

# IB Business - 1.1

This unit in the IB business management syllabus provides the introductory context to business management. Unit 1 looks at both the internal and external business environments, using a range of business management tools, theories and techniques which include organisational objectives, SWOT analysis, Ansoff Matrix and stakeholder analysis. [NB There are 7 topics in total].

Try the questions below to judge your understanding

## The role of businesses in combining human, physical and financial resources to create goods and services (AO2)

1. What is a 'business'?
2. What are goods? Give 3 examples.
3. What are services? Give 3 examples.
4. Why do businesses exist?
5. What are factors of production?
6. Who are customers?
7. What is meant by adding value? Give an example of this.

## The main business functions and their roles (AO2)

1. What are the four main functional areas of a business?
2. What is meant by human resources (HR)?
3. Provide three examples of functions carried out by the HR department of an organization
4. What is the main purpose (function) of the finance department of an organization?
5. Provide three examples of functions carried out by the finance department of a business.
6. What is marketing all about?
7. Provide three examples of activities carried out by the marketing department of a business.
8. What is meant by operations management?
9. Provide three examples of functions carried out by the operations management department of an organization.
10. Provide an example to explain why the four functional areas of any organization are said to be interdependent.

## Primary, secondary, tertiary and quaternary sectors (AO2), and the nature of business activity in each sector and the impact of sectoral change on business activity (AO2)

1. What is the primary sector (primary industry)?
2. Give three examples of business activity in the primary sector of the economy.
3. What is the secondary sector (secondary industry)?
4. Give three examples of business activity in the secondary sector of the economy.
5. What is the tertiary sector (tertiary industry)?
6. Give three examples of business activity in the tertiary sector of the economy.
7. Give three examples of business activity in the secondary sector of the economy.
8. What is the quaternary sector (tertiary industry)?
9. Give three examples of business activity in the quaternary sector of the economy.
10. Why is the value added in the primary sector relatively low compared to that in the secondary and tertiary sector?
11. Which of the four sectors is the most predominant sector in economically developing countries?
12. Which of the four sectors is the most predominant sector in economically developed (high-income) countries?

### **The role of entrepreneurship and intrapreneurship in overall business activity (AO3)**

1. What is meant by entrepreneurship?
2. Give three examples of common sought-after characteristics and skills of a successful entrepreneur.
3. Provide three examples of famous (well-known) entrepreneurs. *Note:* these can form the basis of research for your CUEGIS essays.
4. Why is the success of a country largely dependent on its entrepreneurial spirit?
5. What is meant by intrapreneurship?
6. How does an entrepreneur differ from an intrapreneur?

### **Reasons for starting up a business or an enterprise (AO2)**

1. Give three reasons why people start up their own business or enterprise.
2. In the context of business management, what is meant by autonomy?

### **Common steps in the process of starting up a business or an enterprise (AO2)**

1. What are the common or typical steps in starting up a business?
2. Why is it important for entrepreneurs to consider market research?
3. Why is it important for new firms to have a thorough business plan?
4. Why is the business location decision an important one?
5. Why is it important for entrepreneurs to consider legal requirements when setting up their business?

### **Problems that a new business or enterprise may face (AO2)**

1. What are the main problems that new businesses may encounter?
2. Why is an effective marketing strategy important for new businesses?
3. Why do entrepreneurs often have to work very long hours, especially when setting up a new business?
4. Why might some entrepreneurs lack important skills for success?

### **The elements of a business plan (AO2)**

1. What is a business plan?
2. What is the main purpose of a business plan?
3. Why is it important for businesses, especially small ones, to have an effective, well-thought out business plan?
4. What are the main elements of a typical business plan?