include: annotate, draw and label (all AO4).

### Exam tip !

Each and every exam question will contain a command word, so make sure you know what the command term means and the skills level it corresponds to.

## Tackling the exam papers

Due to the intertwining topics in Business Management, the pre-seen Paper 1 case study is useful in promoting a holistic approach to the study of the subject. Paper 1 assesses all five topics of the Business Management syllabus and carries 35% weighting in the examination (for both SL and HL students). It is based on a pre-issued case study about a hypothetical business organization, with the intention of assessing the ability of students to apply relevant Business Management content, concepts and contexts to the given situation.

## The Paper 1 examination:

The Paper 1 examination consists of the following structure:

- **Section A** [HL and SL] – answer any *three* out of four structured questions (10 marks each).
- **Section B** [HL and SL] – answer the *one* compulsory structured question using additional unseen material that will be included in the final exam (20 marks).
- **Section C** [HL only] – answer the *one* compulsory extended response question mainly based on HL topics and using additional unseen material (20 marks).

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For **Section C** of Paper 1 [HL only], there are five assessment criteria, each worth 4 marks (see the syllabus Guide for further details, pages 65–68):

- Criterion A: Knowledge and understanding of tools, techniques and theories
- Criterion B: Application
- Criterion C: Reasoned arguments
- Criterion D: Structure
- Criterion E: Individual and societies

## Section 6 Supplementary information

Level	Section	Marks	Total marks	Weighting %	Assessment objectives	Timing (hours)
SL	A	30	50	35	AO1, AO2, AO4	1 hour 15 minutes
	B	20			AO1–AO4	
HL	A	30	70	35	AO1, AO2, AO4	2 hours 15 minutes
	B	20			AO1–AO4	
	C	20			AO3	

Note: Sections A and B can contain common questions for SL and HL examinations.

Paper 1 is 'difficult' in that it seeks extensive **analytical** and **critical thinking** skills. The pre-seen case study paper examines your skills of problem identification, data handling and analysis, critical thinking, judgemental ability, logical reasoning and justified decision-making. The guidelines in this section should enable you to be better prepared to tackle the Paper 1 examination. It is by no means an exhaustive list of ideas and alternative or additional approaches should be used.

### Five things to do when you get the Paper 1 Case Study

1. Make a copy of the case study – one as an original reference and one to write notes on. You might want to photocopy this on A3 paper so that there is more space for you to make notes in the margins. Key stakeholders, theories, decisions, constraints, opportunities or problems can be written in the margins for future reference.
2. Read through the case study carefully to get an overall feel and idea about the organization, the people involved and the problems it faces. Do this twice!
3. Make sure that you understand all the issues arising from the case study. Use a dictionary to look up key terms or words that you do not understand.
4. HL students should identify and apply the relevant sections of the syllabus exclusive to them, e.g. organizational planning tools (Unit 1.7), corporate culture (Unit 2.5), industrial/employee relations (Unit 2.6) and contingency planning (Unit 5.7).
5. Obtain a soft copy of the case study in PDF format to make searching much easier. You can also convert the PDF file to Word format using free online software ([www.pdfword.com](http://www.pdfword.com)) to make it easier for you to add notes or references to the case study.

### Exam tip !

Whilst tackling the pre-seen case study, it is important to remember the following:

- Avoid copying large chunks of the case study, even if these are in quotation marks, because this wastes time and does not really reveal your level of understanding.
- Support answers with information and quantitative data presented in the case study.
- Refer to the mark allocations for each question when writing your answers.

### Ten preparation activities for Paper 1

In preparing for the Paper 1 examination, you may want to tackle the following (generic) tasks. It is important to write your answers in the context of the actual case study.

