IB Business Management

CASE STUDY PACK – NOV 2017

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BUSINESS MANAGEMENT – PAPER 1 CASE STUDY PACK
TEACHERS' NOTES
Case Study: Mikumi Secondary School

For use in November 2017

How to use the Case Study Pack 2017

The 137-page Paper 1 Case Study Pack has been produced to help colleagues and students in their preparations for the November 2017 Paper 1 examination (*Mikumi Secondary School*).

The comprehensive Case Study Pack for *MSS* includes:

1. **Definitions** of all the key terms in the case study. Sone 48 key terms/phrases have been identified and clearly defined in the context of the *MSS* case study. This includes an explanation of additional key words/phrases such as:

   - Humanitarian award
   - Rural areas
   - Secondary schooling
   - Subsistence farming
   - Trustees
   - Pay scales

   See pages 4 – 12

2. A **stakeholder profile** of all the people and various stakeholders featured in the case study, including Jacob Wendo, Mrs Kashinga, Mr Jones, students and parents of *MSS*, teachers of *MSS* and the Tanzania government.

   See pages 13 – 15

3. **Weekly comprehension quiz questions** – 10 short comprehension questions each week for 10 weeks to help test students' learning of the *MSS* case study. The first page of each quiz comes with the answers (for teachers) and the second page contains a version for students.

   See pages 16 – 35

4. **True or False questions** – 10 questions each week for 10 weeks to test students' recall and understanding of the *MSS* case study. The first page of each quiz comes with the answers (for teachers) and the second page contains a blank version of the True or False quiz for students.

   See pages 36 – 55

5. **Wordle quizzes** – A collection of 5 Wordle quizzes to test your student's understanding of the case study. These quizzes are similar to crosswords but contain the answers randomly in a word cloud. The Wordles can also be used as part of a classroom display to trigger students' memory of the *MSS* case study.

   See pages 56 – 65

6. An applied **SWOT analysis** of *MSS*. A SWOT analysis is a useful tool for strategic analysis. Whilst the pre-release case study lacks financial information, a fully applied SWOT analysis has been included for the *MSS* case study.

   See pages 66 – 68

7. A **PEST analysis** for *MSS*. Similarly, a PEST analysis also provides useful information for strategic analysis and for formulating business strategy. A PEST analysis has been included for *MSS* with up-to-date data, including economic data for the Brazilian economy.

   See pages 69 – 70

8. **Exam-style questions** with mark allocations, using learning outcomes from the IB BM syllabus. Choose from **340** exam-style questions that can be used for independent or collaborative work, homework, assessments and/or practise exams. Each of these questions come with mark allocations, command terms and links to the Business Management syllabus.

   See pages 71 – 103

9. Separate **Paper 1 mock exams** for HL and SL, with accompanying mark schemes. The Paper 1 *MSS* Case Study Pack includes two full mock exams – one for HL and one for SL, each with an accompanying detailed mark scheme. For the SL mock exam, additional information has been included for Section B. For the HL mock exam, additional information has been included in Sections B and C. *Note:* whilst real data have been included where possible, the additional information in Sections B and C have been included only for the purpose of providing additional practise for the final examination.

   SL mock exam paper - See pages 104 – 107   SL markscheme - See pages 108 – 117
   HL mock exam paper - See pages 118 – 122   HL markscheme - See pages 123 – 137

   Best wishes with the preparations for the November 2017 examinations!

   Paul Hoang
   20th August 2017

Business (2)

A business is a decision-making organization involved in the production of goods and/or services to satisfy a need or a want of customers. It combines human, capital and financial resources to create such goods and/or services. Jacob Wendo became wealthy by owning his safari business in East Africa. *MSS* is his new business venture.

Per capita income / GDP per capita (6)

This refers to the average income per person in the country. It is a measure of the standards of living within a country because the higher the per capita income, the more goods and services the average person can consume. Per capita income is found by dividing the country's gross domestic product (GDP) by its population size. The per capita income in Tanzania is around $1,000 per year (or $2.74 per day).

Equal rights (9)

Equal rights (or equal opportunities) means that people should not be discriminated against for any reason and that all individuals should be treated equally regardless of their gender, for example. Hence, girls should have the same rights to education as boys in Tanzania, as stipulated in its constitution.

Operating costs (12)

This refers to the day-to-day running costs of a business, such as payments for raw materials, labour services (wages and salaries), rent, insurance and utility bills. *MSS* relies on school fees to fund its operating costs.

Charity (14)

A charity is a non-profit organization set up to provide help and raise money for those in need. *MSS* is run as an educational charity, meaning any surplus made by the school is used as internal finance rather than distributed to owners.

Management (15)

Management encompasses several roles which include planning, commanding, controlling, coordinating and organising human and capital resources to achieve organizational objectives. Jacob Wendo takes the lead role in managing all aspects of *MSS*. This includes focusing on solving problems and decision-making so that the school's goals can be achieved within a set time frame.

Revenue expenditure (16-17)

A reason why businesses need sources of finance, revenue expenditure is the money needed for the day-to-day running of a business. Mrs Kashinga, the head teacher (principal) is responsible for managing revenue expenditure at *MSS*, such as finance for stationery, insurance, electricity bills, and teachers' salaries.

Capital expenditure (16-17)

This refers to spending by a business on acquiring, maintaining and/or upgrading fixed assets. Capital expenditure represents a financial investment in the business. Mrs Kashinga, the head teacher (principal) is responsible for managing revenue expenditure at *MSS*, such as finance for the purchase of capital equipment (for example, a photocopier, printer or telephones).

General manager (17)

A general manager (GM) is a senior member of staff with overall responsibility for a division of a business. The general manager is typically in charge of people, structures, budgets, resources and strategy within their roles and responsibilities. At *MSS*, the general manager (also called a **business manager** in many schools), is in charge of all non-teaching staff.

Organizational chart (Figure 1)

An organizational chart is a diagrammatical representation of the internal structure of employees within an organization. It shows the relationships, communication channels and hierarchical ranks of the staff. The chart in Figure 1 shows *MSS* has a flat structure.

Government (19)

This refers to the governing authority of a country or state. It sets and administers policies to protect and uphold the interests of the general public and society as a whole. The government is an important stakeholder group for all businesses as it oversees the political and legal climate of the economy, including the use of corporate tax rates, employment legislation and competition laws. The Tanzanian government is in support of *MSS,* and has provided grants to help fund its operations.

Grants (19)

This is a source of finance given by a government (or other organization) for a particular social cause. Grants are non-repayable, i.e. they are financial gifts. The Tanzanian government has provided grants to *MSS* to help finance its operations.

Donations (19)

A donation is a gift (usually financial) from one party to another, usually for charitable purposes or to benefit a particular cause. *MSS* has received donations from charities in Tanzania and abroad, to help finance its operations.

Economic sustainability (28)

Economic sustainability refers to the ability of an economy to support its level of economic activity for future generations. It is about being efficient in managing the use of scarce resources so that economic growth can be maintained. As part of their extended curriculum (extra-curricular activities), students at *MSS* are involved in economically sustainable activities, such as growing some of their own food on land owned by the school.

Ecological sustainability / Environmental sustainability (28)

This is one of the three pillars in Elkington's triple bottom line, along with social and economic sustainability. Ecological sustainability refers to the ability of an economy to maintain the use of renewable and non-renewable resources for future generations. Depletion of the earth's scarce resources is cannot be continued indefinitely. Students at *MSS* are involved in ecological sustainability, such as growing some of their own food land owned by the school.

Sustainability (28)

Sustainability is about using the planet's resources in such a way that future generations are not deprived of access to what the current and previous generations have enjoyed. In Elkington's triple bottom line model, sustainability is comprised of three pillars: economic, environmental (ecological) and social, i.e. profits, planet and people. *MSS* is particularly interested in economic and ecological sustainability.

Ethical values (29)

Ethical values refer to the principles that guide righteous behaviour. These are based on society's beliefs about what is morally correct or wrong. Ethical values guide all aspects of an organization's operations, including how employees interact with other people. These principles help an organization to maintain its reputation, and maintain good public relations. Jacob Wendo wants students at *MSS* to have a strong sense of ethical values.

Ethical considerations (29-30)

This refers to the deliberate attempts of businesses to think and act in an ethical way when making decisions. Jacob Wendo wants *MSS* to be managed in a way that considers ethical practices at all levels.

Expansion (32)

This is the growth of a business due to an increase in the size of the organization and/or growth in the industry. Expansion is usually measured by an increase in an organization's sales revenue, number of customers, number of employees or profits. Jacob Wendo realises the *MSS* must expand (in terms of the number of customers, or students) in order to survive.

Break-even (33)

Break-even exists when a firm's sales revenue equals its total costs. This means the business does not make any profit, but nor does it make a loss. Break-even is a common objective for new businesses, as they can then strive for profits. Jacob Wendo realised *MSS* needed to expand (attract more students) in order to reach break-even.

Marketing / Marketed (34)

Marketing is the management process of identifying, anticipating and satisfying consumers' requirements in a profitable way. Jacob Wendo realises that to attract more student to *MSS*, the school must be marketed to a wider area, including Dodoma, the country's capital city.

Economies of scale (36)

Economies of scale refers to the cost-saving benefits enjoyed by an organization operating on a larger scale. It is shown by a fall in the average cost of production following an increase in output. In the case of *MSS*, attracting more students can help to cut unit costs. For example, a teacher's salary and the insurance paid for the school are the same amount, regardless of the number of students at *MSS*. Having more students helps to cut the average fixed costs for the school.

Mission statement (36)

An organization's mission statement refers to a declaration of its overall goal and its intended purpose. The mission statement forms the foundation for setting the aims and objectives of the business. Jacob Wendo thinks *MSS* needs to produce a mission statement.

Vision statement (36)

The vision of a business is where the organization aspires to be in the future; the vision is therefore the long term goal of a business. Having a vision gives an organization a clear sense of purpose. Jacob Wendo thinks *MSS* needs to produce a vision statement.

Word of mouth (37-38)

Word of mouth (WOM) is a form of unpaid promotion whereby customers tell others about a business and/or its products. WOM is increasingly important for all businesses, as satisfied customers can influence many others especially in the age of social media and social networking. Jacob Wendo believes that *MSS* should make the most of the positive WOM that has come from the school receiving a humanitarian award.

Promotion (38)

Promotion refers to the methods of communicating marketing messages to potential customers, usually with the intention of selling a firm's products. It includes: advertising, sponsorship, sales promotion, publicity (raising awareness) and public relations. Jacob Wendo realises thinks that *MSS* should make the most of the positive word of mouth (WOM) promotion that has resulted from the school receiving the humanitarian award.

Primary market research (38-39)

Primary research (or field research) is the process of conducting market research to collect new (original) data to gain more insight into the issue being investigated to meet the needs of the organization. Examples include the use of: questionnaires (surveys), interviews, observations and focus groups. Jacob Wendo believes, through some primary market research, that city people will be attracted to *MSS* because of its rural location and the lower school fees (which are typically 20% higher in city locations).

Recruit (42)

This refers to the hiring of employees. Internal recruitment is the hiring of people from within the organization (for a vacant position). External recruitment is the hiring of people from outside of the organization. *MSS* is struggling to recruit teachers, partly due to the poor quality living accommodation and also due to the difficulties of attracting local teachers as they struggle with teaching in only English.

Retain / Retention (42)

This refers to the ability of an organization to keep hold of its employees. The sum of the staff retention rate and the staff turnover rate must equal 100%, i.e. either the staff leave or they stay at the organization. *MSS* is struggling to retain its teachers, partly due to the lack of promotional prospects at the school, and also due to the poor quality accommodation.

Labour turnover (42)

Labour turnover measures the rate of change of human resources within an organization, per time period. The more people who leave the organization, the higher the labour turnover rate. It is calculated using the formula:

$$\frac{\text{Number of staff leaving per year}}{\text{Average number of staff}} \times 100$$

The labour turnover rate at *MSS* is around 30%. This means that for every 50 teachers in the school, 15 will leave by the end of the academic year.

Quality (45)

Quality refers to the extent to which a product is fit for its purpose, i.e. whether it meets (or exceeds) the needs and wants of the customer by conforming to a certain standard. Some of the teachers who had left *MSS* had commented that the quality of the living accommodation was poor.

Professional development (48)

This refers to the process of improving an employee's skills base and training in order to enhance their proficiency and knowledge in their career. Some of the teachers who previously worked at *MSS* commented that was a lack of opportunities for them develop as professionals.

Promotion (48)

Job promotion refers to the career advancement of an employee, either within an organization or externally in another organization. It is usually the result of an individual's professional development and/or outstanding performance in the workplace. Teachers who previously worked at *MSS* had fed back that the school offers limited opportunities for promotion, as the only promotional post they could ever get at the school was held by the head teacher.

Flat organizational structure (49)

A flat organizational structure is not a hierarchical one, with very few levels of management and supervision. Hence, there are short chains of command from the top of the organization (such as from a head teacher) down to the bottom of the organization (such as the teachers at *MSS*). A flat organizational structure increases the span of control for managers, thus offers fewer opportunities for job promotion.

Opportunity (52)

An opportunity refers to a set of circumstances in the external business environment that creates a chance or opening for further progress. Opportunities often arise from being able to fulfil the unmet needs of customers. In the case of *MSS*, converting one of the classrooms to a computer centre offers the opportunity for the school to attract more students.

Marketing mix (54)

The marketing mix describes the four key components of marketing a physical good: product, price, promotion and place. It is a business tool used within a marketing plan to market an organization's products or brands. The marketing mix for services, as in the case of *MSS*, includes 3 more Ps: people, physical evidence and process. Mrs Kashinga thinks the IT facilities and an IT centre at *MSS* should be included in its marketing mix (specifically under 'physical evidence').

Unique selling point (USP) (54)

Also known as a **unique selling proposition**, this refers to any aspect of a good or service that makes it stand out positively from other products on the market, e.g. the provision of an IT centre at *MSS* could offer it a USP to attract more students.

Additional key terms from the case study:

There are several additional words/phrases that students might find useful, such as:

Rural areas (4)

Rural areas are geographical places located outside of towns and cities. Typically, rural areas have a lower population than in urban areas (such as Dodoma, the capital city of Tanzania). *MSS* is located in a rural area. Primary market research suggests that people living in nearby cities may be attracted to the rural location of the school.

Secondary schooling (5)

These are schools that provide secondary education, typically for students aged between 11 to 16 or 11 to 18 (depending on the country). Secondary schooling follows primary education (elementary schooling) and precedes college and university (tertiary) education.

Subsistence farming (6)

This refers to farming that is self-sufficient, rather than for commercial purposes. This means that farms grow crops and livestock to feed themselves and their families. The output of these products is intended to meet individual and local needs, not to create a surplus in order to trade.

Boarding school (11)

A boarding school in one that offers students the option to take up residence in school during the academic year. In many boarding schools, all students must reside on campus. There is an additional fee for boarding, as this helps to cover the costs of accommodation and food. *MSS* offers boarding facilities for the girls.

Livestock (13)

Livestock refers to domesticated animals, usually raised on farms to produce food (such as poultry, beef, lamb, milk and eggs) and related commodities (such as wool, leather and other fibres). Some parents sell their livestock to get money to contribute towards the school fees.

Trustees (14)

Trustees are individuals or firms in a position of trust to administer assets or property on behalf of a third party. Jacob Wendo is the Chair of trustees for *MSS*, an educational establishment with charitable status. He is in charge of all aspects of the overall management of the school, including the finances of the *MSS*.

Non-teaching employees (17)

Non-teaching employees work in schools and other educational establishments but do not teach as a profession. They include: educational assistants, librarians, science technicians, IT technicians, secretarial staff, catering staff, security staff, and cleaning staff.

Humanitarian award (21)

This refers to the formal recognition of individuals or organizations for their dedication to make a difference in raising human welfare and social reforms. For example, they may have actively fought against indifferences, intolerances and injustices, leading to an improvement in the quality our lives and the betterment of humanity. Jacob Wendo and *MSS* have recently received such an award, in recognition of their contribution to the development of girls' education in the developing world.

Developing world (22)

This refers to a low-income country, with a low per capita income and low standards of living. Typically, unemployment is high in developing countries – also known as **less economically developed countries** (LEDCs), and economic growth is low. Tanzania is a developing country, with per capita income at around $1,000 a year (or $2.74 per day).

Pay scales (41)

This refers to the use of a graded range or continuum of wages or salaries paid by an employer. In the teaching profession, pay scales are typically based on qualifications and the number of years of teaching experience. Teacher go up the pay scale for each year of teaching experience, up to the maximum pay on the salary scale. Pay scales are used to reward highly experienced and qualified staff, and to reward loyal workers (or to encourage staff retention).

Kiswahili (46)

Also known as **Swahili**, Kiswahili is the official language of Tanzania. It is also used in other parts of eastern and south-eastern Africa, including Burundi, the Democratic Republic of the Congo (DRC), Kenya, Mozambique, Rwanda, and Uganda. Kiswahili is the medium of instruction in primary schools and is also a taught subject. All primary school textbooks, except English language textbooks, are written in Kiswahili. English is taught as a subject and is the medium of instruction in secondary schools and higher education institutions.

Jacob Wendo

- Has always wanted to put something back into the community (Tanztown/Tanzania/East Africa)
- Became very wealthy from owning a safari business in East Africa
- Realised his dream in 2013, when he established the *Mikumi Secondary School* for girls in Tanztown, Central Tanzania
- Donated the land and some buildings to *MSS,* five years ago
- Starting *MSS* from nothing was difficult for Jacob
- Chair of trustees of *MSS*, a boarding school with charitable status
- Leads on all aspects of the management of *MSS*
- Line manages Mrs Kashinga, head teacher of *MSS*, and other trustees of the school
- Recently received a humanitarian award for his contributions to the development of girl's education in the developing world
- Wants the students to do a lot more than just study at *MSS*
- Keen that students are taught a strong sense of ethical values
- Wants *MSS* to be managed with ethical considerations
- In the early years, he recognized the need for *MSS* to expand in order to reach break-even
- Thinks *MSS* needs to create a mission and vision statement
- Believes the school should capitalise on its humanitarian award and the resulting positive word-of-mouth promotion
- Believes that city people will be attracted to *MSS* (if marketed properly) because of its rural location and cheaper school fees (about 20% less than those in the cities).

