



2. The command terms

In this chapter you will gain an understanding of command terms and how they relate to the exam questions.

Having a clear understanding of the exam questions is a key element to ensure that your answers are successful. To do so, you should carefully read the questions in your paper and pay special attention to the command terms used by the examiner.

Command terms are the "action verbs" that will guide you to what the examiner is looking for. They are usually classified according to their degree of difficulty. There are "lower-order" command terms which entail the display of knowledge and understanding of an issue. Some examples of these include: define, state, identify and explain. On the other hand, the "higher-order" command terms imply the usage of more difficult skills such as application, analysis, synthesis and evaluation. Some of the most frequent "higher-order" command terms in business and management are: analyse, examine, discuss and evaluate. A comprehensive understanding of each of these terms is thus essential for you to approach your exam questions successfully. They will help you to focus on the required skill in each case, indicate the breadth and depth that is required in your answer, as well as give an indication of the time required for the question.

Below you will find a table with some explanations and examples of the most common command terms used in the IB business and management exam papers. However, for the complete list you should refer to the syllabus material included in the *Business and management guide* or ask your teacher for a complete list.

Define

Definitions are generally worth 2 marks and they are very common in both papers of the exam. When defining a term you will be expected to give a **precise** description of what the term means. You may, if you wish, include a relevant example to support your definition. However, a valid example on its own will not be enough to reach full marks. You will actually have to define the term.

For example:

- **Define** the term cross elasticity of demand.

Cross elasticity of demand is the responsiveness of the demand for one product, to changes in the price of another product. It is also used to identify substitute and complementary relationships between goods.

Although it is not necessary to word your definition exactly as the one above, please note the precision and the usage of business terminology used in the model answer.

(More specific advice on how to approach definitions is provided in chapter 4.)

Discuss

Discuss is considered a “higher-order” command term. This means that it is the most difficult type of question you will face in the exam. When asked to discuss, you will be expected to **analyse both sides** of an issue (ie give a balanced response) and to give a final **supported judgment/conclusion**.

For example:

- **Discuss** the two strategic options available to *The Master Bean*.

One way of structuring your discussion could be the following.

You could start by providing some arguments *for* and *against* the first strategic option available to the company. Then, you could do the same with the second strategic option. Please remember to use some relevant information from the stimulus material/case study and avoid generic arguments when possible (ie arguments that would be true for any organization, but that are not necessarily true for *The Master Bean*). In addition, check that the points you are making are applicable to the situation.

Finally, give a supported and concluding judgment about the best alternative for *The Master Bean* that naturally derives from your previous analysis.

Structuring your answer properly could help you to avoid two of the most common students’ mistakes when discussing, which are the lack of balance and judgment. Needless to say, you should also pay attention to the quality of your arguments and the depth of your analysis. Both form and content together will determine your level of achievement in answering the question.

Evaluate

Evaluate requires arguments to be weighed and a justified conclusion to be reached. Please note that evaluate and discuss are essentially similar command terms, as they require the same evaluative skills to be demonstrated.

Examine

Examine is essentially similar to analyse. If you are asked to examine an issue you will be expected to provide a detailed analysis of it: “take your matter to pieces” to explain the connections between the essential elements, the structure, and the underlying assumptions.

Analyse

Analysing entails a clear and deep understanding of an issue. How can you successfully do this? Just as if you were taking a toy car to pieces to see how it works, break your matter down into parts to bring out the essential elements, structure and underlying assumptions and show how they interrelate. Use some relevant business theory and terminology, and do not forget to offer some degree of balance and to refer to the stimulus material/case study.

For example:

- **Analyse** two solutions to the communication failure present at *WJAZ Radio*.

According to the information provided in the stimulus material, the informal laissez-faire leadership style, the few meetings held, plus ineffective electronic communication were leading to communication problems in WJAZ Radio.

Two possible solutions could be the following: regular meetings or briefings for all the radio presenters could be called to outline the financial issues in WJAZ and to make them aware of the difficulties that the radio station is facing. The ineffective electronic communication methods used by WJAZ could be supplemented or replaced by other communication methods such as verbal and written.

However, the regular calling of meetings may not fit the current laissez-faire leadership style used in the radio station and further changes in the organizational structure and culture will have to accompany the changes in communication. Moreover, resistance to change may emerge. Some presenters may quit the WJAZ radio station and move to other stations as they are used to a laissez-faire leadership style. In addition, the introduction of additional communication methods will take time and resources.

(adapted from the markscheme for higher level paper 2, May 2010).

Please note the degree of detail provided in the model answer and the consistent application of business concepts to the situation provided in the stimulus material. Business terminology was regularly used and balance was not overlooked.

Calculate

In some parts of the exam you will probably be asked to provide a numerical answer. Calculation will require the usage of figures and some basic mathematics to provide such an answer.

For example:

- **Calculate** the total profit for *The Berkeley* if it shows the "Film X" twice.