1. Identify and define all **key terms** in the case study (there are usually around 100 key terms in a pre-seen case study and any of these can be asked in the actual exam!)
2. Produce a **time line** of events (read the case study to produce a chronological list of events and the people involved).
3. Produce, as far as possible, an **organization chart** for the business. Alternatively, you could produce a **personnel profile** of all the people mentioned in the case study: who they are, their roles, their strengths/weaknesses and so forth.
4. Study the **financial information** of the organization to determine its financial position. If possible, carry out a full **ratio analysis** of the business and comment on your findings. Figures may be given, or ratios can be worked out from the final accounts, often attached in the appendices of the case study.

5. Produce a **stakeholder map** (see Unit 1.4) for the organization. Distinguish between the internal and external stakeholders. Examine the various areas of stakeholder conflict. Determine which stakeholders are the most important.
6. List all the **problems** or **issues** faced by the organization, under headings such as: Finance and Accounts, Human resource management, Marketing and Operations Management. Alternatively, the problems could be classified as internal and external constraints/problems. For HL students, consider the sources of conflict in the organization (Unit 2.6).
7. Produce a fully applied **SWOT analysis** of the business. To test your understanding, you could produce another jumbled up version of the SWOT analysis (Unit 1.3) to see if you can place the points in the correct category (strengths, weaknesses, opportunities or threats).
8. Conduct an overall **STEEPLE analysis** (Unit 1.5) for the business by examining the opportunities and threats outlined in the case study. This will usually involve an analysis of the data in the appendices.
9. Produce a **podcast** of the case study. You can then listen to the case study on your media player; ideal for auditory learners and a great way to learn the case study.
10. Apply relevant **business management theory** to the case study, e.g. you could try to use the Ansoff Matrix (Unit 1.3) to examine the strategic options available to the organization.

When tackling Paper 1 examination questions, consider the following points:

- Use relevant examples from the case study to support your answers (there is no need to reference the line number as examiners will be familiar with the case study).
- Consider the context of the organization. For example, public sector organizations have different aims and objectives compared with private companies or charitable social enterprises.
- Similarly, remember that all business decisions will affect the personnel of the organization. Hence, when making recommendations, consider the need for training and/or the effect on staff morale (wellbeing).

- Since Business Management is an integrated subject, analogies and examples from other (relevant) case studies that you have studied can be used to help support your answers.

Good luck with all your preparations!

### The Paper 2 examination:

The Paper 2 examination is the largest component for SL and HL students, accounting for 40% of the examination. All assessment objectives (AO1 to AO4) are tested in all three sections, covering all five sections of the syllabus. Paper 2 consists of the following structure:

- **Section A** [HL and SL] – answer *one* of the two quantitative questions. (20 marks)
- **Section B** – SL students answer *one* and HL students answer *two* of the three structured questions from Units 1 to 5 of the syllabus. (20 marks per question)
- **Section C** [HL and SL] – answer *one* of the three conceptual essays with a focus on any two of the CUEGIS concepts that underpin the Business Management course. (20 marks)

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### Section C

- The main focus of the questions will be on *two* of the six concepts – but you need to draw on your knowledge of other relevant content, concepts and contexts to answer the question.
- There is no stimulus material included so you will need to rely on your ability to apply real-world examples and case studies examined during your course and/or your Internal Assessment.
- You need to address the question in relation to (at least) one real-world business organization. This means you should not refer to the (hypothetical) business organization in Paper 1.
- As part of your holistic judgement, you should consider the perspectives of different stakeholder groups (individuals and societies) of the real-world business organization.
- HL students are expected to draw on their knowledge of HL topics in the syllabus.

## Section 6 Supplementary information

Level	Section	Marks	Total marks	Weighting %	Assessment objectives	Timing (hours)
SL	A	20	60	40	AO1–AO4	1 hour 45 minutes
	B	20			AO1–AO4	
	C	20			AO3	
HL	A	20	80	40	AO1–AO4	2 hours 15 minutes
	B	40			AO1–AO4	
	C	20			AO3	

For **Section C** Paper 2 [SL and HL], there are five assessment criteria, each worth 4 marks (this is the same for HL Paper 1):

- Criterion A: Knowledge and conceptual understanding
- Criterion B: Application
- Criterion C: Reasoned arguments
- Criterion D: Structure
- Criterion E: Individual and societies

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The 210 exam-style questions in this textbook follow the style of Paper 2 examinations. Also, use past examination papers for further practise. There are 100 short case studies featured throughout the textbook to get you engaged in your learning.