Mrs Kashinga

- Head teacher (principal) of *MSS*
- Known as "Mrs K"
- Responsible for overseeing the daily operations of the school
- In charge of both revenue and capital expenditure of *MSS*
- Responsible for all teachers at *MSS*
- The general manager, Mr Jones, reports directly to Mrs Kashinga
- Reports directly to Jacob Wendo, the Chair of trustees at *MSS*
- Finding it difficult to recruit and retain teachers
- Sees an opportunity to convert a classroom into an IT centre to house the ten recycled laptops from Africa Infinity.

Mr Jones

- General manager (business manager) of *MSS*
- Responsible for all non-teaching employees of *MSS*
- Reports directly to Mrs Kashinga, the head teacher.

Students and parents of *MSS*

- For many girls in Tanzania, it is difficult for them to continue with their education; many have to work on small farms rather than attend school
- Those who attend *MSS* are boarders (they reside at the boarding school)
- Parents pay fees that contribute towards the school's operating costs
- Parents often sell livestock to raise money for school fees
- Very active in sports, singing, debate, community service, and drama performances
- Grow some of their own food on the *MSS* premises, as part of the school's economic and ecological sustainability
- Achieve very good results in the national tests
- Many continue their education beyond secondary school.

Teachers of *MSS*

- Report directly to Mrs Kashinga, head teacher of *MSS*
- Paid according to the government's standard pay scales for teachers
- High labour turnover rate of about 30% a year
- Some teachers (who have left *MSS*) commented that they enjoyed teaching at the school, but that the living accommodation was of poor quality
- Some teachers commented that it was difficult to teach in only English, as Kiswahili is spoken by most the students
- Others commented that there were no prospects for promotion, as the only higher-ranked position was held by Mrs K, the head teacher.

Government

- Current administration is supportive of *MSS*
- Has provided grants to the school.

Others

- Charities – in Tanzania and overseas, have provided donations to fund the operations of *MSS*
- Swedish university – has provided books for the library at *MSS*
- Africa Infinity – UK-based organization that donated ten recycled laptops to *MSS.*

Week 1 Quiz

Review the case study and then answer these questions (without referring to the case study).

1. Who had always wanted to put something back into the community?

2. What type of farming exists in Tanztown?

3. What position does Jacob Wendo hold at *MSS*?

4. Who is in charge of the non-teaching employees of *MSS*?

5. Is the electricity at *MSS* reliable?

6. Apart from being actively involved in varied activities, what else does Jacob Wendo want the students to be taught?

7. What is the capital city of Tanzania?

8. What two personnel issues does *MSS* face?

9. What language is spoken by most of the students at *MSS*?

10. How many recycled laptops were donated to *MSS*?

Week 1 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. Who had always wanted to put something back into the community? Jacob Wendo

2. What type of farming exists in Tanztown? Subsistence farming

3. What position does Jacob Wendo hold at *MSS*? Chair of trustees

4. Who is in charge of the non-teaching employees of *MSS*? Mr Jones

5. Is the electricity at *MSS* reliable? No

6. Apart from being actively involved in varied activities, what else does Jacob Wendo want the students to be taught? A strong sense of ethical values

7. What is the capital city of Tanzania? Dodoma

8. What two personnel issues does *MSS* face? Staff recruitment and retention

9. What language is spoken by most of the students at *MSS*? Kiswahili

10. How many recycled laptops were donated to *MSS*? Ten

Week 2 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   Who had become very wealthy owning a safari business in East Africa?

2.   What is the annual per capita income in Tanzania?

3.   What is the full name of the head teacher of *MSS*?

4.   Is the current government of Tanzania supportive of *MSS*?

5.   Do the students at MSS engage in varied activities?

6.   What did Jacob Wendo recognize in the early years was needed for *MSS* to reach break-even?

7.   How much lower are the school fees at *MSS* compared to those in cities?

8.   Why did some of the teachers find it hard to teach only in English?

9.   What is the name of the organization that donated ten recycled laptops to *MSS*?

10. Does *MSS* have internet access?

Week 2 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. Who had become very wealthy owning a safari business in East Africa? Jacob Wendo

2. What is the annual per capita income in Tanzania? Around $1,000 (and much lower in rural areas)

3. What is the full name of the head teacher of *MSS*? Mrs Kashinga

4. Is the current government of Tanzania supportive of *MSS*? Yes

5. Do the students at MSS engage in varied activities? Yes – such as singing, debating, community service, and drama performances

6. What did Jacob Wendo recognize in the early years was needed for MSS to reach break-even? Expansion (growth)

7. How much lower are the school fees at MSS compared to those in cities? 20%

8. Why did some of the teachers find it hard to teach only in English? Most students speak the local language, Kiswahili

9. What is the name of the organization that donated ten recycled laptops to MSS? Africa Infinity

10. Does *MSS* have internet access? No, not currently

Week 3 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   Where did Jacob Wendo own a safari business?

2.   Why do so many girls struggle to continue their secondary schooling?

3.   What is Mrs Kashinga responsible for?

4.   Why was *MSS* given a humanitarian award?

5.   On what basis would Jacob Wendo like the school to be managed?

6.   What does Jacob Wendo think that MSS should capitalise on?

7.   Did the teachers who left *MSS* comment on having enjoyed teaching at the school?

8.   Does MSS have IT facilities?

9.   What would give MSS a unique selling point (USP), at least locally?

10.   What has MSS recently received from Africa Infinity?

Week 3 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1.   Where did Jacob Wendo own a safari business? East Africa

2.   Why do so many girls struggle to continue their secondary schooling? They have to work on the (small) farms

3.   What is Mrs Kashinga responsible for? As head teacher, she is responsible for daily operations (including revenue and capital expenditure)

4.   Why was *MSS* given a humanitarian award? For its recognition of its contribution to the development of girl's education in the developing world

5.   On what basis would Jacob Wendo like the school to be managed? Based on ethical considerations

6.   What does Jacob Wendo think that *MSS* should capitalise on? The very positive word-of-mouth promotion following the school's humanitarian award

7.   Did the teachers who left *MSS* comment on having enjoyed teaching at the school? Yes, some

8.   Does MSS have IT facilities? Yes, but only recently (with the 10 recycled laptops)

9.   What would give MSS a unique selling point (USP), at least locally? An IT centre in the school

10.   What has MSS recently received from Africa Infinity? Ten recycled laptops

Week 4 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   What business did Jacob Wendo previously own?

2.   Does *MSS* charge school fees?

3.   Who is Mr Jones?

4.   Are the students at *MSS* actively involved in sports?

5.   Did the school find recruiting students a relatively easy task at the beginning?

6.   Does *MSS* find it difficult to recruit teachers?

7.   Are there career and professional development opportunities at *MSS*?

8.   Would the conversion of a classroom into an IT centre be expensive?

9.   As a wealthy person, did Jacob find starting *MSS* an easy task?

10.   Who sees an opportunity to convert one of the classrooms into an IT centre?

Week 4 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. What business did Jacob Wendo previously own? A safari business in East Africa

2. Does *MSS* charge school fees? Yes

3. Who is Mr Jones? The general manager of *MSS*

4. Are the students at *MSS* actively involved in sports? Yes

5. Did the school find recruiting students a relatively easy task at the beginning? Yes

6. Does *MSS* find it difficult to recruit teachers? Yes

7. Are there career and professional development opportunities at *MSS*? No

8. Would the conversion of a classroom into an IT centre be expensive? Yes

9. As a wealthy person, did Jacob find starting *MSS* an easy task? No, he found it difficult starting the school from nothing

10. Who sees an opportunity to convert one of the classrooms into an IT centre? Mrs K, the head teacher

Week 5 Quiz

Review the case study and then answer these questions (without referring to the case study).

1. What business did Jacob Wendo set up near Tanztown in Central Tanzania?

2. Is *MSS* a for-profit organization?

3. Who is in charge of the daily operations of *MSS*?

4. What did Jacob Wendo donate to *MSS* five years ago?

5. Where do the students at *MSS* grow some of their own food?

6. Why was the need to expand *MSS* recognised by Jacob Wendo in the early years of the business?

7. What two reasons did the primary market research reveal about why some city people would be attracted to *MSS*?

8. Does *MSS* find it difficult to retain teachers?

9. Which language of instruction is used at *MSS*?

10. What would be included in the marketing mix of *MSS* to attract more students?

Week 5 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. What business did Jacob Wendo set up near Tanztown in Central Tanzania? A school for girls

2. Is *MSS* a for-profit organization? No, it is run as an educational charity

3. Who is in charge of the daily operations of *MSS*? Mrs Kashinga

4. What did Jacob Wendo donate to *MSS* five years ago? The land and some buildings

5. Where do the students at *MSS* grow some of their own food? On the land that the school owns

6. Why was the need to expand *MSS* recognised by Jacob Wendo in the early years of the business? It needed to reach break-even

7. What two reasons did the primary market research reveal about why some city people would be attracted to *MSS*? Rural location and resulting lower school fees (by about 20%)

8. Does *MSS* find it difficult to retain teachers? Yes

9. Which language of instruction is used at *MSS*? English

10. What would be included in the marketing mix of *MSS* to attract more students? An IT centre

Week 6 Quiz

Review the case study and then answer these questions (without referring to the case study).

1. What is the full name of the school that Jacob Wendo set up?

2. Is Tanztown in a rural area?

3. Are equal rights part of the constitution of Tanzania?

4. Who is Mrs K?

5. What source of finance did the government provide *MSS*?

6. The supply of _____ is not reliable at *MSS*.

7. Do the students at *MSS* grow some of their own food?

8. Which areas/locations is *MSS* targeting to attract more students?

9. What is the approximate labour turnover rate at *MSS*?

10. Which language is used for the national exams in Tanzania?

Week 6 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1.   What is the full name of the school that Jacob Wendo set up? Mikumi Secondary School

2.   Is Tanztown in a rural area? Yes

3.   Are equal rights part of the constitution of Tanzania? Yes

4.   Who is Mrs K? Head teacher of *MSS*

5.   What source of finance did the government provide *MSS*? Grant

6.   The supply of _____ is not reliable at *MSS*. Electricity

7.   Do the students at *MSS* grow some of their own food? Yes

8.   Which areas/locations is *MSS* targeting to attract more students? A wider area, including Dodoma, the capital city, and even from neighbouring countries

9.   What is the approximate labour turnover rate at *MSS*? 30%

10.   Which language is used for the national exams in Tanzania? English

Week 7 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   How long ago was *MSS* set up?

2.   Who is the Chair of trustees at *MSS*?

3.   What is the name of the general manager of *MSS*?

4.   Who does the general manager report to?

5.   Apart from books, what else did the Swedish university provide (to *MSS*)?

6.   What two things does Jacob Wendo think the school should produce?

7.   Is there high labour turnover at *MSS*?

8.   Was the teachers' accommodation described as being of high quality?

9.   From which type of organizations did *MSS* receive donations?

10. Do many of the girls at *MSS* progress to continue their education beyond secondary school?

Week 7 Quiz - Answers

Review the case study and then answer these questions (without referring to the case study).

1. How long ago was *MSS* set up? 4 years ago (it is now in its fifth year)

2. Who is the Chair of trustees at *MSS*? Jacob Wendo

3. What is the name of the general manager of *MSS*? Mr Jones

4. Who does the general manager report to? The head teacher, Mrs K

5. Apart from books, what else did the Swedish university provide (to *MSS*)? Some other equipment

6. What two things does Jacob Wendo think the school should produce? Mission and vision statements

7. Is there high labour turnover at *MSS*? Yes, about 30%

8. Was the teachers' accommodation described as being of high quality? No

9. From which type of organizations did *MSS* receive donations? Charities, in Tanzania and overseas

10. Do many of the girls at *MSS* progress to continue their education beyond secondary school? Yes

Week 8 Quiz

Review the case study and then answer these questions (without referring to the case study).

1. Do girls in rural areas of Tanzania receive good secondary education?

2. What/who does Jacob Wendo line manage at *MSS*?

3. What reward did *MSS* receive in recognition of its contribution to the development of girl's education in the developing world?

4. Apart from some other equipment, what else did the Swedish university provide (to *MSS*)?

5. Who wants the students to do more than just study at *MSS*?

6. Is *MSS* located in a rural area?

7. Why is the teachers' living accommodation so important to teachers at *MSS*?

8. What did some teachers say was lacking because Mrs K held this position?

9. Where are Africa Infinity's recycled laptops used?

10. Do many local schools in Tanztown have IT facilities?

Week 8 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. Do girls in rural areas of Tanzania receive good secondary education? No, not always

2. What/who does Jacob Wendo line manage at *MSS*? The other trustees and the head teacher

3. What reward did *MSS* receive in recognition of its contribution to the development of girl's education in the developing world? Humanitarian award

4. Apart from some other equipment, what else did the Swedish university provide (to *MSS*)? Books

5. Who wants the students to do more than just study at *MSS*? Jacob Wendo

6. Is *MSS* located in a rural area? Yes

7. Why is the teachers' living accommodation so important to teachers at *MSS*? Due to the remote location of the school

8. What did some teachers say was lacking because Mrs K held this position? Promotional opportunities (especially in a very flat organization)

9. Where are Africa Infinity's recycled laptops used? Developing countries

10. Do many local schools in Tanztown have IT facilities? No

Week 9 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   What words are used in the case study to describe Tanztown?

2.   Does *MSS* have residential places?

3.   What is Jacob Wendo in charge of at *MSS?*

4.   Who is in charge of revenue and capital expenditure at *MSS*?

5.   What organization provided books and other equipment for the library at *MSS*?

6.   How do the students at *MSS* foster economic and ecological sustainability?

7.   What benchmark is used to pay teachers at *MSS*?

8.   What did the teachers who used to teach at *MSS* say was of poor quality?

9.   Does the school use a tall organizational structure?

10.   What does Mrs K want to convert one of the classrooms into?

Week 9 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1. What words are used in the case study to describe Tanztown? Rural, remote, subsistence farming, small villages

2. Does *MSS* have residential places? Yes, it is a boarding school

3. What is Jacob Wendo in charge of at *MSS?* All aspects of managing the school

4. Who is in charge of revenue and capital expenditure at *MSS*? Mrs Kashinga

5. What organization provided books and other equipment for the library at *MSS*? A Swedish university

6. How do the students at *MSS* foster economic and ecological sustainability? They grow some of their own food on the land owned by the school

7. What benchmark is used to pay teachers at *MSS*? The standard government pay scales

8. What did the teachers who used to teach at *MSS* say was of poor quality? The living accommodation

9. Does the school use a tall organizational structure? No, it is a flat structure

10. What does Mrs K want to convert one of the classrooms into? An IT centre

Week 10 Quiz

Review the case study and then answer these questions (without referring to the case study).

1.   Is per capita income high or low in East Africa?

2.   How do many of the parents raise money to pay their contribution towards the school fees at *MSS*?

3.   Which group and individual reports to the Chair of trustees of MSS?

4.   State any two of the varied activities that students at *MSS* are engaged in.

5.   Have the results of national tests held by students at *MSS* been good?

6.   Attracting more students can help *MSS* to achieve _____.

7.   What did Jacob Wendo base his belief on that city people would be attracted to *MSS*?

8.   The standard government pay scales are used for what purpose?

9.   Who holds the only promoted post at *MSS*?

10.   In which country is *Africa Infinity* based?

Week 10 Quiz – Answers

Review the case study and then answer these questions (without referring to the case study).

1.   Is per capita income high or low in East Africa? Low

2.   How do many of the parents raise money to pay their contribution towards the school fees at *MSS*? Sell their livestock

3.   Which group and individual reports to the Chair of trustees of *MSS*? The other trustees and Mrs Kashinga, the head teacher

4.   State any two of the varied activities that students at *MSS* are engaged in. Singing, debating, community service, drama performances, and growing their own food

5.   Have the results of national tests held by students at *MSS* been good? Yes

6.   Attracting more students can help MSS to achieve _____. Economies of scale

7.   What did Jacob Wendo base his belief on that city people would be attracted to *MSS*? Primary market research

8.   The standard government pay scales are used for what purpose? To remunerate the teachers at *MSS*

9.   Who holds the only promoted post at *MSS*? Mrs K, the head teacher

10.   In which country is *Africa Infinity* based? UK

True or False – Quiz 1

	True / False
1. Jacob Wendo is the head teacher at *MSS*.	
2. There are many small villages in Tanztown.	
3. As head teacher, Mrs. Kashinga takes the lead role in managing all aspects of the school.	
4. Jacob donated the land to build *MSS*.	
5. Jacob Wendo wants the girls to do more than just study.	
6. Students at *MSS* are involved in community service.	
7. The school now needs to be marketed to a wider area.	
8. The positive word of mouth promotion that school is enjoying stemmed from its humanitarian award.	
9. The labour turnover rate at *MSS* is around 20%.	
10. Until recently, *MSS* has not had any IT facilities.	

True or False – Quiz 1 (Answers)

	True / False
1. Jacob Wendo is the head teacher at MSS. He is the Chair of Trustees	**F**
2. There are many small villages in Tanztown.	**T**
3. As head teacher, Mrs. Kashinga takes the lead role in managing all aspects of the school. Jacob Wendo has this role	**F**
4. Jacob donated the land to build *MSS*.	**T**
5. Jacob Wendo wants the girls to do more than just study.	**T**
6. Students at *MSS* are involved in community service.	**T**
7. The school now needs to be marketed to a wider area.	**T**
8. The positive word of mouth promotion that school is enjoying stemmed from its humanitarian award.	**T**
9. The labour turnover rate at *MSS* is around 20%. It is about 30%	**F**
10. Until recently, *MSS* has not had any IT facilities.	**T**

True or False – Quiz 2

	True / False
1. Mrs Kashinga is the head teacher at *MSS*.	
2. Per capita income in Tanzania is low.	
3. The Tanzanian government is supportive of *MSS*, having provided the school with grants.	
4. The girls at *MSS* are actively involved in sports and other activities.	
5. Jacob Wendo is in charge of both capital and revenue expenditure at the school.	
6. Jacob Wendo believes his students should be taught a strong sense of ethical values.	
7. Dodoma is the capital city of Tanzania.	
8. Jacob Wendo relied on secondary market research for his latest thinking on how to grow the school.	
9. Some teachers who have left *MSS* said they had enjoyed working at the school.	
10. *MSS* recently received 20 laptops from Africa Infinity.	

