

Glossary of command terms

Students should be familiar with the following key terms and phrases used in syllabus content and in examination questions, which are to be understood as described below. Although these terms will be used frequently in examination questions, other terms may be used to direct students to present an argument in a specific way.

Command term	Assessment objective level	Definition	Business management example
Analyse	AO2	Break down in order to bring out the essential elements or structure.	Analyse the impact of external opportunities and threats on the business strategy of company A.
Annotate	AO4	Add brief notes to a diagram or graph.	Copy and annotate the product life cycle.
Apply	AO2	Use an idea, equation, principle, theory or law in relation to a given problem or issue.	Apply the concept of diseconomies of scale to company X in 2014 compared to 2012.
Calculate	AO4	Obtain a numerical answer showing the relevant stages in the working.	Calculate the acid test ratio for company X in 2013.
Comment	AO2	Give a judgment based on a given statement or result of a calculation.	Comment on the profitability, liquidity and efficiency ratios of company X.
Compare	AO3	Give an account of the similarities between two (or more) items or situations, referring to both (all) of them throughout.	Compare the leadership style of manager A with that of manager B.
Compare and contrast	AO3	Give an account of similarities and differences between two (or more) items or situations, referring to both (all) of them throughout.	Compare and contrast how managers use different planning tools to make changes to their strategies.
Complete	AO4	Add missing information/ data.	Copy and complete the profit and loss account provided below.

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Construct	AO4	Display information in a diagrammatic or logical form.	Based on the information given, construct a break-even chart for company X.
Contrast	AO3	Give an account of the differences between two (or more) items or situations, referring to both (all) of them throughout.	Contrast the marketing objectives of for-profit organization X and non-profit organization Y.
Define	AO1	Give the precise meaning of a word, phrase, concept or physical quantity.	Define the term <i>economies of scale</i> .
Demonstrate	AO2	Make clear by reasoning or evidence, illustrating with examples or practical application.	Demonstrate why company X has decided to offshore to country Y.
Describe	AO1	Give a detailed account.	Describe one method of primary research that company X could use.
Determine	AO4	Obtain the only possible answer.	Determine the break-even point for product X.
Discuss	AO3	Offer a considered and balanced review that includes a range of arguments, factors or hypotheses. Opinions or conclusions should be presented clearly and supported by appropriate evidence.	Discuss how company X can differentiate itself from its main competitor.
Distinguish	AO2	Make clear the differences between two or more concepts or items.	Distinguish between leadership and management.
Draw	AO4	Represent by means of a labelled, accurate diagram or graph, using a pencil. A ruler (straight edge) should be used for straight lines. Diagrams should be drawn to scale. Graphs should have points correctly plotted (if appropriate) and joined in a straight line or smooth curve.	Draw a break-even chart for company X.

Command term	Assessment objective level	Definition	Business management example
Evaluate	AO3	Make an appraisal by weighing up the strengths and limitations.	Evaluate the investment opportunities using net present value (NPV).
Examine	AO3	Consider an argument or concept in a way that uncovers the assumptions and interrelationships of the issue.	Examine the importance of branding for company X.
Explain	AO2	Give a detailed account including reasons or causes.	Explain why company X has changed its pricing strategy.
Identify	AO4	Provide an answer from a number of possibilities.	Identify two reasons why the owner has chosen a particular method of investment appraisal.
Justify	AO3	Give valid reasons or evidence to support an answer or conclusion.	Justify the reason(s) why company X has decided to merge with company Y.
Label	AO4	Add labels to a diagram.	Label the margin of safety on the break-even chart that you have constructed.
Outline	AO1	Give a brief account or summary.	Outline two advantages and two disadvantages of working from home.
Recommend	AO3	Present an advisable course of action with appropriate supporting evidence/ reason in relation to a given situation, problem or issue.	Recommend a suitable growth strategy for company X.
Plot	AO4	Mark the position of points on a diagram.	Plot the position of company X on the position map drawn in your answer to part (b).
Prepare	AO4	Put given data or information from a stimulus/ source into a suitable format.	Prepare a cash flow forecast for company X for January, February and March 2015.
State	AO1	Give a specific name, value or other brief answer without explanation or calculation.	State one reason why company X has decided to outsource the production of Y to country Z.
Suggest	AO2	Propose a solution, hypothesis or other possible answer.	Suggest a suitable method of appraisal for employee group Y in company Z.

Command term	Assessment objective level	Definition	Business management example
To what extent	AO3	Consider the merits or otherwise of an argument or concept. Opinions and conclusions should be presented clearly and supported with appropriate evidence and sound argument.	To what extent has outsourcing the production of X been unsuccessful for company Y?

Efficiency ratios (SL/HL)

“where capital employed = loan capital “ (or long-term liabilities”)+ share capital + accumulated retained profit”

“Gearing ratio = “ loan capital” /”capital employed” “×100”

“where capital employed = loan capital “ (or long-term liabilities”)+ share capital + accumulated retained profit”