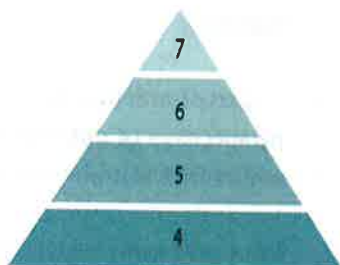
### Top tips for improving evaluation in Business Management

*Do not go where the path may lead; go instead where there is no path and leave a trail.* Ralph Waldo Emerson (1803–1882), US philosopher

#### The hierarchy of skills

Examination scripts are marked against a set of assessment criteria. These in turn test the student's demonstration of skills, from knowledge of information (which crudely equates to a Level 4) and evaluation (Level 7).

- Evaluation
- Examination
- Application
- Information (Knowledge)



### What is 'examination'?

- 'Examine' means the assessment of a business management issue or problem.
- It requires the weighing up of the relative importance of different arguments.
- 'Examine' as a command term considers a balanced, two-sided argument.
- It requires current real-world examples to add substance to your answers.

### What is 'evaluation'?

- Evaluation compares different views about a business management issue or problem.
- Views and arguments are substantiated, with examples and evidence provided where possible.
- Evaluation requires a reasoned (justified) conclusion.
- Judgement is made about which argument holds most significance.
- It requires evidence of critical thinking (think TOK!)

### Evaluation and Theory of Knowledge (TOK)

The skill of evaluation is embedded in TOK (see Unit 6.3). Evaluation is as much about asking questions as answering them. For example, students might question:

- Business Management theories, tools and concepts – are these culturally biased? Do they apply to different organizations across the globe? Are they applicable (realistic) in the real and complex business world?

- Data and statistics – how reliable are the results? Is there a 'hidden agenda' behind the figures, such as the possibility of window dressing (see Unit 3.4)? How up to date are the data?

## Evaluation and the integrated nature of Business Management

Remember that BM is an integrated discipline and therefore a single event will have impacts on other aspects of a business. For example, a hostile takeover is likely to affect:

- Organizational structure (Unit 2.2)
- Leadership and management (Unit 2.3)
- Levels of staff motivation (Unit 2.4)
- Organizational and corporate culture (Unit 2.5)
- Cash flow and working capital (Unit 3.7)
- Budgets (Unit 3.9)
- Crisis management and contingency planning (Unit 5.7)

## Useful evaluation phrases

The suggested phrases below might help to focus your answers and incorporate critical thinking to show that you are evaluating Business Management concepts, theories and tools. Remember that the best answers are written in the context of the case study, with application of real-world examples where appropriate.

- However ...
- Nevertheless ...
- On the other hand ...
- Conversely ...
- By contrast ...
- In reality ...
- Other stakeholders of the organization might ...
- In the short term ... but in the long term ...
- Time lags should be considered because ...

- This is likely to cause ... because ...
- The most significant of these factors to the organization is ... because ...
- Managers might question the feasibility of this option because ...
- Hence, this might not be practical because ...
- This could cause conflict in the organization because ...
- Other factors should be considered by the organization, such as ... because ...
- The outcome depends on several factors such as ...
- It depends on whether ...
- The text suggests that ... although ...
- The data in the case study imply ... but ...
- Overall, ...
- In conclusion ...

## Evaluation frameworks

It is useful to have a framework when writing your longer-response answers, such as questions about business strategy. This applies to your Internal Assessment as well as the final exams (external assessment). Here are three frameworks that you might find useful.

