

© International Baccalaureate Organization 2021

All rights reserved. No part of this product may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without the prior written permission from the IB. Additionally, the license tied with this product prohibits use of any selected files or extracts from this product. Use by third parties, including but not limited to publishers, private teachers, tutoring or study services, preparatory schools, vendors operating curriculum mapping services or teacher resource digital platforms and app developers, whether fee-covered or not, is prohibited and is a criminal offense.

More information on how to request written permission in the form of a license can be obtained from <https://ibo.org/become-an-ib-school/ib-publishing/licensing/applying-for-a-license/>.

© Organisation du Baccalauréat International 2021

Tous droits réservés. Aucune partie de ce produit ne peut être reproduite sous quelque forme ni par quelque moyen que ce soit, électronique ou mécanique, y compris des systèmes de stockage et de récupération d'informations, sans l'autorisation écrite préalable de l'IB. De plus, la licence associée à ce produit interdit toute utilisation de tout fichier ou extrait sélectionné dans ce produit. L'utilisation par des tiers, y compris, sans toutefois s'y limiter, des éditeurs, des professeurs particuliers, des services de tutorat ou d'aide aux études, des établissements de préparation à l'enseignement supérieur, des fournisseurs de services de planification des programmes d'études, des gestionnaires de plateformes pédagogiques en ligne, et des développeurs d'applications, moyennant paiement ou non, est interdite et constitue une infraction pénale.

Pour plus d'informations sur la procédure à suivre pour obtenir une autorisation écrite sous la forme d'une licence, rendez-vous à l'adresse <https://ibo.org/become-an-ib-school/ib-publishing/licensing/applying-for-a-license/>.

© Organización del Bachillerato Internacional, 2021

Todos los derechos reservados. No se podrá reproducir ninguna parte de este producto de ninguna forma ni por ningún medio electrónico o mecánico, incluidos los sistemas de almacenamiento y recuperación de información, sin la previa autorización por escrito del IB. Además, la licencia vinculada a este producto prohíbe el uso de todo archivo o fragmento seleccionado de este producto. El uso por parte de terceros —lo que incluye, a título enunciativo, editoriales, profesores particulares, servicios de apoyo académico o ayuda para el estudio, colegios preparatorios, desarrolladores de aplicaciones y entidades que presten servicios de planificación curricular u ofrezcan recursos para docentes mediante plataformas digitales—, ya sea incluido en tasas o no, está prohibido y constituye un delito.

En este enlace encontrará más información sobre cómo solicitar una autorización por escrito en forma de licencia: <https://ibo.org/become-an-ib-school/ib-publishing/licensing/applying-for-a-license/>.

Business management

Higher level

Paper 1

Friday 30 April 2021 (afternoon)

1 hour 15 minutes

Instructions to candidates

- Do not open this examination paper until instructed to do so.
- A clean copy of the **business management case study** is required for this examination paper.
- Read the case study carefully.
- A clean copy of the **business management formulae sheet** is required for this examination paper.
- Section A: answer two questions.
- Section B: answer question 4.
- A calculator is required for this examination paper.
- The maximum mark for this examination paper is **[40 marks]**.

Blank page

Section A

Answer **two** questions from this section.

1. (a) Outline **two** benefits for *MM* of outsourcing human resource management (HRM) (lines 51–54). [4]
(b) Explain how *MM* has differentiated itself. [6]
2. (a) With reference to *MM*, outline **two** sources of finance suitable for taking over the film studio in India (lines 144–147). [4]
(b) Explain how a formal system of appraisal may have avoided the problems caused by Clare (lines 86–100). [6]
3. (a) Outline **two** reasons why *MM* may relocate all of its operations to Bengaluru (lines 124–142). [4]
(b) Explain how the proposed contract with Country X may conflict with *MM*'s ethical objectives (lines 114–123). [6]

Turn over

Section B

Answer the following question.

4. *MM*'s growth has been helped by its unique selling point/proposition (USP) of rapid response to customer needs and by its high-quality customer service. New employees undergo detailed training to become skilled in:
- finding out what a customer's objectives are
 - helping the customer work towards a marketing plan
 - working closely with the customer as *MM* develops a marketing strategy for them
 - maintaining links with the customer to provide an effective after-sales service.

The business takes a multicultural approach to its customers, employees and other stakeholders. *MM*'s approach to diversity is one of the features that stakeholders say they like about the business. The company also ensures that it accommodates many cultural differences.

According to a business service that provides measures of social behaviour for every country, in British businesses:

- employees are accustomed to working in a competitive, individualistic society
- employees often take individual responsibility for their own actions and decisions
- competition is high between both employees and customers
- customers are accustomed to changing contracts when service is bad or competitors offer a better deal.

In comparison, Indian businesses:

- are based on power structures with a greater focus on teamwork than individuality
- are more likely to be hierarchical
- have greater loyalty from their customers
- have greater formality with their customers
- place importance on building business relationships
- are subject to greater variety in culture between businesses and regions.

Maintaining high levels of customer service is expensive. *MM* has increasing costs (line 107). Rachel is concerned about *MM*'s finances and is examining the latest accounts for the company for 2019 and 2020 (**Table 1**) to identify problems.

Table 1: Selected financial information for *MM* for 2019 and 2020

	2019	2020
Sales revenue (\$ millions)	175	146
Cash (\$ millions)	20	10
Debtors (\$ millions)	18	16
Stocks (\$ millions)	2	4
Overdraft (\$ millions)	0	5
Other creditors (\$ millions)	30	20

- (a) Define the term *unique selling point/proposition (USP)*. [2]
 - (b) (i) Calculate the debtor days for *MM* at the end 2020 (*show all your working*). [2]
(ii) Explain **one** method *MM* could use to improve its liquidity. [2]
 - (c) Explain how the people element of the extended marketing mix has influenced *MM*'s marketing strategy. [4]
 - (d) Discuss how cultural differences within *MM* may influence employer–employee relationships. [10]
-

References:

© International Baccalaureate Organization 2021