Model answer: Total profit = Sales Revenue – Total Costs

Total profit = 28800 – 26400 = US\$ 2400

Do not forget to show your workings and state the formulae that you have used. Remember that if you make a mistake with your arithmetic you can still earn marks for your reasoning.

Explain An explanation is more than a description, as it implies some further development of your points. This means that you will have to give reasons and relevant detail of the issues that you are being questioned about, along with application to the case study/stimulus material.

For example:

- *Vino Tinto Plc* is a Chilean winery considering international expansion. **Explain** three possible difficulties in international marketing that the company may face (adapted from standard level paper 2, May 2008).

International marketing has additional difficulties to domestic marketing:

- *Language and cultural differences may be encountered and faced. For example, all the product specifications will have to be translated and labels will have to be changed. Advertising will have to consider the culture and values of the target market so that the product is marketed properly.*
- *Higher transport costs may lead to an increase in the costs of production for the winery.*
- *The company may face higher financial risks since the time intervals between production and payment for exports will increase. The working capital needed will be much greater, and cash flow problems can arise.*

Please note that each bullet point **states** possible difficulties that may be encountered by *Vino Tinto Plc* and further develops the points with detail and applications that are relevant to the given situation.

Identify This requires recognizing and naming the main distinguishing facts or features of a concept.

For example:

- **Identify** two characteristics of a sole trader.

These could include unlimited liability and limited capital for expansion.

As you may have noticed, you are not expected to develop a long answer. Stating two relevant characteristics will be enough to reach full marks. Remember that including more items than those required (for example more than two characteristics) will not give you extra marks.

Definitions in action

The following outlines some examples of students' answers to definition questions, accompanied by examiners' comments.

Define tertiary sector.



This answer achieved 0/2

Tertiary sector are businesses where at least three persons are involved. For example banking is a business in the tertiary sector; except customers and employees there is someone else: tertiary sector means three or more stakeholders.

Although the example of the banking sector is pertinent, the answer shows that the student does not understand the meaning of the term "tertiary sector".



This answer achieved 1/2

Tertiary sector deals with customers and consumers, it is about services.

The reference to services is pertinent: the tertiary sector is the service sector. For an even higher mark, another element was necessary, such as an example of services or an organization that operates in the tertiary sector.



This answer achieved 2/2

Tertiary sector refers to the service sector which provides intangible products ("services" as opposed to "goods") to individuals or to other organisations. Les Maisonnettes operates in the tertiary sector as tourism, travellers' accommodation and restaurants are a form of service.

There is a clear and full definition. The student understands "tertiary sector" and deserves full marks. The application to the case study is welcome.

Define market share.



This answer achieved 0/2

Market share is also known as the market profit of the company. The shares are stocks.

The student confuses "market share" and "share" in a company.



This answer achieved 1/2

Market share is the amount of products sold in the whole market in comparison to the same product from competitors.

This is a partial answer that lacks clarity: the share itself is not the number of products; it is expressed as a percentage.



This answer achieved 2/2

Market share means how much of the market you control, in Les Maisonnettes' case it means how many customers they have, compared to the rest of the customers and the competitors. A market share of 100% is a monopoly.

This is a well-developed answer. The student is also able to apply the term to the case study. The definition is clear and sufficient for 2 marks.

Define brand loyalty.

This answer achieved 0/2

Brand loyalty means customers' loyalty to a particular brand.

This is a circular answer with no evidence of knowledge or understanding; the student just repeats the words in a different order.

This answer achieved 1/2

Brand loyalty refers to how often customers purchase certain product or how much customers are loyal to a certain brand.

This is a partial answer; the student understands the idea but does not refer to the key notion of "repeat purchase" ("how often" is not precise enough).

This answer achieved 2/2

Brand loyalty is the customers' trust and appreciation of a company which translates into regular, repeated purchases of their products because of the brand alone. The company can therefore be sure of that base of customers.

This is a well-developed answer that covers the key notion of "repeat purchase".

Your turn to be an examiner!

How many marks would you give to the following definitions?

Think about "why" you would give these marks.

Define performance-related pay.

- (1) Performance-related pay means giving employees a higher wage rate as they reach certain targets of output.
- (2) Performance-related pay is a form of financial incentive/reward where employees can be offered higher pay (salaries) according to their performance, so if the employees in the Canadian subsidiary manage to increase their productivity, they could earn bonuses.
- (3) Performance-related pay is a type of salary which directly connects the achievements of targets with a financial reward. This means that one part of the salary is fixed and the other part varies according to the performance of the employee judged according to target criteria.

Define product life cycle.

- (4) Product life cycle refers to the different stages that a product goes through in terms of sales level over a period of time. These stages are: R&D, launch, growth, maturity, saturation, decline, death. With reference to N-Pharma, Pharmatics would be said to be in the growth stage of the product life cycle.
- (5) Product life cycle is about the life expectancy of a product which is the total time the product exists from R&D to its disappearance.
- (6) Product life cycle is defined as an overview and sometimes as a means of analysis of what stage a product is in "life" in the market. The different stages are R&D, launch, growth, saturation and decline.