True or False – Quiz 2 (Answers)

	True / False
1. Mrs Kashinga is the head teacher at MSS.	**T**
2. Per capita income in Tanzania is low.	**T**
3. The Tanzanian government is supportive of *MSS*, having provided the school with grants.	**T**
4. The girls at *MSS* are actively involved in sports and other activities.	**T**
5. Jacob Wendo is in charge of both capital and revenue expenditure at the school. Mrs Kashinga has this role	**F**
6. Jacob Wendo believes his students should be taught a strong sense of ethical values.	**T**
7. Dodoma is the capital city of Tanzania.	**T**
8. Jacob Wendo relied on secondary market research for his latest thinking on how to grow the school. He based his thinking on primary research	**F**
9. Some teachers who have left *MSS* said they had enjoyed working at the school.	**T**
10. *MSS* recently received 20 laptops from Africa Infinity. It received 20 laptops	**F**

True or False – Quiz 3

	True / False
1. Mrs Jones is the general manager at *MSS*.	
2. Average income in Tanzania is about $1,000.	
3. Mrs Kashinga is in charge of the daily operations of the school.	
4. *MSS* has received donations from charities within Tanzania and overseas.	
5. Activities offered at *MSS* include: singing, debating, and community service.	
6. Jacob Wendo believes the school should be managed based on ethical considerations.	
7. Tanztown is the capital city of Tanzania.	
8. Jacob Wendo believes that city people are not attracted to *MSS* because of the rural location.	
9. Some teachers who have left *MSS* said the quality of their living accommodation was poor.	
10. Africa Infinity is based in Tanzania.	

True or False – Quiz 3 (Answers)

	True / False
1. Mrs Jones is the general manager at *MSS*. Mr Jones is the General Manager	**F**
2. Average income in Tanzania is about $1,000. But much lower in remote areas	**T**
3. Mrs Kashinga is in charge of the daily operations of the school.	**T**
4. *MSS* has received donations from charities within Tanzania and overseas.	**T**
5. Activities offered at *MSS* include: singing, debating, and community service.	**T**
6. Jacob Wendo believes the school should be managed based on ethical considerations.	**T**
7. Tanztown is the capital city of Tanzania. Dodoma is the capital city	**F**
8. Jacob Wendo believes that city people are not attracted to *MSS* because of the rural location.	**F**
9. Some teachers who have left *MSS* said the quality of their living accommodation was poor.	**T**
10. Africa Infinity is based in Tanzania. It is based in the UK	**F**

True or False – Quiz 4

	True / False
1. Jacob Wendo was already a wealthy businessman before he started *MSS*.	
2. For many girls, the pressure to work on farms means they find it difficult to complete their secondary education.	
3. As the general manager, Mr Jones is in charge of the daily operations of the school.	
4. *MSS* has recently received a humanitarian award.	
5. Activities offered at *MSS* include: athletics, gymnastics, and community service.	
6. Results of national tests held by the students at *MSS* have been poor.	
7. Jacob Wendo believes *MSS* will need to attract some of the girls away from school based in Dodoma.	
8. Jacob Wendo thinks the rural location of *MSS* is a selling point to those living in the cities.	
9. Teachers commented that the quality of their living accommodation was an important factor due to the remote location of the school.	
10. *MSS* recently received 10 laptops from Africa Limited.	

True or False – Quiz 4 (Answers)

	True / False
1. Jacob Wendo was already a wealthy businessman before he started *MSS*.	**T**
2. For many girls, the pressure to work on farms means they find it difficult to complete their secondary education.	**T**
3. As the general manager, Mr Jones is in charge of the daily operations of the school. Mrs Kashinga is in charge of daily operations	**F**
4. *MSS* has recently received a humanitarian award.	**T**
5. Activities offered at *MSS* include: athletics, gymnastics, and community service. The first two are not mentioned in the case study	**F**
6. Results of national tests held by the students at *MSS* have been poor. They have been very good	**F**
7. Jacob Wendo believes *MSS* will need to attract some of the girls away from school based in Dodoma.	**T**
8. Jacob Wendo thinks the rural location of *MSS* is a selling point to those living in the cities.	**T**
9. Teachers commented that the quality of their living accommodation was an important factor due to the remote location of the school.	**T**
10. *MSS* recently received 10 laptops from Africa Limited. It received these from Africa Infinity	**F**

True or False – Quiz 5

	True / False
1. Jacob Wendo used to run a safari business in West Africa.	
2. The constitution of Tanzania gives females equal rights.	
3. As the general manager, Mr Jones is in charge of revenue and capital expenditure at the school.	
4. Jacob Wendo has recently received a humanitarian award.	
5. The students at *MSS* are involved in drama performances.	
6. Results of national tests held by the students at *MSS* have been very good.	
7. Jacob Wendo believes *MSS* could attract students from neighbouring countries.	
8. Jacob Wendo believe city people will be attracted to *MSS* due to the lower school fees.	
9. Some teachers have commented that teaching only in English has been problematic for the students.	
10. Africa Infinity recycles laptops for use in developing countries.	

True or False – Quiz 5 (Answers)

	True / False
1. Jacob Wendo used to run a safari business in West Africa. It was in East Africa	**F**
2. The constitution of Tanzania gives females equal rights.	**T**
3. As the general manager, Mr Jones is in charge of revenue and capital expenditure at the school. Mrs Kashinga is in charge of daily operations	**F**
4. Jacob Wendo has recently received a humanitarian award.	**T**
5. The students at *MSS* are involved in drama performances.	**T**
6. Results of national tests held by the students at *MSS* have been very good.	**T**
7. Jacob Wendo believes *MSS* could attract students from neighbouring countries.	**T**
8. Jacob Wendo believe city people will be attracted to *MSS* due to the lower school fees.	**T**
9. Some teachers have commented that teaching only in English has been problematic for the students.	**T**
10. Africa Infinity recycles laptops for use in developing countries.	**T**

True or False – Quiz 6

	True / False
1. *MSS* is located in Tanztown.	
2. *MSS* offers boarding (residential) services to the students.	
3. The general manager is responsible for all non-teaching staff.	
4. A Danish university provided *MSS* with some books.	
5. Students at *MSS* grow some of their own food on the land owned by the school.	
6. Many students at *MSS* are keen to continue their study beyond secondary school.	
7. Recruiting more students can help *MSS* to achieve economies of scale.	
8. School fees at *MSS* are about 20% lower than those charged by schools in cities.	
9. Kiswahili and English are required for the national examinations in Tanzania.	
10. Jacob Wendo wants to convert a classroom into an IT centre.	

True or False – Quiz 6 (Answers)

	True / False
1. *MSS* is located in Tanztown. It is located near to Tanztown	F
2. *MSS* offers boarding (residential) services to the students.	T
3. The general manager is responsible for all non-teaching staff.	T
4. A Danish university provided *MSS* with some books. These were from a Swedish university	F
5. Students at *MSS* grow some of their own food on the land owned by the school.	T
6. Many students at *MSS* are keen to continue their study beyond secondary school.	T
7. Recruiting more students can help *MSS* to achieve economies of scale.	T
8. School fees at *MSS* are about 20% lower than those charged by schools in cities.	T
9. Kiswahili and English are required for the national examinations in Tanzania. English only	F
10. Jacob Wendo wants to convert a classroom into an IT centre. Mrs K does	F

True or False – Quiz 7

	True / False
1. Tanztown in located in East Tanzania.	
2. The girls' parents pay for all of the operating costs of the school.	
3. As head teacher, Mrs. Kashinga is directly responsible for all non-teaching staff.	
4. The supply of water to the school is unreliable.	
5. Students at *MSS* raise livestock on the land owned by the school.	
6. Starting *MSS* from nothing was difficult for Jacob Wendo.	
7. The school currently has a mission statement.	
8. *MSS* uses its own pay scales to remunerate teachers.	
9. Some teachers commented on there being no possibilities for career and professional development.	
10. The head teacher wants to convert the staffroom into an IT centre.	

True or False – Quiz 7 (Answers)

	True / False
1. Tanztown in located in East Tanzania.	**T**
2. The girls' parents pay for all of the operating costs of the school. They contribute to the costs	**F**
3. As head teacher, Mrs. Kashinga is directly responsible for all non-teaching staff. Mr Jones is	**F**
4. The supply of water to the school is unreliable. The supply of electricity is unreliable	**F**
5. Students at *MSS* raise livestock on the land owned by the school. They grow some of their own food only	**F**
6. Starting *MSS* from nothing was difficult for Jacob Wendo.	**T**
7. The school currently has a mission statement.	**F**
8. *MSS* uses its own pay scales to remunerate teachers. It uses the standard government pay scales	**F**
9. Some teachers commented on there being no possibilities for career and professional development.	**T**
10. The head teacher wants to convert the staffroom into an IT centre.	**T**

True or False – Quiz 8

	True / False
1. Girls in Tanzania do not always receive good secondary education, especially those located in rural areas.	
2. Many parents raise funds to pay for their children's school fees by selling livestock on their farms.	
3. Teachers report directly to their Head of Department (Head of Subject).	
4. The supply of electricity to the school is unreliable.	
5. Growing food on the land owned by the school helps with ecological sustainability.	
6. Jacob Wendo recognized the need to expand *MSS* in the early years in order to reach break-even.	
7. Jacob Wendo believes the school should produce a vision and mission statement.	
8. *MSS* is finding it difficult to recruit teachers.	
9. The school offers its teachers promotional and professional development opportunities.	
10. Mrs K wants to include an IT centre is the school's marketing mix.	

True or False – Quiz 8 (Answers)

	True / False
1. Girls in Tanzania do not always receive good secondary education, especially those located in rural areas.	**T**
2. Many parents raise funds to pay for their children's school fees by selling livestock on their farms.	**T**
3. Teachers report directly to their Head of Department (Head of Subject). They report directly to the head teacher	**F**
4. The supply of electricity to the school is unreliable.	**T**
5. Growing food on the land owned by the school helps with ecological sustainability.	**F**
6. Jacob Wendo recognized the need to expand *MSS* in the early years in order to reach break-even.	**T**
7. Jacob Wendo believes the school should produce a vision and mission statement.	**T**
8. *MSS* is finding it difficult to recruit teachers.	**T**
9. The school offers its teachers promotional and professional development opportunities.	**F**
10. Mrs K wants to include an IT centre is the school's marketing mix.	**T**

True or False – Quiz 9

	True / False
1. Tanztown is located in a remote part of Tanzania.	
2. *MSS* is run as an educational charity.	
3. In the organizational structure, the other trustees of *MSS* must report directly to the head teacher.	
4. Books and equipment were provided by a Swedish university to the library at *MSS*.	
5. Growing food on the land owned by the school helps with economic sustainability.	
6. *MSS* reached break-even in the early years of its operations.	
7. The school was received positive word of mouth promotion.	
8. *MSS* is finding it difficult to retain teachers.	
9. The only possible promotional post for teachers at *MSS* is held by the current head teacher.	
10. Converting a classroom into an IT centre would be expensive.	

True or False – Quiz 9 (Answers)

	True / False
1. Tanztown is located in a remote part of Tanzania.	**T**
2. *MSS* is run as an educational charity.	**T**
3. In the organizational structure, the other trustees of *MSS* must report directly to the head teacher. They report to Jacob Wendo	**F**
4. Books and equipment were provided by a Swedish university to the library at *MSS*.	**T**
5. Growing food on the land owned by the school helps with economic sustainability.	**F**
6. *MSS* reached break-even in the early years of its operations. Expansion was needed to realise this objective	**F**
7. The school was received positive word of mouth promotion.	**T**
8. *MSS* is finding it difficult to retain teachers.	**T**
9. The only possible promotional post for teachers at *MSS* is held by the current head teacher.	**T**
10. Converting a classroom into an IT centre would be expensive.	**T**

True or False – Quiz 10

	True / False
1. Subsistence farming is evident in Tanztown.	
2. Jacob Wendo is the Chair of Trustees at *MSS*.	
3. *MSS* is now in its fourth year of operation.	
4. Jacob Wendo wants high academic results at *MSS*.	
5. The schools sells some of the food that is grown on its land.	
6. *MSS* initially found it straightforward to recruit students.	
7. Jacob Wendo thinks *MSS* should make the most of the positive word of mouth promotion it has recently received.	
8. There is high labour turnover at *MSS*.	
9. *MSS* uses a flat organizational structure.	
10. *MSS* does not have internet access.	

True or False – Quiz 10 (Answers)

	True / False
1. Subsistence farming is evident in Tanztown.	**T**
2. Jacob Wendo is the Chair of Trustees at *MSS*.	**T**
3. *MSS* is now in its fourth year of operation. It opened 4 years ago, and is now in its fifth year	**F**
4. Jacob Wendo wants high academic results at *MSS*. He wants the girls to do more than just study	**F**
5. The schools sells some of the food that is grown on its land. Students grow some of their own food; it is not intended for sale	**F**
6. *MSS* initially found it straightforward to recruit students.	**T**
7. Jacob Wendo thinks *MSS* should make the most of the positive word of mouth promotion it has recently received.	**T**
8. There is high labour turnover at *MSS*.	**T**
9. *MSS* uses a flat organizational structure.	**T**
10. *MSS* does not have internet access.	**T**

Wordle Quiz 1

1. The official language of Tanzania, which is also used in other parts of eastern and south-eastern Africa.

2. A declaration of its overall goal and its intended purpose.

3. A source of finance given by a government (or other organization) for a particular social cause, and is non-repayable.

4. A decision-making organization involved in the production of goods and/or services to satisfy a need or a want of customers.

5. The methods of communicating marketing messages to potential customers, usually with the intention of selling a firm's products.

6. A set of circumstances in the external business environment that creates a chance or opening for further progress.

7. A non-profit organization set up to provide help and raise money for those in need.

8. Using the planet's resources in such a way that future generations are not deprived of access to what the current and previous generations have enjoyed.

9. Domesticated animals, usually raised on farms to produce food and related products.

Wordle Quiz 1 – Answers

1. The official language of Tanzania, which is also used in other parts of eastern and south-eastern Africa. Kiswahili

2. A declaration of its overall goal and its intended purpose. Mission statement

3. A source of finance given by a government (or other organization) for a particular social cause, and is non-repayable. Grants

4. A decision-making organization involved in the production of goods and/or services to satisfy a need or a want of customers. Business

5. The methods of communicating marketing messages to potential customers, usually with the intention of selling a firm's products. Promotion

6. A set of circumstances in the external business environment that creates a chance or opening for further progress. Opportunity

7. A non-profit organization set up to provide help and raise money for those in need. Charity

8. Using the planet's resources in such a way that future generations are not deprived of access to what the current and previous generations have enjoyed. Sustainability

9. Domesticated animals, usually raised on farms to produce food and related products. Livestock

Quality

Boarding school

Recruitment **Trustees**

Flat organizational structure

Ecological sustainability **Donations**

Expansion **Vision statement**

1. Individuals or firms in a position of trust to administer assets or property on behalf of a third party.

2. An educational establishment that offers students the option to take up residence during the academic year.

3. A non-hierarchical, horizontal organization, with very few levels of management and supervision.

4. The extent to which a product is fit for its purpose, i.e. whether it meets (or exceeds) the needs and wants of the customer.

5. The hiring of employees, either from within the organization or from outside of it.

6. A declaration of where the organization aspires to be in the future, thereby giving the organization a clear sense of purpose.

7. The growth of a business due to an increase in its size and/or growth in the industry.

8. The ability of an economy to maintain the use of renewable and non-renewable resources for future generations.

9. Gifts (usually financial) from one party to another, usually for charitable purposes or to benefit a particular cause.

Wordle Quiz 2 – Answers

Quality

Boarding school

Recruitment Trustees

Flat organizational structure

Ecological sustainability   Donations

Expansion   Vision statement

1.   Individuals or firms in a position of trust to administer assets or property on behalf of a third party. Trustees

2.   An educational establishment that offers students the option to take up residence during the academic year. Boarding school

3.   A non-hierarchical, horizontal organization, with very few levels of management and supervision. Flat organizational structure

4.   The extent to which a product is fit for its purpose, i.e. whether it meets (or exceeds) the needs and wants of the customer. Quality

5.   The hiring of employees, either from within the organization or from outside of it. Recruitment

6.   A declaration of where the organization aspires to be in the future, thereby giving the organization a clear sense of purpose. Vision statement

7.   The growth of a business due to an increase in its size and/or growth in the industry. Expansion

8.   The ability of an economy to maintain the use of renewable and non-renewable resources for future generations. Ecological sustainability

9.   Gifts (usually financial) from one party to another, usually for charitable purposes or to benefit a particular cause. Donations

Wordle Quiz 3

General manager

Marketing

Economic sustainability

Break-even

Pay scales

Promotion

Rural areas

Professional development

1.   The ability of an economy to maintain and support its level of economic activity for future generations.

2.   A common objective for new businesses, which occurs when the business does not make any profit, but nor does it make a loss.

3.   The management process of identifying, anticipating and satisfying consumers' requirements in a profitable way.

4.   A senior member of staff with overall responsibility for a division of a business.

5.   Measures the rate of change of human resources within an organization, per time period.

6.   Geographical places located outside of towns and cities.

7.   The career advancement of an employee, either within an organization or externally in another organization.

8.   The use of a graded range or continuum of wages or salaries paid by an employer.

9.   The process of improving an employee's skills base and training in order to enhance their proficiency and knowledge in their career.

