

## Glossary of command terms

### Group 3 command terms

Students should be familiar with the following key terms and phrases used in examinations in group 3 subjects. An explanation is given for each term and an example, specific to business and management, is provided.

<b>Command term</b>	<b>Definition</b>	<b>Business and management example</b>
<b>Analyse</b>	Break down in order to bring out the essential elements, structure, any underlying assumptions and any interrelationships involved.	Analyse the impact of external opportunities and threats on the business strategy of company A.
<b>Compare</b>	Describe two (or more) situations and present the similarities between them.	Compare the benefits of adopting LIFO with those of FIFO.
<b>Contrast</b>	Describe two (or more) situations and present the differences between them.	With reference to the impact on profit, contrast the FIFO method of stock valuation with the LIFO method of stock valuation.
<b>Define</b>	Give a clear and precise meaning of a given word, term or concept.	Define the term “stakeholder”.
<b>Describe</b>	Present the characteristics of a particular topic.	Describe company X’s corporate culture.
<b>Discuss</b>	Offer a considered and balanced review of a particular topic. Opinions or conclusions should be presented clearly and supported by empirical evidence and sound argument.	Discuss how the introduction of an employee share-ownership scheme could affect motivation for employees of company X.
<b>Distinguish</b>	Make clear the differences between two or more concepts/terms.	Distinguish between variable costs and fixed costs.
<b>Evaluate</b>	Make an appraisal by weighing up the strengths and limitations of different evidence and arguments.	Evaluate the option of accelerating company X’s overseas development through the use of franchising or joint ventures.
<b>Examine</b>	Consider an argument or concept in a way that uncovers the assumptions and interrelationships of the issue.	Examine company X’s present marketing approach in the light of changes in the external environment.

<b>Explain</b>	Describe, giving reasons.	Explain why company X has changed its pricing strategy.
<b>Identify</b>	Recognize and state briefly a distinguishing fact or feature.	Identify two reasons why the owner has chosen a particular method of investment appraisal.
<b>Justify</b>	Provide evidence to support or defend a choice, decision, strategy or course of action.	Justify your reasons for introducing an extension strategy for product X.
<b>To what extent</b>	Evaluate the success or otherwise of an argument or concept. Opinions and conclusions should be presented clearly and supported with empirical evidence and sound argument.	To what extent was the marketing strategy of company X successful?

## Subject-specific command terms

Although the group 3 command terms are used frequently in business and management examination questions, other terms may be used to direct students to present an answer in a specific way for business and management. Students should be familiar with the following command terms used in HL and SL business and management examination questions.

<b>Command term</b>	<b>Definition</b>	<b>Business and management example</b>
<b>Advise</b>	Offer suggestions/recommendations for a potential course of action.	Advise the human resources manager on the use of both monetary and non-monetary rewards to improve staff motivation at XYZ Ltd.
<b>Apply</b>	Use an idea, principle or theory in relation to a problem or issue.	Applying Maslow's motivation theory, suggest a new rewards package for employees of company X.
<b>Calculate</b>	Give a precise numerical answer.	Calculate the acid test ratio for company X in 2008.
<b>Classify</b>	Arrange or order by class or categories.	Classify the range of products sold by line range and mix.
<b>Comment</b>	Write an explanation of, or commentary on, the information given in relation to a problem or issue.	Comment on the profitability, liquidity and efficiency of the firm.
<b>Complete</b>	Add missing information/data.	Complete the critical path diagram by calculating the earliest starting time and latest finishing time for each activity.

<b>Construct</b>	Present a variety of information in a diagrammatic or tabular form.	Based on the information given, construct a break-even chart for company X.
<b>Formulate</b>	Express precisely, clearly and in a systematic manner the relevant concept(s) or argument(s).	Formulate an appropriate promotional mix for company X.
<b>Interpret</b>	Use knowledge and understanding to explain and, where appropriate, draw inferences from a given situation, problem or issue.	(Calculate and) interpret the value of the sales variance for XYZ Ltd.
<b>Outline</b>	Give a brief explanation and/or summary of the issues, principles, or arguments stated in the question.	Outline two advantages and disadvantages of working from home.
<b>Prepare</b>	Put given data or information into a suitable business format.	Prepare a cash-flow forecast for company X for January, February and March 2010.
<b>Recommend</b>	Present an advisable course of action with appropriate supporting evidence/reasons, in relation to a given situation, problem or issue.	Recommend a suitable growth strategy for company X.