### The DEAD and DEADER Principles

Several years ago, two colleagues (Brett Hillman and Fiona Charnley) from the Queensland Academies SMT in Australia passed on a top tip during an IB Workshop that I was running in Hong Kong: the DEAD and DEADER principles. In order to gain a Level 6, students have to include:

- Definition(s)
- Explanations/examples
- Advantages
- Disadvantages

CORE

Supplementary information

## Section 6 Supplementary information

In order to gain a Level 7, students need to demonstrate two more skills:

- Definition(s)
- Explanations/examples
- Advantages
- Disadvantages
- Evaluation
- Recommendation(s)

The DEADER acronym is particularly useful as 'Recommendations' reminds us that Business Management is ultimately about two things: problem-solving and decision-making in business organizations.

### The SSCCOOMM Principle

Barbara Cooper, Vice Principal at Victoria Shanghai Academy in Hong Kong, introduced me to the SSCCOOMM framework:

- Stakeholder influence / perspectives
- Short-term vs long-term impacts
- Cost implications
- Change management
- Opportunity cost (every decision has an alternative)
- Objectives
- Market trends
- Management and leadership styles / expertise / preference

### The LOSERS© Principle

My personal and favourite acronym is the LOSERS© principle. In evaluating the strategic options and decisions of a business, it is important to consider the:

- Long term – strategic decision-making is about a firm's future direction and competitiveness.
- Objectives – are the strategic decisions in line with the organization's corporate objectives?

- Stakeholders – who are the key stakeholders? Which ones are most affected by the decision?
- External environment – what are the constraining and driving forces that are beyond the firm's control?
- Resources – does the business have the financial and human resources to implement the plans (recommendations)?
- Synergies – overall, does the decision or strategy add value (synergy) to the organization?

### Top five exam preparation tips

*Continuous effort – not strength or intelligence – is the key to unlocking our potential.* Sir Winston Churchill (1874–1965), UK prime minister 1940–1945 and 1951–1955



### Tip #1 – Learn the command terms

It is crucial that command words are read properly in the examinations. Each command word in a question indicates to students the depth of response that is required. Hence, if asked to calculate the break-even point for a business, there is no need to define or to explain the concept of break-even. Refer to the Business Management guide for an explanation and example of each of these command words (pages 92–95).

Do you know what is required of these command terms? If not, find out or ask your teacher!

- Analyse
- Complete
- Explain
- Identify
- Outline
- Annotate
- Construct

- Examine
- Justify
- Recommend

Note: if using past examination questions for your revision, note that 'analyse' is no longer an AO3 command term in the new BM syllabus (first examinations in 2016).

## Tip #2 – Learn the structure of the exam papers

There are two externally assessed papers for the BM exams. **Paper 1** assesses all five topics of the syllabus. It is based on a pre-seen case study, usually around 10 pages in length, and based around a hypothetical organization. There will be additional unseen material added to both sections B and C in the final exam. The Paper 1 examination accounts for 35% of the exam and consists of the following structure:

- **Section A** [HL and SL] – answer *three* of the four structured questions (30 marks)
- **Section B** [HL and SL] – answer the compulsory structured question (20 marks)
- **Section C** [HL only] – answer the compulsory question using mainly HL topics (20 marks).

The **Paper 2** examination is the largest component of the exam, accounting for 40% of the examination. All assessment objectives (AO1 to AO4) are tested in all three sections. Paper 2 consists of the following structure:

- **Section A** [HL and SL] – answer *one* of the two quantitative questions (20 marks)
- **Section B** – SL students answer *one* and HL students answer *two* of the three structured questions from Units 1 to 5 of the syllabus (20 marks per question)
- **Section C** [HL and SL] – answer *one* of the three conceptual essays with a focus on the CUEGIS concepts that underpin the Business Management course (20 marks)

## Tip #3 – Plan your revision carefully

Trying to learn the whole Business Management syllabus without a proper plan is not going to work. A more effective technique is to revise sections of the syllabus in manageable sessions, following a well-structured revision timetable. For example, you might want to revise Finance and Accounts in a particular revision session, perhaps focusing on one or two aspects, such as cash flow forecasting (Unit 3.7) or sources of finance (Unit 3.1).