Wordle Quiz 3 – Answers

General manager

Marketing

Economic sustainability

Break-even

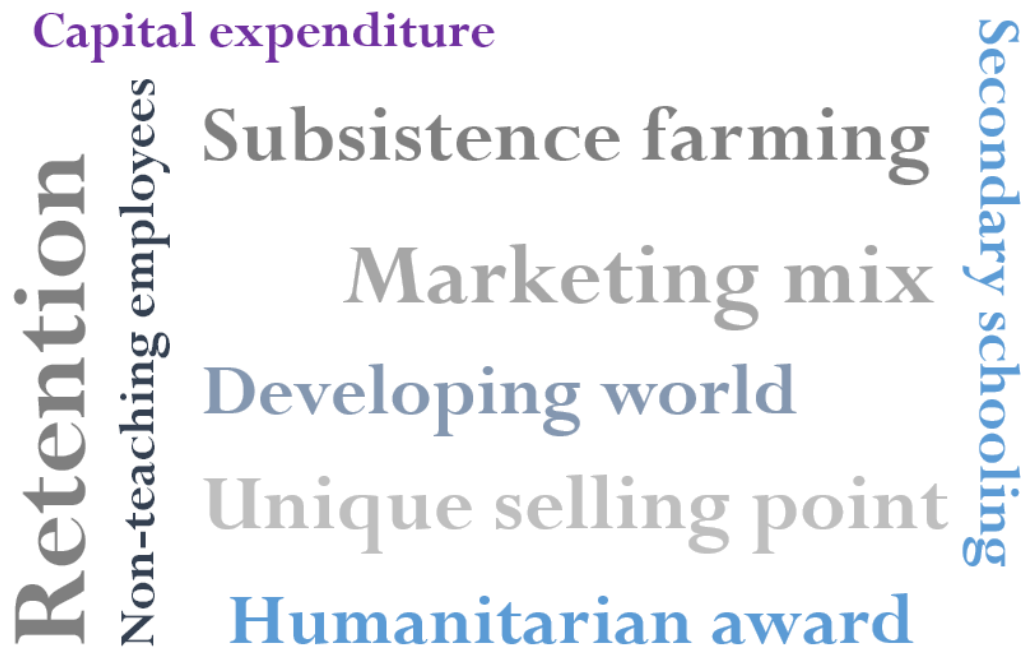Pay scales

Promotion

Rural areas

Professional development

1. The ability of an economy to maintain and support its level of economic activity for future generations. Economic sustainability

2. A common objective for new businesses, which occurs when the business does not make any profit, but nor does it make a loss. Break-even

3. The management process of identifying, anticipating and satisfying consumers' requirements in a profitable way. Marketing

4. A senior member of staff with overall responsibility for a division of a business. General manager

5. Measures the rate of change of human resources within an organization, per time period. Labour turnover

6. Geographical places located outside of towns and cities. Rural areas

7. The career advancement of an employee, either within an organization or externally in another organization. Promotion

8. The use of a graded range or continuum of wages or salaries paid by an employer. Pay scales

9. The process of improving an employee's skills base and training in order to enhance their proficiency and knowledge in their career. Professional development

Wordle Quiz 4

Capital expenditure

Subsistence farming

Marketing mix

Retention

Non-teaching employees

Developing world

Unique selling point

Secondary schooling

Humanitarian award

1. The ability of an organization to keep hold of its employees.

2. The four key components of marketing a physical good: product, price, promotion and place.

3. Any aspect of a good or service that makes it stand out positively from other products on the market.

4. Agricultural output that is self-sufficient, rather than for commercial purposes.

5. Low-income countries, with a low per capita income and low standards of living.

6. The formal recognition of individuals or organizations for their dedication to make a difference in raising human welfare and social reforms.

7. Educational establishments that provide education typically for students aged between 11 to 16 or 11 to 18 (depending on the country).

8. Staff who work in schools and other educational establishments but do not teach, e.g. educational assistants, librarians and technicians.

9. Spending by a business on acquiring, maintaining and/or upgrading fixed assets, so represents a financial investment in the business.

Wordle Quiz 4 – Answers
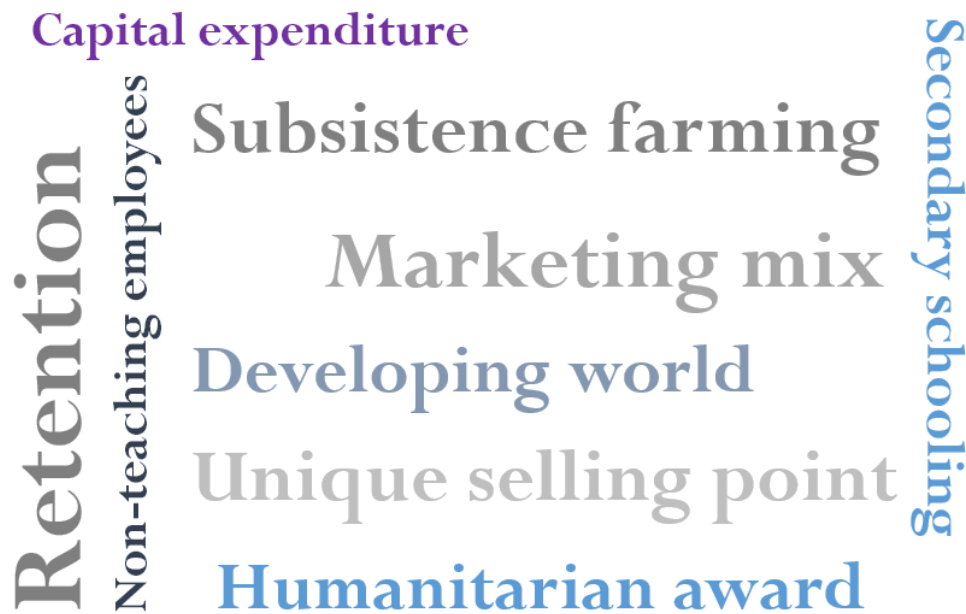
1.   The ability of an organization to keep hold of its employees. Retention

2.   The four key components of marketing a physical good: product, price, promotion and place. Marketing mix

3.   Any aspect of a good or service that makes it stand out positively from other products on the market. Unique selling point

4.   Agricultural output that is self-sufficient, rather than for commercial purposes. Subsistence farming

5.   Low-income countries, with a low per capita income and low standards of living. Developing world

6.   The formal recognition of individuals or organizations for their dedication to make a difference in raising human welfare and social reforms. Humanitarian award

7.   Educational establishments that provide education typically for students aged between 11 to 16 or 11 to 18 (depending on the country). Secondary schooling

8.   Staff who work in schools and other educational establishments but do not teach, e.g. educational assistants, librarians and technicians. Non-teaching employees

9.   Spending by a business on acquiring, maintaining and/or upgrading fixed assets, so represents a financial investment in the business. Capital expenditure

Revenue expenditure

Management

Government

Target markets

Equal rights

Operating costs

Word of mouth

Organizational chart

Primary market research

1.   The idea that people should not be discriminated against for any reason and that all individuals should be treated equally regardless of their gender, for example.

2.   The day-to-day running costs of a business, such as payments for raw materials, labour services (wages and salaries), rent, insurance and utility bills.

3.   The planning, commanding, controlling, coordinating and organising human and capital resources to achieve organizational objectives.

4.   The money needed for the day-to-day running of a business, e.g. finance for stationery, insurance, electricity bills, and teachers' salaries.

5.   Diagrammatical representation of the internal structure of employees within a business.

6.   Market segment which an organization focuses on selling its products to.

7.   The central authority of a country or state. It sets and administers policies to protect and uphold the interests of the general public and society as a whole.

8.   A form of unpaid promotion whereby customers tell others about a business and/or its products.

9.   The process of an investigation or study to collect new (original) data to gain insight into an issue and to better meet the needs of the organization.

Wordle Quiz 5 – Answers

Revenue expenditure

Management

Government

Target markets

Equal rights

Operating costs

Word of mouth

Organizational chart

Primary market research

1.   The idea that people should not be discriminated against for any reason and that all individuals should be treated equally regardless of their gender, for example. Equal rights

2.   The day-to-day running costs of a business, such as payments for raw materials, labour services (wages and salaries), rent, insurance and utility bills. Operating costs

3.   The planning, commanding, controlling, coordinating and organising human and capital resources to achieve organizational objectives. Management

4.   The money needed for the day-to-day running of a business, e.g. finance for stationery, insurance, electricity bills, and teachers' salaries. Revenue expenditure

5.   Diagrammatical representation of the internal structure of employees within a business. Organizational chart

6.   Market segment which an organization focuses on selling its products to. Target markets

7.   The central authority of a country or state. It sets and administers policies to protect and uphold the interests of the general public and society as a whole. Government

8.   A form of unpaid promotion whereby customers tell others about a business and/or its products. Word of mouth

9.   The process of an investigation or study to collect new (original) data to gain insight into an issue and to better meet the needs of the organization. Primary market research

SWOT Analysis for *MSS*

SWOT analysis provides a framework for decision makers to consider factors in both the internal and the external business environment that affect business operations. The internal factors can be classified as either **s**trengths or **w**eaknesses within the organization. The external factors can be classified into **o**pportunities or **t**hreats as outlined in the case study.

Strengths

- Jacob Wendo is very wealthy (line 2), so may be able to provide necessary finance for *MSS* if needed
- Jacob is an experienced entrepreneur, having owned a successful safari business in East Africa (line 2)
- *MSS* provides secondary education for girls, with residential places (line 10 - 11)
- *MSS* is run as an educational charity (line 14), so any surplus made is reinvested back into the school for its development, rather than being distributed to owners or shareholders
- The organizational structure is flat (Figure 1 and line 49), so operational costs are relatively low, and channels of communication are relatively quick
- Jacob is totally dedicated to making the school a success, as he has donated the land and some buildings (line 18) and realized his dream when he opened the school four years ago (line 3)
- *MSS* and Jacob have both recently been recognised for their work in contributing to the education of girls in the developing world (lines 20 - 22)
- *MSS* offers many activities, e.g. sports, singing, debating, community service, and drama performances. This helps to build community spirit and customer satisfaction levels.
- Students are taught a strong sense of ethical values (line 29), which can help with developing the brand (image) of the school
- Results of national tests taken by students at *MSS* have been very good (line 30); this helps to build confidence with parents about the school and its management.
- *MSS* charges lower school fees (about 20% less) than those based in cities (line 40)
- Teachers have enjoyed teaching at the school (line 43)
- *MSS* has ten recycled laptops; previously it had no IT facilities (lines 50 - 51)
- Students at *MSS* also grow some of their own food (line 27), which also helps with promoting economic and ecological sustainability (line 28).

Weaknesses

- *MSS* is located near Tanztown, a remote area with mainly small villages (lines 4 - 5)
- The school is struggling to recruit students; it was much more straightforward in the early years (lines 33 - 34)
- The school finds it difficult to recruit and retain teachers (line 42)
- There is a high labour turnover rate, of about 30% (line 42)
- The living accommodation for teachers is of poor quality (lines 44 - 45)
- Teachers find it difficult to teach only in English, as most students speak Kiswahili (lines 46 - 47)
- The organizational structure is flat (Figure 1), so there are no promotional opportunities for teachers (lines 47 - 48)
- There are no possibilities for professional development (lines 47 - 48)
- *MSS* does not have internet access (line 55).

Opportunities

- *MSS* can provide access to education to more girls living in remote areas such as Tanztown (lines 4 - 5)
- The current government is supportive of *MSS* (line 19), so can continue to provide grants
- *MSS* may continue to received donations from charities, both those in Tanzania and from abroad (lines 19 - 20)
- *MSS* can seek to secure books, equipment and other resources from universities, in Sweden and beyond (line 23)
- Results of national tests taken at *MSS* have been very good (line 30), so this can help to attract future generations of students
- There are opportunities to recruit more students by marketing the school to a wider area, including Dodoma and neighbouring countries (line 34 - 35)
- Attracting more students would help *MSS* to achieve economies of scale (line 36)
- There are opportunities for *MSS* to capitalize on the very positive word of mouth promotion, following the school being honoured with a humanitarian award
- Primary market research suggests that city people may be attracted to *MSS* due to its rural location and lower school fees (lines 38 - 40)
- There is an opportunity to convert a classroom into an IT centre (lines 52 - 53), which can give the school a USP (line 54).

Threats

- Per capita income is low for East Africa (lines 6 - 7), so this limits the potential number of students who can access the educational services of *MSS*
- The average annual income in rural areas is much lower than $1,000 (line 7)
- For many girls, continuing their education is very difficult (line 8) as they have to work on small farms (lines 9 – 10), which again limits the potential number of students at *MSS*
- The supply of electricity to the school is unreliable (line 24)
- The conversion of a classroom into an IT centre is expensive (lines 54 - 55), so may have detrimental on the school's cash flow position.

PEST analysis for *MSS*

The BM syllabus refers to STEEPLE analysis (social, technological, economic, environmental, political, legal and ethical). In this analysis, 'environmental' and 'ethical' factors are covered under the section on 'social' factors, and the 'legal' issues are covered under the section on 'political' factors.

PEST analysis provides a framework for decision makers to consider factors in the external business environment that affect business operations. These factors can be categorized as **p**olitical, **e**conomic, **s**ocial and **t**echnological factors which can present <u>opportunities</u> and <u>threats</u>, as outlined in the case study.

Political (including legal factors)

- Equal rights are laid down in the constitution of Tanzania (line 9)
- The current government is supportive of *MSS* (lines 18 - 19)
- The government has provided *MSS* with grants (line 19)
- Teachers at *MSS* are paid according to the standard government pay scales (line 41).

Economic

- Tanztown is located in a remote area (lines 5 - 6)
- Per capita income is low for East Africa (lines 6 - 7), so this limits the potential number of students who can access the educational services of *MSS*
- The average annual income in rural areas of Tanzania is much lower than $1,000 (line 7)
- Many girls have to work on small farms (lines 9 - 10), so continuing their education at *MSS* is very difficult (line 8)
- Typically, the girls' parents have to sell their livestock in order to contribute towards the payment of school fees (lines 12 - 13)
- *MSS* charges lower school fees, by about 20% compared to schools based in the cities (lines 38 - 40); this can help to attract more students
- *MSS* finds it difficult to recruit and retain teachers (line 42), yet rewards its teachers using the government pay scales (line 41)
- The high labour turnover rate, of about 30% (line 42) is costly to the organization
- The conversion of a classroom into an IT centre is expensive (lines 54 - 55).

Social (including environmental and ethical factors)

- In rural areas of Tanzania, girls do not always receive good secondary schooling (lines 4 - 5)
- The social and economic climates mean that many girls have to work on small farms, rather than receive schooling
- The school has been honoured with a humanitarian award (lines 20 - 21)
- Students at *MSS* grow some of their own food (line `27), which helps with promoting economic and ecological sustainability (line 28) at the school
- Jacob Wendo is keen that the students at *KSS* are taught a strong sense of ethical values (lines 28 - 29), and decision making at the school considers ethics (lines 29 - 30)
- Many of the students at *MSS* are excited to continue their education beyond school (lines 30 - 31)
- There are opportunities to recruit more students by marketing the school to a wider area, including Dodoma and neighbouring countries (line 34 - 35)
- City people could be attracted by the rural location of the school (line 39)
- Most students speak Kiswahili (lines 46 - 47), the local language.

Technological

- The supply of electricity to the school is unreliable (line 24)
- Attracting more students can help *MSS* to achieve economies of scale (line 36)
- *MSS* has poor IT infrastructure - only recently does it have IT facilities (line 50)
- There is an opportunity to convert a classroom into an IT centre (lines 52 - 53)
- Few local schools have any IT facilities (line 53)
- Having an IT centre could become a unique selling point (lines 53 - 54) for *MSS*
- *MSS* does not have internet access (line 55).

