



BUSINESS MANAGEMENT FOR THE IB DIPLOMA

A guide to the course changes for Business Management for the IB Diploma, released for first teaching in 2014.

The aim of this document is to highlight the changes to the Business Management course resulting from the new course guide that has been released for first teaching in 2014 and first examination in 2016.

The document will look at the changes in 3 areas:

- Themes
- Syllabus content
- Assessment

The changes made to the guide do have implications for the way Business and Management for the IB Diploma is used but the current book (ISBN: 9780521147309) does still cover the main syllabus content so it can still be used with the new syllabus.

Themes

The major change to the Business Management course in the new specification is the introduction of a concept based approach to the course.

The specification sets out the following business concepts:

- Change
- Culture
- Ethics
- Globalisation
- Innovation
- Strategy

The concepts are woven into the course to complement the business management tools, techniques and theories in the syllabus along with the case studies and examples used to give the course material context.

The concepts replace the emphasis of strategy as a single theme for the course and it becomes one of the six concepts.

The introduction of the concept approach is reflected in the syllabus. In the human resource management unit, for example, there is a section on ‘how ethical considerations and cultural differences may influence leadership and management styles in an organisation’.

The concept approach is also reflected in the assessment with the introduction of an extended response (essay) question in paper 2 section C for both the higher level and standard level.

The new edition of Business Management for the IB Diploma (ISBN: 9781107464377) will fully incorporate this concept based approach. Each chapter in the book has a link to the key concept approach and includes a key concept extended response question.

Syllabus content

Structural changes

The framework of the course in terms of syllabus content has changed very little. The course outline is based on 5 units:

1. Business Organisation and the Environment
2. Human Resource Management
3. Finance and Accounts
4. Marketing
5. Operations Management.

One major change to the syllabus is that topic 6 on Business strategy has been taken out of the course.

There has also been some movement of material between units. Crisis management and contingency planning (HL) has been moved from human resource management to operations management and breakeven analysis has moved from operations management to finance and accounts.

Topic changes

1. Business organisation and environment

- PEST analysis is dropped in favour of STEEPLE analysis
- Gantt Charts are new to the syllabus (HL).
- Porter's 5 forces model is no longer in the syllabus

2. Human resource management

- The way ethical considerations and cultural differences may influence leadership and management styles in an organisation is new to the syllabus.
- There is new emphasis on change, innovation, ethical considerations and cultural differences in HR management.
- Dan Pink's theory on motivation (autonomy, mastery, purpose) is new to syllabus.
- 360 appraisal is new and is as part of workforce management.
- The work of the following management theorists is no longer specified in the syllabus: Fayol, Mayo, McGregor, Vroom and Melleland.

3. Finance and accounting

- The new specification has more detailed coverage of the nature and types of sources of finance.
- Breakeven analysis has moved from the operations management section into the finance section.
- LIFO and FIFO have been taken out of the syllabus.
- Ratio analysis stays almost the same but two shareholder ratios have been taken out: earnings per share and dividend yield.

4. Marketing

- The way innovation, ethical considerations and cultural differences influence marketing practices and strategies in an organisation is new to the syllabus.
- The impact of changing technology on promotional strategies (such as viral marketing, social media marketing and social networking) is new to the syllabus.
- The new specification now includes guerrilla marketing and its effectiveness as a promotional method
- People, process and physical evidence are now specifically set out as a HL topic

- International marketing is now covered as a HL extension topic and is more detailed than the previous specification by looking at its strategic, cultural and global aspects.
- Asset led marketing has been taken out of the syllabus.
- Porter's generic strategies model is no longer in the syllabus.
- There is no elasticity theory specified in the new guide but price discrimination is included so price elasticity of demand may need to be covered.