It is vital to build in revision time to learn your quantitative methods. There are plenty of formulae to learn, especially as not all of them are given in the formulae sheets (pages 87–89 of the Business Management guide), including:

- Average costs (Unit 3.2)
- Break-even output (Unit 3.3)
- Closing balance (Unit 3.7)
- Margin of safety (Unit 3.3)
- Net profit (Unit 3.4)
- Payback period (Unit 3.8)
- Reducing balance depreciation (Unit 3.4)
- Variance (Unit 3.9)

Whatever you do, don't leave everything until the last minute – you simply cannot revise the entire BM curriculum in a few nights. Without a plan, you don't know where you're going and how you're going to get there. This means valuable revision time is likely to be wasted. Remember the famous saying that failing to plan is planning to fail. Below is a list of some of the things you could try as part of your revision plan:

- Use the BM syllabus (pages 24–49) as a starting point when planning your revision.
- Draw up a revision plan for each week – and stick to it! Some flexibility might be necessary but remain focused and disciplined.
- Take careful note of the Assessment Objectives in the syllabus as examiners use these when setting exam questions!



## Section 6 Supplementary information

- Allocate more time to the topics that you find most difficult.
- Build in time for sufficient rest breaks and recreation; a refreshed mind is a more productive one.
- Don't procrastinate – turn off your smartphone, games consoles and the internet (personally, I think Facebook and YouTube are great, but they must be the world's best procrastination tools!)

### Tip #4 – Learn the quantitative methods

The BM syllabus incorporates many quantitative techniques (HL topics shown in italics) such as:

- *Decision trees* (Unit 1.7)
- Investment appraisal (Unit 3.8)
- *Budgeting* (Unit 3.9)
- Cash flow forecasting (Unit 3.7)
- Balance Sheets (Unit 3.4)
- *Depreciation* (Unit 3.4)
- Profit and Loss accounts (Unit 3.4)
- Ratio analysis (Units 3.5 and 3.6)
- *Gantt charts* (Unit 1.7)
- Market share (Unit 4.1)
- Costs and revenue (Unit 3.2)
- Break-even analysis (Unit 3.3)
- *Cost to make* (Unit 5.5)
- *Four-part moving averages* (Unit 4.3)

It is important to learn these quantitative techniques and to be able to use them to aid decision-making. Whilst students are given a formulae sheet in the actual BM exams, you are *not* provided with the formula for the following:

- Average cost
- Break-even point
- Capital employed
- Closing balance
- Cost of goods sold
- Gross profit
- Labour turnover
- *Lead time*
- Market share
- Net assets
- Net cash flow
- Net profit
- Payback period
- *Re-order quantity*
- Safety margin
- *Straight line depreciation*
- Total costs
- Unit contribution
- *Variance*
- Working capital

Again, make sure you learn the definitions and the formulae for the above. Note that the terms in italics apply only to HL students.

### Tip #5 – Practise, practise, practise

Ask your teacher for some past BM exam papers and have a go at answering the questions under timed conditions – especially the quantitative questions. There's nothing like applying BM to a case study about motivation or leadership to really reinforce your knowledge and understanding.

For more exam tips including preparations for your Paper 1 Case Study, visit my blog on the tutor2u IB Business Management website: <http://goo.gl/eiVwci> (or [www.tutor2u.net/blog/index.php/ib-diploma/C340/](http://www.tutor2u.net/blog/index.php/ib-diploma/C340/))



## Final message from the author

Dear students,

I hope that you find this third edition textbook to be of interest and of use in preparing you for learning the Business Management course. I hope you enjoy reading the book as much as I have enjoyed writing it. Two final pieces of advice come from a couple of my favourite proverbs:

On time management:

*Tomorrow is often the busiest day of the week.* Spanish proverb.

On evaluation:

*One-third of what you see is in front of your eyes, the other two-thirds are behind your eyes.* Chinese proverb

Best wishes for your studies and examinations!

Paul Hoang

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