Unit 1 – Business organization and environment

#	Question	Marks	HL	Command Term	SL/HL Content
1.1.1	Define the term *business* (line 2).	2		Define	The role of businesses in combining human, physical and financial resources to create goods and services
1.1.2	Jacob Wendo is an entrepreneur. Define the term *entrepreneur*.	2		Define	The role of entrepreneurship (and entrepreneur) and intrapreneurship (and intrapreneur) in overall business activity
1.1.3	*MSS* provides a service. Define the term *service*.	2		Define	The role of businesses in combining human, physical and financial resources to create goods and services
1.1.4	Suggest why *MSS* might benefit from having a business plan for its proposal to have an IT centre (lines 52 - 53).	2		Suggest	The elements of a business plan
1.1.5	*MSS* operates in the tertiary sector. Briefly describe the nature of business activity in the tertiary sector.	2		Describe	Primary, secondary, tertiary and quaternary sectors
1.1.6	Explain human resources as a business function at *MSS*.	4		Explain	The main business functions and their roles
1.1.7	Explain finance as a business function at *MSS*.	4		Explain	The main business functions and their roles

#	Question	Marks	HL	Command Term	SL/HL Content
1.1.8	Explain operations as a business function at *MSS*.	4		Explain	The main business functions and their roles
1.1.9	Explain marketing as a business function at *MSS*.	4		Explain	The main business functions and their roles
1.1.10	Explain the role of entrepreneurship in the context of *MSS*.	4		Explain	The role of entrepreneurship in overall business activity.
1.1.11	Explain two reasons why Jacob Wendo may have decided to set up his own business.	4		Explain	Reasons for starting up a business or an enterprise
1.1.12	Explain the common steps in setting up a business such as *MSS* (line 3).	4		Explain	Common steps in the process of starting up a business
1.1.13	Explain two possible problems that a new business such as *MSS* may face.	4		Explain	Problems that a new business or enterprise may face
1.1.14	Explain how *MSS* combines human, physical and financial resources to create goods and services.	4		Explain	The role of businesses in combining human, physical and financial resources to create goods and services
1.1.15	Mrs Kashinga is the head teacher at *MSS*. Explain why she might be described as being an intrapreneur.	4		Explain	The role of intrapreneurship (and intrapreneur) in overall business activity
1.1.16	Outline how producing a business plan can help *MSS* to achieve its objective of gaining a unique selling point (line 54).	4		Outline	The elements of a business plan

#	Question	Marks	HL	Command Term	SL/HL Content
1.2.1	Define the term *charity* (line 14).	2		Define	The main features of the following types of for-profit (commercial) organizations: sole traders
1.2.2	Distinguish between organizations such as *MSS* that operate in the private sector and the government (line 19).	4		Distinguish	Distinction between the private and the public sectors
1.2.3	Outline two features of a charity (line 14) as a form of business ownership.	4		Outline	The main features of types of non-profit social enterprises: charities
1.2.4	Explain two advantages of setting up *MSS* as a charity (line 14).	4		Explain	The main features of types of non-profit social enterprises: charities
1.2.5	Explain how microfinance providers might help *MSS* to set up its IT centre, which is expected to be expensive (line 55).	4		Explain	The main features of types of for-profit social enterprises: microfinance providers
1.2.6	*MSS* is set up as an educational charity. Explain how a charity differs from a non-governmental organization (NGO).	4		Explain	The main features of types of non-profit social enterprises: non-governmental organizations (NGOs)
1.2.7	*MSS* is set up as an educational charity (line 14). Examine two advantages and one disadvantage of this to *MSS*.	6		Examine	The main features of types of non-profit social enterprises: charities
1.3.1	Define the term *mission statement* (line 36).	2		Define	Vision statement and mission statement

#	Question	Marks	HL	Command Term	SL/HL Content
1.3.2	Define the term *vision statement* (line 36).	2		Define	Vision statement and mission statement
1.3.3	In the context of *MSS*, define the term *ethical values* (line 29).	2		Define	The reasons why organizations set ethical objectives and the impact of implementing them
1.3.4	In the context of *MSS*, define the term *ethical considerations* (lines 29 - 30).	2		Define	The reasons why organizations set ethical objectives and the impact of implementing them
1.3.5	Define the term *opportunity* (line 52).	2		Define	SWOT analysis of a given organization
1.3.6	Outline the purpose of having a mission statement for *MSS* (line 37).	2		Outline	Vision statement and mission statement
1.3.7	Identify two weaknesses of *MSS*.	2		Identify	SWOT analysis of a given organization
1.3.8	Identify two strengths of *MSS*.	2		Identify	SWOT analysis of a given organization
1.3.9	Identify two threats to *MSS*.	2		Identify	SWOT analysis of a given organization
1.3.10	Identify two opportunities for *MSS*.	2		Identify	SWOT analysis of a given organization
1.3.11	Describe two objectives that a business start-up, such as *MSS* four years ago, might have.	4		Describe	Aims, objectives, strategies and tactics, and their relationships

#	Question	Marks	HL	Command Term	SL/HL Content
1.3.12	Explain why it might be important for *MSS* to establish a vision or mission statement (line 37).	4		Explain	Vision statement and mission statement
1.3.13	Explain two reasons why *MSS* might benefit from preparing a SWOT analysis.	4		Explain	SWOT analysis of a given organization
1.3.14	Explain the importance of mission statements in managing *MSS* as a non-profit social enterprise.	4		Explain	Vision statement and mission statement
1.3.15	Explain the importance of mission statements for organizations such as *MSS*.	4		Explain	Vision statement and mission statement
1.3.16	Explain the importance of organizational objectives in managing *MSS*.	4		Explain	Aims, objectives, strategies and tactics, and their relationships
1.3.17	Explain the purpose of having clear objectives for *MSS*.	4		Explain	Aims, objectives, strategies and tactics, and their relationships
1.3.18	Explain the link between the ethical values *MSS* (lines 29 - 30) and its corporate social responsibility (CSR).	4		Explain	Ethical objectives and corporate social responsibility (CSR)
1.3.19	In the context of *MSS*, explain the evolving role and nature of corporate social responsibility (CSR).	4		Explain	The evolving role and nature of CSR
1.3.20	In the context of *MSS*, distinguish between aims and objectives.	4		Distinguish	Aims, objectives, strategies and tactics, and their relationships

#	Question	Marks	HL	Command Term	SL/HL Content
1.3.21	In the context of *MSS*, distinguish between operational objectives and strategic objectives.	4		Distinguish	Aims, objectives, strategies and tactics, and their relationships
1.3.22	In the context of *MSS*, distinguish between tactics and strategies.	4		Distinguish	Aims, objectives, strategies and tactics, and their relationships
1.3.23	Distinguish between the term *mission statement* and *vision statement* (line 36).	4		Distinguish	Vision statement and mission statement
1.3.24	Prepare a SWOT analysis of *MSS's* current position, showing only the strengths and weaknesses.	4		Prepare	SWOT analysis of a given organization
1.3.25	Using a SWOT analysis framework, identify two weaknesses and two threats to *MSS*.	4		Identify	SWOT analysis of a given organization
1.3.26	Examine the reasons why *MSS* might consider setting ethical objectives (lines 29 – 30).	6		Examine	The reasons why organizations set ethical objectives and the impact of implementing them
1.3.27	Using a SWOT framework, examine the strengths and weaknesses of *MSS*.	6		Examine	SWOT analysis of a given organization
1.3.28	Examine the advantages and disadvantages for *MSS in* setting ethical objectives (lines 29 – 30).	6		Examine	The reasons why organizations set ethical objectives and the impact of implementing them

#	Question	Marks	HL	Command Term	SL/HL Content
1.3.29	Prepare a full SWOT analysis for *MSS*.	6		Prepare	SWOT analysis of a given organization
1.3.30	Discuss the need for *MSS* to change its objectives and innovate as a fee-paying school in response to changes in the external business environment.	10		Discuss	The need for organizations to change objectives and innovate in response to changes in internal and external environments
1.3.31	With reference to *MSS*, discuss why attitudes towards corporate social responsibility may change over time.	10		Discuss	The evolving role and nature of CSR
1.3.32	Discuss the reasons why *MSS* might set ethical objectives (lines 29 - 30) and the impact of implementing them.	10		Discuss	The reasons why organizations set ethical objectives and the impact of implementing them
1.4.1	Identify two external stakeholders of *MSS*.	2		Identify	The interests of external stakeholders
1.4.2	Identify two internal stakeholders of *MSS*.	2		Identify	The interests of internal stakeholders
1.4.3	Outline why Mrs Kashinga (line 15) is a stakeholder of *MSS*.	2		Outline	The interests of internal stakeholders
1.4.4	Outline why Mr Jones (line 17) is a stakeholder of *MSS*.	2		Outline	The interests of internal stakeholders
1.4.5	Outline why the teachers of *MSSS* are a stakeholder group of *MSS*.	2		Outline	The interests of internal stakeholders
1.4.6	Outline why the students and parents of *MSS* are stakeholder groups of *MSS*.	2		Outline	The interests of external stakeholders

#	Question	Marks	HL	Command Term	SL/HL Content
1.4.7	Outline why the current government (lines 18 - 19) is a stakeholder of *MSS*.	2		Outline	The interests of external stakeholders
1.4.8	Outline why competitors schools might be considered as stakeholders of *MSS*.	2		Outline	The interests of external stakeholders
1.4.9	Explain the interests of any two of *MSS*'s internal stakeholders.	4		Explain	The interests of internal stakeholders
1.4.10	Explain the interests of any two of *MSS*'s external stakeholders.	4		Explain	The interests of external stakeholders
1.4.11	Examine possible areas of conflict between the various stakeholders of *MSS*.	6		Examine	Possible areas of mutual benefit and conflict between stakeholders' interests
1.5.1	Explain the value to *MSS* in preparing a STEEPLE analysis.	4		Explain	STEEPLE analysis of a given organization
1.5.2	Explain how external opportunities and threats can impact on decision-making at *MSS*.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.3	Explain how a change in any two STEEPLE factors can impact on *MSS*'s organizational objectives.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy

#	Question	Marks	HL	Command Term	SL/HL Content
1.5.4	Explain how a change in any two STEEPLE factors can impact on the strategy of *MSS*.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.5	Explain how changes in the technological environment presents both opportunities and threats for *MSS*.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.6	Explain how changes in economic factors create both opportunities and threats for *MSS*.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.7	Explain how changes in social factors create opportunities and threats for *MSS*.	4		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.8	Analyse the impact of the use of laptops (line 50) on *MSS* as an educational organization.	4		Analyse	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.9	Examine how changes in any two STEEPLE factors can create both opportunities and threats for *MSS*.	6		Explain	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.10	Using any three categories of the STEEPLE framework, prepare a STEEPLE analysis for *MSS*.	6		Prepare	STEEPLE analysis of a given organization

#	Question	Marks	HL	Command Term	SL/HL Content
1.5.11	Examine how changes in the external business environment may impact on the operations of *MSS*.	6		Examine	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.12	Examine the impact that external opportunities and threats may have on *MSS's* objectives and strategy.	6		Examine	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.13	Discuss how far it is possible for *MSS* to deal with the difficulties of students being unable to continue their education (lines 6 - 10).	10		Discuss	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.5.14	Using a STEEPLE analysis, discuss the impact of changes in the external environment on the operations of *MSS*.	10		Discuss	Consequences of a change in any of the STEEPLE factors for a business's objectives and strategy
1.6.1	Define the term *expansion* (line 32).	2		Define	Internal and external growth methods
1.6.2	Define the term *economies of scale* (line 36).	2		Define	Economies and diseconomies of scale
1.6.3	Explain the difference between internal and external growth in the context of *MSS*.	4		Explain	The difference between internal and external growth
1.6.4	Explain the importance of economies of scale for *MSS*.	4		Explain	Economies and diseconomies of scale

#	Question	Marks	HL	Command Term	SL/HL Content
1.6.5	Explain why *MSS* might struggle to achieve economies of scale.	4		Explain	Economies and diseconomies of scale
1.6.6	Explain two types of economies of scale that *MSS* might gain from if it can attract more students (line 36).	4		Explain	Economies and diseconomies of scale
1.6.7	Explain two advantages of organic growth compared to external growth for *MSS*.	4		Explain	The difference between internal and external growth
1.6.8	Explain why *MSS* may be able to achieve economies of scale (line 36).	4		Explain	Economies and diseconomies of scale
1.6.9	*MSS* operates on a relatively small scale. Examine the merits of small organizations such as *MSS* versus large organizations.	6		Examine	The merits of small versus large organizations
1.7.1	Explain how a force field analysis can help *MSS* decide whether to create an IT centre (lines 52 - 53).	4	HL	Explain	The value to an organization of planning tools
1.7.2	Explain how the use of a Gantt chart can help *MSS* should it decide to create an IT centre (lines 52 - 53).	4	HL	Explain	The value to an organization of planning tools
1.7.3	Explain how the use of a decision tree might help *MSS* to decide whether to create an IT centre (lines 52 - 53).	4	HL	Explain	The value to an organization of planning tools

#	Question	Marks	HL	Command Term	SL/HL Content
1.7.4	Explain how the use of a fishbone diagram can help *MSS* to determine the root causes of high labour turnover at the school (line 42).	4	HL	Explain	The value to an organization of planning tools
1.7.5	Using information in the case study, construct a fishbone diagram for *MSS* to determine the root causes of its high labour turnover (line 42).	6	HL	Construct	The value to an organization of planning tools
1.7.6	Examine how the use of appropriate organizational planning tools can help entrepreneurs such as Jacob Wendo.	6	HL	Examine	The value to an organization of planning tools

#	Question	Marks	HL Command Term	SL/HL Content
2.1.1	In the context of *MSS*, define the term *recruit* (line 42).	2	Describe	Common steps in the process of recruitment
2.1.2	In the context of *MSS*, define the term *retention* (line 42).	2	Describe	Labour turnover
2.1.3	Define the term *labour turnover* (line 42).	2	Describe	Labour turnover
2.1.4	Define the term *professional development* (line 48).	2	Define	Types of training
2.1.5	Define the term *promotion* (line 48).	2	Define	Common steps in the process of recruitment
2.1.6	Identify two factors that may affect *MSS's* workforce planning in Tanzania.	2	Identify	Human resource planning (workforce planning)
2.1.7	Identify one type of on-the-job training and one type of off-the-job training that *MSS* could provide for its staff.	2	Identify	Types of training
2.1.8	Outline how the labour turnover rate of around 30% is calculated (line 42).	2	Outline	Labour turnover
2.1.9	Suggest why a labour turnover rate of about 30% is considered to be "high" (line 42).	2	Suggest	Labour turnover

#	Question	Marks	HL	Command Term	SL/HL Content
2.1.10	Describe one method of training that Mrs Kashinga is likely to have received as head teacher at the school.	4		Describe	Types of training
2.1.11	Describe two suitable methods of recruitment of MSS employees.	4		Describe	Human resource planning (workforce planning)
2.1.12	Describe two methods of appraisal that might be used at MSS.	4		Describe	Human resource planning (appraisals)
2.1.13	Describe the common steps that MSS might take should it need to dismiss an incompetent member of staff.	4		Describe	Common steps in the processes of dismissal and redundancy
2.1.14	In the context of MSS, distinguish between internal and external recruitment.	4		Distinguish	Human resource planning (workforce planning)
2.1.15	In the context of MSS, distinguish between on-the-job training and off-the-job training.	4		Distinguish	Types of training
2.1.16	Explain how cognitive and behavioural training might be used for Mrs Kashinga at MSS.	6		Explain	Types of training: cognitive and behavioural
2.1.17	Explain how formative and summative appraisals might be used at MSS.	6		Explain	Types of appraisal: formative and summative
2.1.18	Explain how 360-degree feedback and self-appraisal methods of appraisal might be used at MSS.	6		Explain	Types of appraisal: 360-degree feedback and self-appraisal

#	Question	Marks	HL	Command Term	SL/HL Content
2.1.19	Discuss how ethical considerations and culture may influence human resource practices at *MSS*.	10		Discuss	How innovation, ethical considerations and cultural differences may influence human resource practices and strategies in an organization
2.1.20	Discuss how innovation, ethical considerations and cultural differences may influence human resource practices at *MSS*.	10		Discuss	How innovation, ethical considerations and cultural differences may influence human resource practices and strategies in an organization
2.2.1	Define the term *organizational chart* (Figure 1).	2		Define	Changes in organizational structures (such as project-based organization)
2.2.2	Define the term *flat organizational structure* (line 49).	2		Define	Types of organization charts: flat/horizontal
2.2.3	In the context of *MSS*, outline the meaning of delegation.	2		Outline	Understanding of different types of organization charts: delegation
2.2.4	In the context of *MSS*, outline the meaning of span of control.	2		Outline	Understanding of different types of organization charts: span of control
2.2.5	In the context of *MSS*, outline the meaning of centralization.	2		Outline	Understanding of different types of organization charts: centralization

#	Question	Marks	HL	Command Term	SL/HL Content
2.2.6	MSS has a formal organizational structure (Figure 1). Explain two advantages to MSS having a formal organizational structure.	4		Explain	Types of organizational structures
2.2.7	In the context of MSS, explain one advantage and one disadvantage of centralized decision-making.	4		Explain	Understanding of different types of organization charts: centralization
2.2.8	Explain two problems for MSS having a flat organizational structure (line 49).	4		Explain	Types of organizational structures
2.2.9	Explain two reasons why Mrs Kashinga may need to delegate some tasks at the school.	4		Explain	Understanding of different types of organization charts: delegation
2.3.1	Define the term *management* (15).	2		Define	Management versus leadership
2.3.2	Jacob Wendo is in charge of all aspects of the management of MSS. Explain the role of a manager in a business organization.	4		Explain	Management versus leadership
2.3.3	In the context of MSS, distinguish between management (line 15) and leadership.	4		Distinguish	Management versus leadership
2.3.4	Explain the likely key functions of management at MSS.	6		Explain	The key functions of management
2.3.5	Using appropriate management theory, explain the key functions of management at MSS.	6		Apply	The key functions of management

#	Question	Marks	HL	Command Term	SL/HL Content
2.3.6	With reference to *MSS*, analyse the importance of management in business organizations.	6		Analyse	The key functions of management
2.3.7	Examine how ethical considerations may influence leadership and management styles at *MSS*.	6		Examine	How ethical considerations and cultural differences may influence leadership and management styles in an organization
2.4.1	In the context of *MSS*, outline the meaning of *motivation*.	2		Define	Motivation theories
2.4.2	Explain how the use of pay scales (line 41) might help to retain teachers at *MSS*.	4		Explain	Types of financial rewards: salary
2.4.3	Explain how non-financial rewards might help to improve the motivation of the teachers at *MSS*.	6		Explain	Types of non-financial rewards
2.4.4	Using Maslow's theory of motivation, examine the factors that might affect the level of motivation of teachers at *MSS*.	6		Examine	Motivation theories: Maslow
2.4.5	Using Herzberg's theory of motivation, examine the factors that might affect the level of motivation of teachers at *MSS*.	6		Examine	Motivation theories: Herzberg (motivation–hygiene theory)
2.4.6	Examine how financial and non-financial rewards may affect job satisfaction, motivation and productivity of the teachers at *MSS*.	10		Examine	How financial and non-financial rewards may affect job satisfaction, motivation and productivity in different cultures

#	Question	Marks	HL	Command Term	SL/HL Content
2.5.1	Describe the organizational culture at *MSS*.	4	HL	Describe	Elements of organizational culture
2.5.2	Describe how the organizational culture at *MSS* might influence the level of motivation.	4	HL	Describe	How organizational culture influences individuals
2.5.3	Explain two factors that could influence the organizational culture at *MSS*.	4	HL	Describe	How organizational culture influences individuals and how individuals influence organizational culture
2.5.4	Explain two influences on the organizational culture at *MSS*.	4	HL	Explain	Elements of organizational culture
2.5.5	Explain how Jacob Wendo's leadership style might influence the organizational culture at *MSS*.	4	HL	Explain	How individuals influence organizational culture
2.5.6	Explain how Mrs Kashinga's management style might influence the organizational culture at *MSS*.	4	HL	Explain	How individuals influence organizational culture
2.6.1	Identify two potential sources of conflict within *MSS*.	2	HL	Identify	Sources of conflict in the workplace
2.6.2	Outline one possible reason for resistance to change at *MSS*.	2	HL	Outline	Reasons for resistance to change in the workplace