5. Operations management

- Operations management strategies and practices for ecological, social (human resource) and economic sustainability have been introduced to the syllabus.
- There is now coverage of how pace of change in an industry, organisational culture and ethical considerations may influence research and development practices and strategies in an organisation (HL).
- Lean production is extensively covered in the new syllabus (HL).
- Kanban, Andon are new theories in production and quality (HL).
- Cradle to cradle design and manufacturing is new to the syllabus (HL).
- Research and development replaces innovation in the new specification. R and D has similar topics to innovation but there is more detail than the old specification. (HL)
- The new specification introduces adaptive creativity (adapting something that exists) and innovative creativity (creating something new) (HL).
- Critical path analysis has been taken out of the syllabus.

The new edition of Business Management for IB Diploma fully incorporates all the syllabus changes that are in the new Business Management specification.

Assessment

Assessment objectives

One of the key things included in the assessment section of the new specification is specific guidance on how the learning outcomes in the syllabus. Each learning outcome is given an assessment objective which sets out the level it can be tested at.

Assessment Objective 1 (AO1)

Candidates have to demonstrate knowledge and understanding of the term set out in the syllabus. The command terms used for AO1 terms include: state, outline and define. Corporate and social responsibility is an AO1 term so a student could be asked to outline the contents of a business' CSR report.

Assessment Objective 2 (AO2)

This assessment objective requires students to demonstrate application and analysis. The command terms used with AO2 questions include: explain, analyse and suggest. An AO2 question might ask a student to explain why an organisation's labour turnover might increase.

Assessment Objective 3 (AO3)

AO3 questions require students to demonstrate synthesis and evaluation in their answers. The command terms used with AO3 include: discuss, evaluate and examine. Students could be asked, for example, to discuss the benefits and limitations of break-even analysis.

Assessment Objective 4 (AO4)

This assessment objective requires student to show a variety of appropriate skills related to diagrams, charts and calculations. The command terms include: construct, calculate and annotate. An AO4 question could ask, for example, a student to calculate a business' net profit margin.

Each learning outcome covered and its assessment objective is specifically stated and fully covered in the new Business Management for the IB Diploma. The activity questions in the new book are all written using this assessment objective approach and the question will read like the new IB examination questions.

Format of the examination papers

Higher Level

In paper 1, section A, students now answer three of four structured questions (10 marks each) rather than two of three structured questions (15 marks each). There is no change to Section B. In section C the 30 mark question on strategy is replaced by a 20 mark question on HL extension topics.

In paper 2, section A there is only a minor change. Students answer one of two structured questions worth 20 marks rather than 25 marks in the previous paper. Section B is still 2 out of 3 structured questions but the questions are worth 20 marks each rather than 25 marks. Section C is a significant change to the previous paper. Students need to answer one of three extended response questions (20 marks). This question is based primarily on two concepts that underpin the course. An example of this type of questions might be:

With reference to two organisations that you have studied, discuss how the extended marketing mix may differ in two cultures that you are familiar with. [20 marks]

There is no significant change to the HL internal assessment.

Standard Level

In paper 1, section A students answer three of four structured questions (10 marks each) instead of two of three structured questions (15 marks each). In section B students still need to answer one structured question (20 marks).

In paper 2, section A students answer one of two structured questions (20 marks each) based on stimulus material with a quantitative focus. Students now answer one of three structured questions (20 marks) based on stimulus material. Students previously answered two of three structured questions based on stimulus material. There is a new section C where students answer one of three extended response (essay) questions based on the course's key concepts. An example of this type of question might be:

With reference to one or two organisation(s) that you have studied, evaluate different strategies businesses can adopt to increase revenue in a globalised business environment.
[20 marks]

There are no changes to the internal assessment.

The activity questions and case examples, along with the exam chapter in the new Business and management for the IB diploma, are based precisely on the Business Management exam format set out in the new specification.

Some key changes to think about

- The introduction of the key concepts
- The specific use of assessment objectives (AOs) for each learning outcome
- The use of extended response (essay) questions in assessment
- The change in the way business strategy is covered
- Some changes in the content of the syllabus
- Some changes to the format of the examination

The current [Business and Management for the IB diploma](#) edition can be used effectively to cover most of the course content in the new specification.

The new Business Management for the IB diploma has been written to fully incorporate all the changes to the themes of the course, the syllabus content and the method of assessment.