#	Question	Marks	HL	Command Term	SL/HL Content
3.1.1	Define the term *revenue expenditure* (lines 16 - 17).	2		Define	Role of finance for businesses
3.1.2	Define the term *capital expenditure* (lines 16 - 17).	2		Define	Role of finance for businesses
3.1.3	Define the term *grants* (line 19).	2		Define	External sources of finance
3.1.4	Define the term *donations* (line 19).	2		Define	External sources of finance
3.1.5	Identify two sources of finance used by *MSS*.	2		Identify	Internal and external sources of finance
3.1.6	In the context of *MSS*, outline the meaning of *internal sources of finance*.	2		Outline	Internal sources of finance
3.1.7	In the context of *MSS*, outline the meaning of *external sources of finance*.	2		Outline	External sources of finance
3.1.8	Outline two appropriate sources of external finance to help convert one of its classrooms into an IT centre.	4		Outline	External sources of finance
3.1.9	Distinguish between capital expenditure and revenue expenditure (lines 16 - 17).	4		Distinguish	Role of finance for businesses: capital expenditure and revenue expenditure
3.1.10	In the context of *MSS*, distinguish between internal and external sources of finance.	4		Distinguish	Internal and external sources of finance

#	Question	Marks	HL	Command Term	SL/HL Content
3.1.11	Explain why *MSS* might struggle to use internal sources of finance to set up its IT centre (line 52 - 53).	4		Explain	Internal sources of finance
3.1.12	Explain why *MSS* might struggle to set up its IT centre (line 52 - 53).	4		Explain	
3.1.13	Explain why *MSS* might struggle to attract external sources of finance to set up its IT centre (line 52 - 53).	4		Explain	External sources of finance
3.1.13	Explain one advantage and one disadvantage of *MSS* relying on grants from the Tanzanian government (lines 18 - 19).	4		Explain	The appropriateness, advantages and disadvantages of sources of finance for a given situation
3.1.14	Explain one advantage and one disadvantage of *MSS* relying on donations from charities in Tanzania and overseas (lines 19 - 20).	4		Explain	The appropriateness, advantages and disadvantages of sources of finance for a given situation
3.1.15	Explain why *MSS* might struggle to attract external sources of finance	6		Explain	External sources of finance
3.2.1	Define the term *operating costs* (line 12).	2		Define	Costs and revenues
3.2.2	*MSS* was set up four years ago (line 4). Identify two likely set-up costs for *MSS*.	2		Identify	Costs and revenues
3.2.3	Identify two different revenue streams for *MSS*.	2		Identify	Total revenue and revenue streams, using examples
3.2.4	Suggest two examples of variable costs for *MSS*.	2		State	Types of costs: fixed and variable

#	Question	Marks	HL	Command Term	SL/HL Content
3.2.5	Suggest two examples of fixed costs for *MSS*.	2		Suggest	Types of costs: fixed and variable
3.2.6	Suggest how the total revenues of *MSS* might be calculated.	2		Suggest	Total revenue and revenue streams, using examples
3.2.7	In the context of *MSS*, distinguish between fixed and variable costs.	4		Distinguish	Types of costs: fixed and variable
3.2.8	In the context of *MSS*, distinguish between direct and overhead costs.	4		Distinguish	Types of costs: direct and indirect/overhead
3.2.9	Explain two possible reasons why *MSS's* revenues would increase as it grows organically.	4		Explain	Total revenue and revenue streams, using examples
3.3.1	Define the term *break-even* (line 33).	2		Define	The effects of changes in price or cost on the break-even quantity, profit and margin of safety, using graphical and quantitative methods
3.3.2	In the context of the school fees paid to *MSS*, outline the meaning of *contribution per unit*.	2		Outline	Total contribution versus contribution per unit
3.3.3	Explain two benefits of using break-even (line 33) as a decision-making tool for *MSS*.	4		Explain	The benefits and limitations of break-even analysis

#	Question	Marks	HL	Command Term	SL/HL Content
3.3.4	Explain two limitations of using a break-even analysis as a decision-making tool for *MSS*.	4		Explain	The benefits and limitations of break-even analysis
3.3.5	Examine the effects of changes in school fees on *MSS's* break-even quantity, profit and margin of safety.	6		Examine	The effects of changes in price or cost on the break-even quantity, profit and margin of safety
3.3.6	Examine the effects of changes in operating costs (line 12) on *MSS's* break-even quantity, profit and margin of safety.	6		Examine	The effects of changes in price or cost on the break-even quantity, profit and margin of safety
3.4.1	Outline the purpose of compiling final accounts for *MSS*, despite it being an educational charity.	2		Outline	The purpose of accounts to different stakeholders
3.4.2	Identify two different types of tangible fixed assets that *MSS* might report in its final accounts.	2		Identify	Different types of intangible assets
3.4.3	Identify two different types of intangible fixed assets that *MSS* might report in its final accounts.	2		Identify	Different types of intangible assets
3.4.4	In the context of *MSS*, distinguish between current assets and current liabilities.	4		Distinguish	Final accounts: balance sheet
3.4.5	Explain the purpose of compiling final accounts for two different stakeholder groups of *MSS*.	4		Explain	The purpose of accounts to different stakeholders

#	Question	Marks	HL	Command Term	SL/HL Content
3.4.6	Explain the role of ethics for a business such as *MSS* when compiling its final accounts.	4		Explain	The principles and ethics of accounting practice
3.4.7	Explain why *MSS* might need to include the calculation of depreciation when compiling its balance sheet.	4	HL	Explain	Final accounts: balance sheet
3.4.8	Examine the importance of final accounts to any two stakeholder groups of *MSS*.	6		Examine	The purpose of accounts to different stakeholders
3.5.1	In the context of *MSS*, outline the meaning of *liquidity ratios*.	2		Outline	Profitability and liquidity ratio analysis
3.5.2	Outline why *MSS* might benefit from knowing its current ratio.	2		Outline	Liquidity ratios: current
3.5.3	*MSS* relies on donations and grants (lines 19 - 20). Suggest how *MSS* can improve its liquidity position.	4		Suggest	Possible strategies to improve these ratios
3.5.4	Comment on the usefulness of liquidity ratios for *MSS*.	4		Comment	Profitability and liquidity ratio analysis
3.5.5	Explain the purpose of calculating liquidity ratios for *MSS*.	4		Explain	Profitability and liquidity ratio analysis
3.6.1	In the context of *MSS*, outline the meaning of the *gearing ratio*.	2	HL	Outline	Efficiency ratio analysis

#	Question	Marks	HL	Command Term	SL/HL Content
3.6.2	Comment on the usefulness of efficiency ratios for *MSS*.	4	HL	Comment	Efficiency ratio analysis
3.6.3	Explain why financiers might be interested in the gearing ratio of *MSS*.	4	HL	Explain	Efficiency ratio analysis
3.7.1	In the context of *MSS*, define the term *working capital*.	2		Define	The working capital cycle
3.7.2	Suggest two ways that *MSS* could improve its cash inflows.	4		Suggest	Strategies for dealing with cash flow problems
3.7.3	Suggest two ways that *MSS* could reduce its cash outflows.	4		Suggest	Strategies for dealing with cash flow problems
3.7.4	Explain how the working capital cycle might work at *MSS*.	4		Explain	The working capital cycle
3.7.5	Explain the value of cash flow forecasts for organizations such as *MSS*.	4		Explain	Cash flow forecasts
3.7.6	Explain the importance of managing working capital at *MSS*.	4		Explain	Evaluate strategies for dealing with liquidity problems
3.7.7	Explain why *MSS* is likely to experience liquidity problems.	4		Explain	Evaluate strategies for dealing with liquidity problems

#	Question	Marks	HL	Command Term	SL/HL Content
3.7.8	Comment on two possible causes of liquidity problems for an educational charity such as *MSS*.	4		Comment	Evaluate strategies for dealing with liquidity problems
3.8.1	In the context of *MSS*, explain the value of carrying out an investment appraisal for its expansion plans.	4		Explain	Investment opportunities using payback period and average rate of return (ARR)
3.8.2	Explain the benefits of calculating the payback period for the IT centre (lines 52 - 53).	4		Explain	Investment opportunities using payback period and average rate of return (ARR)
3.9.1	Outline one disadvantage of preparing budgets for *MSS*.	2	HL	Outline	The importance of budgeting for organizations
3.9.2	With reference to *MSS*, distinguish between cost and profit centres.	4	HL	Distinguish	The difference between cost and profit centres
3.9.3	Describe two advantages of preparing annual budgets for *MSS*.	4	HL	Describe	The importance of budgeting for organizations
3.9.4	Explain the importance of budgets for *MSS*.	4	HL	Explain	The importance of budgeting for organizations
3.9.5	Explain the purpose of budgets for *MSS*.	4	HL	Explain	The importance of budgeting for organizations
3.9.6	Explain how *MSS* might use variance analysis as part of its strategic planning.	4	HL	Explain	The role of budgets and variances in strategic planning
3.9.7	Explain the role of cost and profit centres in the context of *MSS*.	4	HL	Explain	The roles of cost and profit centres

#	Question	Marks	HL	Command Term	SL/HL Content
3.9.8	Examine the role of budgets and variances in the strategic planning of *MSS*.	6	HL	Examine	The role of budgets and variances in strategic planning

#	Question	Marks	HL	Command Term	SL/HL Content
4.1.1	Define the term *marketed* (line 34).	2		Define	The role of marketing
4.1.2	In the context of *MSS*, explain the term *marketing*.	2		Define	The role of marketing
4.1.3	Suggest why it might be difficult to measure the market share of *MSS*.	2		Suggest	The role of marketing: market share
4.1.4	Outline two marketing objectives of non-profit organizations such as *MSS*.	4		Outline	The marketing objectives of non-profit organizations
4.1.5	In the context of *MSS*, explain the differences between the marketing of services and the marketing of goods.	6		Explain	The differences between marketing of goods and marketing of services
4.1.6	Discuss how ethical considerations and cultural differences may influence the marketing practices and strategies of *MSS*.	10		Discuss	How innovation, ethical considerations and cultural differences may influence marketing practices and strategies in an organization
4.2.1	Define the term *marketing mix* (line 54).	2		Define	The four Ps of the marketing mix
4.2.2	Define the term *unique selling point* (line 54).	2		Define	The importance of having a unique selling point/proposition (USP)
4.2.3	Explain the importance of having a unique selling point (line 54) for *MSS*.	4		Explain	The importance of having a unique selling point/proposition (USP)

#	Question	Marks	HL	Command Term	SL/HL Content
4.2.4	Explain how having a unique selling point (line 54) can help *MSS* to gain a competitive advantage.	4		Explain	How organizations can differentiate themselves and their products from competitors
4.2.5	Explain why it is important for *MSS* to understand its target markets.	4		Explain	Possible target markets and market segments in a given situation
4.2.6	Explain why it is important for *MSS* to have a unique selling point (line 54).	4		Explain	The importance of having a unique selling point/proposition (USP)
4.2.7	Suggest how *MSS* might be able to develop a unique selling point (line 54).	4		Suggest	The importance of having a unique selling point/proposition (USP)
4.2.8	Suggest how *MSS* might differentiate itself from other schools in the region.	4		Suggest	How organizations can differentiate themselves and their products from competitors
4.4.1	Define the term *market research* (lines 38 – 39).	2		Define	Why and how organizations carry out market research
4.4.2	Define the term *primary market research* (lines 38 – 39).	2		Define	Why and how organizations carry out market research
4.4.3	Identify two secondary sources of market research that *MSS* could use to better understand its markets.	2		Identify	Analyse the role of market research

#	Question	Marks	HL	Command Term	SL/HL Content
4.4.4	State two possible sources of primary market research that could have been used to discover that city people could be attracted by the location and fees of MSS (lines 38 - 40).	2		State	Methods/techniques of primary market research
4.4.5	Outline why MSS might need to carry out market research (lines 38 - 39).	2		Outline	Why and how organizations carry out market research
4.4.6	Explain why market research (lines 38 - 39) is important for MSS to better understand its markets.	4		Explain	Analyse the role of market research
4.4.7	Explain how market research (lines 38 – 39) can help MSS to identify potential customers.	4		Explain	Analyse the role of market research
4.4.8	In the context of MSS, distinguish between primary and secondary market research.	4		Distinguish	The difference between qualitative and quantitative research
4.4.9	Describe two relevant primary market research methods (lines 38 – 39) that Jacob Wendo could have used to identify the possibility of attracting city people to the school (line 39).	4		Describe	Methods/techniques of primary market research
4.5.1	Define the term *word of mouth promotion* (lines 37 - 38).	2		Define	Aspects of promotion
4.5.2	Define the term *promotion* (line 38).	2		Define	Aspects of promotion

#	Question	Marks	HL	Command Term	SL/HL Content
4.5.3	In the context of MSS, explain what type of pricing strategy is used (line 40).	2		Define	Appropriateness of pricing strategies
4.5.4	In the context of MSS, explain the importance of price in the marketing mix.	4		Explain	The appropriateness of the pricing strategies
4.5.5	In the context of MSS, explain the importance of promotion in the marketing mix.	4		Explain	Aspect of promotion
4.5.6	Explain the importance of public relations for MSS.	4		Explain	Aspects of promotion: promotional mix
4.5.7	Outline two examples of below the line promotion that MSS is likely to use.	4		Outline	Aspects of promotion
4.5.8	Outline two examples of above the line promotion that MSS is likely to use.	4		Outline	Aspects of promotion
4.5.9	Prepare an appropriate promotional mix for MSS.	6		Prepare	Aspect of promotion: promotional mix
4.6.1	Explain the importance of employee–customer relationships to MSS in marketing its educational services.	4	HL	Explain	The importance of employee–customer relationships in marketing a service
4.6.2	Examine the importance of the extended marketing mix for MSS.	10	HL	Examine	The extended mix of seven Ps
4.6.3	Examine whether the physical environment is of real importance to the marketing of MSS.	10	HL	Examine	The importance of tangible physical evidence in marketing a service

#	Question	Marks	HL	Command Term	Learning Outcome
5.1.1	Define the term *economic sustainability* (line 28).	2		Define	Operations management strategies and practices for ecological, social (human resource) and economic sustainability
5.1.2	Define the term *ecological sustainability* (line 28).	2		Define	Operations management strategies and practices for ecological, social (human resource) and economic sustainability
5.1.3	Define the term *sustainability* (line 28).	2		Define	Operations management strategies and practices for ecological, social (human resource) and economic sustainability
5.1.4	Explain the role of operations management in service-orientated businesses such as *MSS*.	4		Explain	Operations management in organizations producing goods and/or services
5.2.1	In the context of *MSS*, explain which production method is used.	4		Explain	Production methods: job/customized production
5.2.2	Examine the appropriateness of the production method used at *MSS*.	6		Examine	The most appropriate method of production for a given situation
5.3.1	Define the term *quality* (line 45).	2	HL	Define	Features of quality control and quality assurance

#	Question	Marks	HL	Command Term	Learning Outcome
5.3.2	Explain how Mrs Kashinga might manage the quality of the education at *MSS*.	4	HL	Explain	Methods of managing quality: total quality management (TQM)
5.3.3	In the context of *MSS*, distinguish between quality control and quality assurance.	4	HL	Distinguish	Features of quality control and quality assurance
5.3.4	Examine the importance of quality control and quality assurance for *MSS*.	6	HL	Examine	Features of quality control and quality assurance
5.4.1	*MSS* is located in a rural area (line 39) near to Tanztown (line 3). Outline why the location decision is important for *MSS*.	2		Outline	The reasons for a specific location of production
5.5.1	In the context of *Mikumi Secondary School*, outline the meaning of capacity utilization.	2	HL	Outline	Capacity utilization rate
5.5.2	Explain the drawbacks of *MSS* operating at a low capacity utilization rate (lines 33 - 36).	4	HL	Explain	Capacity utilization rate
5.5.3	Explain the importance of *MSS* operating at a high capacity utilization rate.	4	HL	Explain	Capacity utilization rate

| 5.7.1 | In the context of the case study, explain the difference between crisis management and contingency planning. | 4 | HL | Explain | The difference between crisis management and contingency planning |
| 5.7.2 | Explain two advantages and one disadvantage of contingency planning for MSS. | 6 | HL | Explain | The advantages and disadvantages of contingency planning for a given organization or situation |

BUSINESS MANAGEMENT – PAPER 1 CASE STUDY PACK
Standard Level Mock Examination
Paper 1
Case Study: Mikumi Secondary School (MSS)

For use in November 2017

1 hour 15 minutes

INSTRUCTIONS

- Do not open this examination paper until you have been instructed to do so
- You will need a clean copy of the *Medimatters* case study for this examination paper
- A clean copy of the Business Management formulae sheet is required
- Answer any **two** questions from Section A
- Answer **the** compulsory question from Section B
- You are permitted to use a calculator for this examination paper
- Total marks available: 40 marks

SECTION A

*Answer **two** questions from this section.*

1. (a) Describe **two** benefits for *MSS* having a *unique selling point* (line 54). *[4 marks]*

  (b) Using a SWOT analysis framework, explain the strengths and weaknesses of *MSS*. *[6 marks]*

2. (a) Using appropriate motivation theory, describe **two** factors that demotivate teachers at *MSS*. *[4 marks]*

  (b) Explain the interests of **one** of *MSS's* internal stakeholders. *[6 marks]*

3. (a) Define the following terms:

    (i) *charity* (line 14) *[2 marks]*

    (ii) *vision statement* (line 36). *[2 marks]*

  (b) Explain why *MSS* might struggle to attract external sources of finance.

    [6 marks]

There is no additional information in this mock exam paper for Section A.

SECTION B

*Answer **the** following question.*

4. Presented with **secondary market research** findings (see Items 1 – 2), Jacob Wendo and Mrs Kashinga are not in agreement regarding how best to attract more students to the school. This has made Jacob ever more keen to ensure *MSS* has a mission statement. He also wants to pursue the option of marketing *MSS* to a wider area, including Dodoma, the capital city. Mrs Kashinga has her doubts about this.

Item 1 – Tanzania economic indicators

* GDP growth rate   1.5%
* Unemployment rate   10.3%
* Youth unemployment   13.7%
* Inflation rate   5.2%
* Food inflation   8.9%
* Bank lending rate   16.85%
* Population   50.14 million
* Government debt to GDP   39%

Figure 1 – Tanzania economic growth rate (2008 – 2017)

SOURCE: TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS (NBS) - TANZANIA

Source: adapted from www.tradingeconomics.com/tanzania/indicators

(This question continues on the following page)

Item 2 – Tanzania facts

- Tanzania is located in East Africa, with a population of over 50 million people.
- Kiswahili is the official language, and used as the medium of instruction in primary schools. English is the medium of instruction in secondary schools and higher education institutions.
- Tanzania is bordered by eight countries: Burundi, Rwanda, Uganda, Kenya, Mozambique, Malawi, Zambia and the Democratic Republic of the Congo.
- The level of poverty in Tanzania is very high. According to the United Nations Development Programme (UNDP), around 68% of the population live below the poverty line, i.e. they earn equal to or less than $1.25 a day. In particular, children in rural areas suffer much higher rates of malnutrition.
- Agricultural output accounts for about 24.5% of Tanzania's gross domestic product (GDP), 50% of the employed workforce and 85% of the country's exports.
- Tanzania has five universities.
- Although not direct rival schools to MSS, there are 4 IB World Schools based in Tanzania offering the IB Diploma Programme.

Sources: www.bibl.u-szeged.hu/oseas_adsec/tanzania.htm and www.tz.undp.org/content/tanzania/en/home/countryinfo.html

(a)   Define the term *secondary market research*.   *[2 marks]*

(b)   Explain the importance of having a mission statement for *MSS*.   *[4 marks]*

(c)   Explain how converting a classroom into an IT centre can provide *MSS* with a unique selling point (line 54).   *[4 marks]*

(d)   Using the information in Items 1 and 2, and information in the case study, discuss the decision to market *MSS* to a wider area, including Dodoma, the capital city (lines 33 - 36).   *[10 marks]*

BUSINESS MANAGEMENT – PAPER 1 CASE STUDY PACK
Standard Level Mock Examination – Mark scheme
Paper 1
Case Study: Mikumi Secondary School (MSS)

For use in November 2017

TEACHERS' NOTES

- These are suggested answers only
- Teachers should use their professional judgment in awarding answers that may not be included in this mark scheme
- The data included in Section B are correct at the time of writing, provided for illustrative purposes only in order to give students practice for the final examination in November 2017.

1. (a) **Describe <u>two</u> benefits for *MSS* having a unique selling point (line 54).**
   [4 marks]

   The interrelated advantages of having a USP include the following:

   - The USP explains to students and parents why *MSS's* educational service is better than that provided by alternative schools.
   - The USP give the school clear differentiation, as few local schools have IT facilities (line 53), helping *MSS* to attract more students.
   - Since *MSS* is a fee-paying school, having the USP helps to increase revenue for the school.
   - It can encourage customer loyalty (parents send their younger children to the school when they reach secondary education level). It can also encourage positive word of mouth promotion for the school, helping to bring in new customers (students).
   - It can help to improve the school's marketing, by integrating the USP into all aspects of its marketing, such as school brochures. Essentially, the USP provides and promotes a clear benefit to customers (the students of *MSS* and their parents).
   - In the long term, is the USP leads to higher enrolment numbers at the school, it may gain the ability to charge more because of the added value service (although the IT facilities would need to be kept up to date).
   - Ultimately, a USP can give *MSS* competitive advantages over other schools in the Tanztown area
   - *Accept any other relevant advantage of having a USP.*

   Mark as 2 + 2.

   *Award **[1 mark]** for <u>each</u> valid advantage that is identified, and **[1 mark]** for the development of each of these answers, written in the context of MSS, up to a maximum of **[2 marks]**.*

   (b) **Using a SWOT analysis framework, explain the strengths and weaknesses of *MSS*.** **[6 marks]**

   Strengths of *MSS* include the following points:

   - Jacob Wendo is very wealthy (line 2), so may be able to provide necessary finance for *MSS* if the need really arises.
   - Jacob Wendo is an experienced entrepreneur, having owned a successful safari business in East Africa (line 2).
   - *MSS's* organizational structure is flat (Figure 1 and line 49), so operational costs are relatively low.

- Recently, *MSS* and Jacob have been recognised for their work in contributing to the education of girls in the developing world (lines 20 - 22).
- *MSS* offers many activities, e.g. sports, singing, debating, community service, and drama performances. This helps to build community spirit and customer satisfaction levels.
- Students are taught a strong sense of ethical values (line 29), which can help with developing the brand (image) of the school.
- Results of national tests taken by students at *MSS* have been very good (line 30). This helps to build confidence with parents about the school and its management.
- *MSS* charges lower school fees (about 20% less) than those based in cities (line 40).
- Staff have mentioned that they enjoyed teaching at the school (line 43).
- *MSS* has inherited 10 recycled laptops; previously it had no IT facilities (lines 50 - 51).
- Students at *MSS* grow some of their own food (line 27), which also helps with promoting economic and ecological sustainability (line 28).
- *Accept any other relevant strength explained in the context of MSS.*

Weaknesses of *MSS* include the following points:

- *MSS* is located in a remote area with mainly small villages (lines 4 - 5), so this limits the potential number of customers (students).
- The school is struggling to recruit students; it was much more straightforward in the early years (lines 33 - 34).
- The school also finds it difficult to recruit and retain teachers (line 42).
- There is a high labour turnover rate, of about 30% (line 42), which is costly to the organization.
- The living accommodation for teachers is of poor quality (lines 44 - 45). This makes it more difficult to retain staff.
- Teachers find it difficult to teach only in English, as most students speak Kiswahili (lines 46 - 47).
- The organizational structure is flat (Figure 1), so there are no promotional opportunities for teachers (lines 47 - 48).
- There are no possibilities for professional development (lines 47 - 48)
- MSS does not have internet access (line 55).
- *Accept any other relevant weakness explained in the context of MSS.*

*Award a maximum of **[2 marks]** if only strengths <u>or</u> weaknesses are explained, or the answer lacks application to MSS.*

*Award a maximum of **[4 marks]** if the response lacks depth in the explanation. There is some attempt at applying the strengths and weaknesses to MSS.*

*Award **[6 marks]** for an in-depth explanation of both strengths and weaknesses, and the answer is competently applied to MSS.*

2. **(a)** **Using appropriate motivation theory, describe two factors that demotivate teachers at MSS.** *[4 marks]*

Factors that demotivate teachers working at *MSS* include:

- The teachers are paid according to the standard government scales (line 41), which is typically lower than the pay offered to teachers working in private, international schools.
- The living accommodation for teachers is of poor quality (lines 44 - 45), which is a source of demotivation. This is a particularly important non-financial consideration for teachers as the school is located in a remote area.
- Teachers find it difficult to teach only in English, as most students speak Kiswahili (lines 46 - 47).
- The organizational structure is flat (Figure 1), so there are no promotional opportunities for teachers (lines 47 - 48).
- There are no possibilities for professional development (lines 47 - 48).
- The working conditions (a hygiene factor according to Herzberg) are not great at *MSS*. For example, the school does not have internet access (line 55).
- Decision-making is centralized, as Mrs Kashinga and Jacob Wendo make all the decisions. Teachers may therefore feel disconnected, less valued, or undermined.
- *Accept any other relevant factor.*

Mark as 2 + 2

Award [1 mark] for each valid external factor identified, and [1 mark] for the development of why demotivation occurs at MSS, up to a maximum of [2 marks].

(b) **Explain the interests of one of MSS's internal stakeholders.** *[6 marks]*

Internal stakeholders of *MSS* include:

- **Jacob Wendo** wants:
  - to continue putting something back into the community
  - to encourage the students to do a lot more than just study at *MSS*
  - students to have a strong sense of ethical values
  - to promote and foster economic and ecological sustainability throughout the school
  - *MSS* to be managed with ethical considerations
  - *MSS* to create a mission and vision statement (in order to give it a clear purpose and direction)

- o to capitalise on its humanitarian award and the resulting positive word-of-mouth promotion
- o to attract new customers (students from the cities and neighbouring countries) by having a USP and charging about 20% less than schools in the cities.

- **Mrs Kashinga** wants:
  - o to retain teachers, for their expertise and continuity in teaching the students, but also to reduce costs as recruitment is already difficult
  - o reduce the high rate of labour turnover (line 42), which reduces the costs of recruitment and ensures continuity for the students
  - o to convert a classroom into an IT centre in order to house the 10 recycled laptops from Africa Infinity. This is likely to give the school a USP and attract more students
  - o to have a larger budget (more finance) in order to run the school more effectively, especially as she is in charge of both revenue and capital expenditure
  - o control of the operating costs (line 12) of the school
  - o secure financial support (grants and donations) from third parties, such as charities and universities in Sweden and beyond
  - o to ensure results of national tests (line 30), which have been very good, are maintained if not improved
  - o to create career and professional development opportunities (line 48) for her staff.

- **Teachers** at *MSS* want:
  - o decent working conditions; having IT facilities would improve the conditions at work for the teachers, for example
  - o competitive wages; they are paid according to the government's standard pay scales for teachers but this may not be sufficient to retain teachers
  - o improved perks, e.g. better quality living accommodation, especially due to the remote location of *MSS*
  - o secure employment (employment contracts)
  - o prospects for career progression and professional development opportunities (line 48).

- *Accept any other relevant internal stakeholder of MSS that is described.*

N.B. *analysis should come from explaining how MSS affects the interests of the chosen internal stakeholder.*

Award a maximum **[2 marks]** *if the stakeholder chosen is external, or if there is no application to MSS.*

Award a maximum **[4 marks]** *if the answer lacks clear application to MSS, or if only one interest for the stakeholder is presented in context.*

Award a maximum **[6 marks]** *if the explanation is detailed, and written in the context of MSS.*

3. (a) **Define the following terms:**

   (i) *charity* (line 14) *[2 marks]*

A charity is a non-profit organization set up to provide assistance and raise money for those in need. *MSS* is run as an educational charity, meaning any surplus it makes as a school is used as internal finance rather than distributed to owners.

Award [1 mark] for a description that shows some understanding of charity or an answer that shows no application to the MSS case study.

Award [2 marks] for an answer with a clear definition of charity, with clear application to the MSS case study.

   (ii) *vision statement* (line 36). *[2 marks]*

The vision statement of a business is a written declaration of where the organization aspires to be in the future. The vision is therefore the overall long-term goal of a business. Having a vision statement gives the organization a clear sense of purpose. Jacob Wendo thinks *MSS* needs to produce a vision statement.

Award [1 mark] for a description that shows some understanding of vision statement or an answer that shows no application to the MSS case study.

Award [2 marks] for an answer with a clear definition of vision statement, with clear application to the MSS case study.

   (b) **Explain why *MSS* might struggle to attract external sources of finance.**
   [6 marks]

Reasons why *MSS* might struggle to secure external sources of finance to fund its operations might include:

- *Charity status* – as an organization with charitable status, *MSS* does not strive to earn a profit for its owners. Providers of external finance want a return on their investment, so are less attracted to clients such as *MSS.*
- *Limited market size* – Building a large customer base in Tanzania has proved difficult for *MSS* due to a low GDP per capita in the country, the rural location of the school, and the cost of education as a school that charges fees for its services.
- *Inability to raise sufficient internal finance* – despite being describe as wealthy, Jacob Wendo has not come forward with offers to build an IT centre at the school. This raises concerns for providers of external finance about the affordability and desire of *MSS* to grow, especially as it is finding it difficult to attract students.

- *No business plan* – Although Mrs K is keen to convert a classroom into an IT centre, a draft business plan has yet to be produced in order to secure external finance. It is unlikely that an external party would provide the necessary funds for the 'expensive' (line 55) without having access to the necessary financial information provided by *MSS*.
- *High labour turnover rate* – the inability of the school to retain staff will be a concern to external investors. A high staff turnover rate suggests teachers are dissatisfied with aspects of work at *MSS* (Herzberg's two-factor theory).
- *Accept any other well-explained reason, written in the context of the MSS case study.*

Award a maximum of [2 marks] if the explanation is inaccurate, lacks clarity or lacks application to MSS.

Award a maximum of [4 marks] if the response lacks depth in the explanation. There is an attempt at application to the MSS case study.

Award [6 marks] if the explanation has depth and is applied well to the MSS case study.

SECTION B

4.   (a)   Define the term *secondary market research*.   [2 marks]

Also known as **desk research**, this refers to information collected from second-hand sources (which already exist), e.g. government statistics, the news media and independent market research reports, all of which are easily accessible to the public. The data presented in Items 1 and 2 are from secondary sources, such as the United Nations Development Programme (UNDP) and Trading Economics.

*Candidates are **not** expected to word their definition **exactly** as above.*

Award [1 mark] for a definition that only demonstrates partial understanding of secondary market research or an answer that shows no application to the MSS case study.

Award [2 marks] for a definition that demonstrates clear understanding of secondary market research, with clear application to the MSS case study.

(b) **Explain the importance of having a mission statement for *MSS*.** *[4 marks]*

An organization's mission statement refers to a declaration of its overall goal and its intended purpose. Currently, it is not clear (at least to external stakeholders) what *MSS* really exists for; to many, it may simply be perceived as another secondary school.

The mission statement forms the basis for setting the aims and objectives of the organization. This could help to unify staff, so they work collectively to achieve the desired organizational goals. It would also help with decision-making, such as whether to invest in an IT centre at the school or to market its services at students from other cities and neighbouring countries.

Jacob Wendo thinks *MSS* needs to produce a mission statement so that there is a common purpose, based on shared values of the school.

Accept any other relevant explanation.

Award up to *[2 marks]* for an answer that shows some knowledge of the importance of mission statements. The answer lacks depth or application to *MSS*.

Award up to *[4 marks]* for an accurate answer that shows good knowledge of the importance of mission statements. The answer is applied well to the *MSS* case study.

(c) **Explain how converting a classroom into an IT centre can provide *MSS* with a unique selling point (line 54).** *[4 marks]*

Also known as a **unique selling proposition**, a unique selling point refers to any aspect of a business or a product that makes it stand out positively from others on the market. The head teacher, Mrs K, believes that building an IT centre at *MSS* will give the school a USP as few local schools have IT facilities. The school has struggled to increase the number of students, so having such facilities helps to differentiate the school from others in Tanztown and the neighbouring areas.

Having such IT facilities would give the school a competitive advantage over other local schools. This also helps *MSS* to improve its marketing plan and overall marketing strategy, in order to promote the school to students in the cities and even in neighbouring countries. For example, *MSS* could market its IT centre as part of the physical evidence component of the marketing mix.

In terms of sustainability, *MSS* needs a distinctive selling point – it already attains very good results in the national tests, but having IT facilities can help to maintain or grow student numbers in the long term. As there is mass poverty in Tanzania (Item 2), gaining an education with digital literacy can help these students to get out of the poverty cycle.

Note: do not award marks for answers that simply explain the benefits of a unique selling point as this question focuses on how an IT centre provides the school with a USP.

Award up to *[2 marks]* for an answer that shows some knowledge of how an IT centre can create a USP for *MSS*. The answer lacks depth or the explanation is rather generic.

Award up to *[4 marks]* for an in-depth answer that shows good knowledge of how an IT centre creates a USP for *MSS*. There is sound application to the *MSS* case study.

(d)   Using the information in Items 1 and 2, and information in the case study, discuss the decision to market *MSS* to a wider area, including Dodoma, the capital city (lines 33 - 36).   *[10 marks]*

The decision to market *MSS* to a wider area, beyond Tanztown, creates more opportunities for the school. Possible reasons to support the decision include:

- Jacob Wendo's vision is to provide an affordable education to girls in Tanzania. Pursuing this growth option will help him to further realise this dream. Having received the humanitarian award (line 21), the next natural step seems to be to market *MSS* for the benefit of other girls in the cities and neighbouring countries.
- The school is struggling to recruit new students; after all, the school is located near Tanztown which is a rural area with many small villages. It is not sustainable for the school to rely only on local students, especially as many of the girls do not complete their education, as they are needed to work on the farms. Marketing the school to a wider area can alleviate this problem for the school.
- Similarly, even without an IT centre, there is scope to extend the marketing mix to Dodoma and other cities as the school fees are about 20% lower (line 40), yet the school offers boarding facilities (line 11).
- *MSS* can fill unmet needs of customers (students) in Dodoma, other cities, and neighbouring countries – an affordable education for girls.
- Attracting more customers (students) will help *MSS* to achieve some economies of scale (line 36). This will help the school to cut its unit costs, thereby improve the financial health of the school.
- Primary market research (lines 38 – 40) suggest that *MSS* could attract students from the cities. This is an opportunity that Jacob Wendo clearly wants to capitalise on.

- Although the current government has provided grants to *MSS*, the data in Item 1 shows the government debt to GDP ratio is 39%. This suggests that government financial support of schools, such as *MSS*, may not be sustainable. This means the school needs to seek alternative revenue streams, relying more on school fees.
- Increased revenues from having more students in the school will help with all aspects of running *MSS*, including improved conditions of work and facilities to help retain teachers (line 42).
- *Accept any other relevant and substantiated argument that is discussed.*

Possible reasons against the decision to market the school to a wider area include:

- Per capita income is low in Tanzania (line 7), so this limits the number of potential customers (students) who could afford a private education at *MSS*. The level of poverty in Tanzania is very high, with 68% of the population living on around $1.25 per day (Item 2).
- Similarly, data in Item 1 suggests that real income is declining, as GPD growth is 1.5% yet inflation is 5.2%. This means lower standards of living for the average person in Tanzania, and lower ability to pay for the education offered at schools such as *MSS*.
- Despite equal rights being enshrined in the constitution of Tanzania (line 9), many girls in cannot complete their education as they have to work on small farms. This is typical throughout Tanzania, with half its workforce in the agriculture industry (Item 2).
- As an educational charity (line 14), there are very limited funds to pay for an effective promotional campaign to attract students from neighbouring countries (line 36).
- *Accept any other relevant and substantiated argument that is discussed.*

For a purely descriptive answer, and without clear application to MSS, award up to [2 marks].

For an answer that is theoretical or descriptive in nature, or without effective use of the case study material, award a maximum of [4 marks].

Award a maximum of [5 marks] if the answer is unbalanced or lacks depth of discussion.

Award a maximum of [6 marks] if there is use of the additional information (in Items 1 and 2), but the discussion lacks depth.

If there is good use of the case study material and additional information, applied in the context of MSS, but is lacking a conclusion, award a maximum of [8 marks].

For up to [10 marks], there is effective use of the case study material and additional information, and in-depth discussion of the opportunities and threats regarding MSS marketing itself to a wider area.

BUSINESS MANAGEMENT – PAPER 1 CASE STUDY PACK
Higher Level Mock Examination
Paper 1
Case Study: Mikumi Secondary School (MSS)

For use in November 2017

2 hours 15 minutes

INSTRUCTIONS

• Do not open this examination paper until you have been instructed to do so
• You will need a clean copy of the *MSS* case study for this examination paper
• A clean copy of the Business Management formulae sheet is required
• Answer any **two** questions from Section A
• Answer **the** compulsory question from Section B
• Answer **the** compulsory question from Section C
• You are permitted to use a calculator for this examination paper
• Total marks available: 60 marks

SECTION A

*Answer **two** questions from this section.*

1.   (a)   In the context of *MSS,* distinguish between *capital expenditure* and *revenue expenditure* (lines 16 - 17).   *[4 marks]*

       (b)   In the context of *MSS,* explain the differences between the marketing of services and the marketing of goods.   *[6 marks]*

2.   (a)   Describe **two** drawbacks for *MSS* of high labour turnover of about 30% (line 42).   *[4 marks]*

       (b)   Using information in the case study, construct a fishbone diagram for *MSS* and explain the root causes of its high labour turnover (line 42).   *[6 marks]*

3.   (a)   Define the following terms:

           (i)   *vision statement* (line 37).   *[2 marks]*

           (ii)   *economic sustainability* (line 28).   *[2 marks]*

       (b)   Explain why *MSS,* as an educational charity (line 14), might struggle to attract external sources of finances.   *[6 marks]*

There is no additional information in this mock exam paper for Section A.
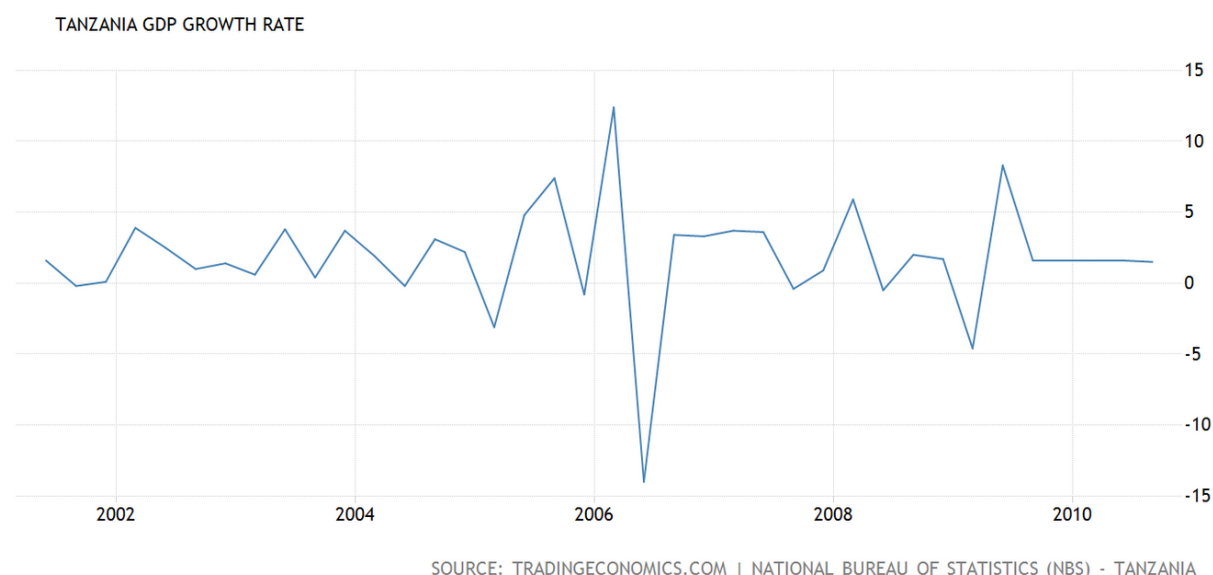
SECTION B

*Answer **the compulsory** questions from this section.*

4.   Presented with **secondary market research** findings (see Items 1 – 2), Jacob Wendo and
        Mrs Kashinga are not in agreement regarding how best to attract more students to the
        school. This has made Jacob ever more keen to ensure *MSS* has a mission statement. He
        also wants to pursue the option of marketing *MSS* to a wider area, including Dodoma, the
        capital city. Mrs Kashinga has her doubts about this.

Item 1 – Tanzania economic indicators

* GDP growth rate   1.5%
* Unemployment rate   10.3%
* Youth unemployment   13.7%
* Inflation rate   5.2%
* Food inflation   8.9%
* Bank lending rate   16.85%
* Population   50.14 million
* Government debt to GDP   39%

Figure 1 – Tanzania economic growth rate (2008 – 2017)

TANZANIA GDP GROWTH RATE

SOURCE: TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS (NBS) - TANZANIA

Source: adapted from www.tradingeconomics.com/tanzania/indicators

(This question continues on the following page)

Item 2 – Tanzania facts

- Tanzania is located in East Africa, with a population of over 50 million people.
- Kiswahili is the official language, and used as the medium of instruction in primary schools. English is the medium of instruction in secondary schools and higher education institutions.
- Tanzania is bordered by eight countries: Burundi, Rwanda, Uganda, Kenya, Mozambique, Malawi, Zambia and the Democratic Republic of the Congo.
- The level of poverty in Tanzania is very high. According to the United Nations Development Programme (UNDP), around 68% of the population live below the poverty line, i.e. they earn equal to or less than $1.25 a day. In particular, children in rural areas suffer much higher rates of malnutrition.
- Agricultural output accounts for about 24.5% of Tanzania's gross domestic product (GDP), 50% of the employed workforce and 85% of the country's exports.
- Tanzania has five universities.
- Although not direct rival schools to *MSS*, there are 4 IB World Schools based in Tanzania offering the IB Diploma Programme.

Sources: www.bibl.u-szeged.hu/oseas_adsec/tanzania.htm and www.tz.undp.org/content/tanzania/en/home/countryinfo.html

(a)   Define the term *flat organizational structure* (line 49).   *[2 marks]*

(b)   Explain the importance of having a mission statement (line 37) for *MSS*.   *[4 marks]*

(c)   Describe **two** benefits for *MSS* having a unique selling point (line 54).   *[4 marks]*

(d)   It has proved difficult to recruit and retain teachers at *MSS* (lines 41 – 42). Using relevant motivation theories, discuss the factors that may demotivate teachers at *MSS*.   *[10 marks]*

SECTION C

*Answer **the** following question.*

5.   Jacob Wendo, the trustees of *MSS*, Mrs Kashinga and Mr Jones have met to discuss the options to attract more students to the school and to tackle the problem of staff retention. They are considering two options as items of capital expenditure:

Option 1:
Build the new IT centre. This would cost an estimated $40,000 but would generate a net cash flow of $10,000 in the first year and $12,000 thereafter for the next four years.

Option 2:
Improve the living accommodation for teachers. This is expected to cost $50,000 in renovation works but generate cost savings (from the reduction in the costs of recruitment and training) of $14,000 for the next five years.

Mr Jones, the general manager, presented the following data for the group to help with this decision. It shows the annual net cash flow forecasts from the two projects. Mr Jones is keen that the group conducts a full investment appraisal to guide its decision-making. This would involve consideration of the payback period, the average rate of return and the net present value (using a discount rate of 6%) for the two projects.

	Year 1	Year 2	Year 3	Year 4	Year 5
Option 1	10,000	12,000	12,000	12,000	12,000
Option 2	14,000	14,000	14,000	14,000	14,000

Discount rate (6%)

Year	Discount rate
1	0.9434
2	0.8900
3	0.8396
4	0.7921
5	0.7473

Using the additional stimulus material above (Section C) **and** information from the case study, recommend which option *MSS* should pursue.   *[20 marks]*

BUSINESS MANAGEMENT – PAPER 1 CASE STUDY PACK
Higher Level Mock Examination – Mark scheme
Paper 1
Case Study: Mikumi Secondary School (MSS)

For use in November 2017

TEACHERS' NOTES

- These are suggested answers only
- Teachers should use their professional judgment in awarding answers that may not be included in this mark scheme
- The data included in Section B are correct at the time of writing. It is provided for illustrative purposes only, in order to give students practise for the final examination in November 2016.
- The strategic options in Section C are for illustrative purposes only, again to give students examination practise.

SECTION A

1. (a) **In the context of MSS, distinguish between** *capital expenditure* **and** *revenue expenditure* **(lines 16 - 17).**   *[4 marks]*

   Capital expenditure refers to spending by a business on acquiring, maintaining and/or upgrading fixed assets. It represents a financial investment in the business. Mrs Kashinga, the head teacher (principal) is responsible for managing revenue expenditure at *MSS*, such as the purchase of photocopiers, printers or telephones.

   Revenue expenditure refers to the money needed for the day-to-day running of a business. Mrs Kashinga is responsible for managing revenue expenditure at MSS, such as finance for stationery, insurance, electricity bills, and teachers' salaries.

   Award up to [2 marks] for definitions that are imprecise or lack any application to MSS.

   Award up to [4 marks] for definitions that are precise and written in the context of MSS.

   (b) **In the context of** *MSS,* **explain the differences between the marketing of services and the marketing of goods.**   *[6 marks]*

   The traditional marketing mix describes the key components of marketing a physical good, such as a laptop computer. It is a business tool used within a marketing plan to market a firm's products.

   The traditional marketing mix consists of the four Ps:

   ▪   Product – *MSS* provides secondary school level education for girls, located near to Tanztown in Central Tanzania. It also offers a boarding service for the students.
   ▪   Price – *MSS* charges for its services. The price is about 20% lower than the typical school located in cities.
   ▪   Promotion – This refers to the marketing process of informing and reminding people about *MSS*, usually through advertising.
   ▪   Place – This refers to how *MSS* is distributed. As it is a service provided, distribution is not key to the school's marketing mix.

   However, the marketing mix for services, as in the case of *MSS*, includes 3 additional Ps. Mrs Kashinga thinks the IT facilities and an IT centre at *MSS* should be included in its marketing mix (specifically under the category of 'physical evidence').

The three additional Ps are:

- People – Essentially, this refers to the teachers at the school but also included the non-teaching employees. Staff at the school play an important role in marketing the school – what they say and do can have a huge impact on perceptions and word-of-mouth promotion for *MSS*.
- Physical environment – The physical building and its facilities have a key role in marketing the school. Mrs K suggests that having an IT centre will improve the facilities and physical environment of the school.
- Processes – This refers to how things are done at the school, from a marketing perspective. For example, the admissions process to get into the school, and how parents are treated in this process, can have a large impact on the success of the school in recruiting more students.

- *Accept any other relevant aspect of the marketing mix of goods and services that is applied to the case study.*

Award a maximum of [2 marks] if there is a limited understanding of the difference between the marketing mix of goods and services, or if the answer is simply descriptive and theoretical.

Award a maximum of [4 marks] if there is some understanding of the difference between the marketing mix of goods and services, but the answer may lacks depth in the explanation. There are attempts to apply the answer to MSS.

Award [6 marks] if there is an in-depth response and broad coverage of the difference between the marketing mix of goods and services. The response is suitably applied to the MSS case study.

2. (a) **Describe <u>two</u> drawbacks for *MSS* of high labour turnover of about 30% (line 42).** *[4 marks]*

Labour turnover measures the rate of change of human resources within an organization, per time period. The more people who leave the organization, the higher the labour turnover rate.

Drawbacks of a high labour turnover rate include the following arguments:

- The need to replace workers who leave is an expensive process, from advertising for teachers, to hiring and training/inducting them to *MSS*.
- A high labour turnover rate suggest the school could be a lot more productive. It is disruptive for the staff if colleagues constantly leave the organization and others join. It can also hinders institutional knowledge and trust within the organization. It takes time for new teachers to adapt to a new school and organizational culture too.

- It also suggests employees are less likely to be loyal to the organization, so are less willing to devote their personal energy to teaching at *MSS*. Despite some teachers commenting that they enjoyed teaching at the school (line 43), there is little evidence to suggest strong motivation exists at *MSS*.
- It is counter-productive for senior management in the organization. Mrs K needs to devote far more of her time to the recruitment of teachers. If the school had a low labour turnover rate, she could spend more of her time and energy focusing on teaching and learning.
- *Accept any other relevant disadvantage of a high labour turnover rate, written in the context of MSS.*

Mark as 2 + 2

Award [1 mark] for a valid drawback and up to [1 mark] for the explanation of each of these, written in the context of MSS, up to a total maximum of [4 marks].

(b) **Using information in the case study, construct a fishbone diagram for *MSS* and explain the root causes of its high labour turnover (line 42).** *[6 marks]*

A fishbone diagram (or cause and effect diagram) enables *MSS* to determine the root causes of a problem it is faced with. In this case, the issue being examined is the school's high labour turnover rate. An example is shown below:
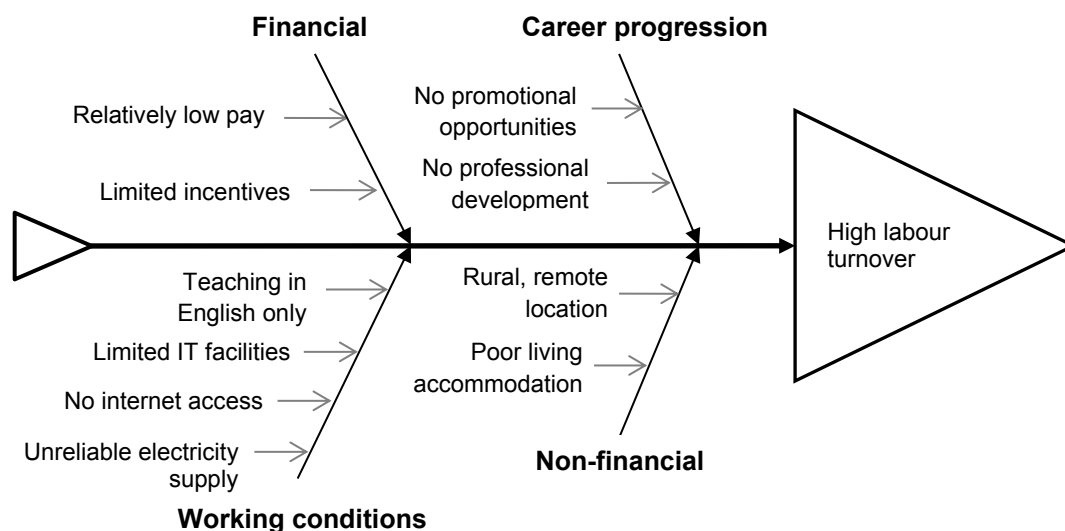
The explanation should consider how the above factors contribute to the high labour turnover at *MSS*. Candidates should be rewarded for explaining any other relevant cause of the high labour turnover rate at *MSS* not shown in the above fishbone diagram – which is only provided as an example.

Note: there is no need to use motivation theory to answer this question.

Award a maximum of [2 marks] for a rough sketch of a fishbone diagram.

Award a maximum of [3 marks] for a well presented fishbone diagram, but with no explanation.

Award up to [4 marks] if the answer includes a well presented fishbone diagram with an attempt to explain the root causes of the high labour turnover at MSS.

Award [5 to 6 marks] for a well presented fishbone diagram with detailed explanations of the root causes of the high labour turnover at MSS.

3. (a) **Define the following terms:**

(i) *vision statement (line 37)*   *[2 marks]*

A vision statement refers to where an organization aspires to be in the distant future. It is the long term, aspirational goal of a business. Jacob Wendo thinks *MSS* needs to produce a vision statement in order for the school and the staff to have a clear sense of purpose and direction.

*Candidates are **not** expected to word their definition **exactly** as above.*

Award [1 mark] for a description that shows some understanding of the term vision statement, or an answer that shows no application to MSS.

Award [2 marks] for an answer with a clear definition of vision statement, with appropriate application to MSS.

(ii) *economic sustainability* (line 28)   *[2 marks]*

Economic sustainability refers to the ability of a country, such as Tanzania, to support its level of economic activity for future generations. It is about being efficient in managing the use of the country's scarce resources so that economic growth can be maintained. As part of their extended curriculum (extra-curricular activities), students at *MSS* are involved in economically sustainable activities, such as growing some of their own food on land owned by the school.

*Candidates are **not** expected to word their definition **exactly** as above.*

Award [1 mark] for a description that shows some understanding of the term economic sustainability, or an answer that has no application to MSS.

Award [2 marks] for a clear definition of economic sustainability, with appropriate application to MSS.

(b) **Explain why *MSS*, as an educational charity (line 14), might struggle to attract external sources of finances.** *[6 marks]*

Reasons why *MSS* might struggle to attract external sources of finance to fund its operations might include:

- *Charity status* – as an organization with charitable status, *MSS* does not strive to earn a profit for its owners. Providers of external finance want a return on their investment, so are less attracted to clients such as *MSS*.
- *Limited market size* – Building a large customer base in Tanzania has proved difficult for *MSS* due to a low GDP per capita in the country, the rural location of the school, and the cost of education as a school that charges fees for its services.
- *Inability to raise sufficient internal finance* – despite being describe as wealthy, Jacob Wendo has not come forward with offers to build an IT centre at the school. This raises concerns for providers of external finance about the affordability and desire of *MSS* to grow, especially as it is finding it difficult to attract students.
- *No business plan* – Although Mrs K is keen to convert a classroom into an IT centre, a draft business plan has yet to be produced in order to secure external finance. It is unlikely that an external party would provide the necessary funds for the 'expensive' (line 55) without having access to the necessary financial information provided by *MSS*.
- *High labour turnover rate* – the inability of the school to retain staff will be a concern to external investors. A high staff turnover rate suggests teachers are dissatisfied with aspects of work at *MSS* (Herzberg's two-factor theory).
- *Accept any other well-explained reason, written in the context of the MSS case study.*

Award a maximum of [2 marks] if the explanation is inaccurate, lacks clarity or lacks application to MSS.

Award a maximum of [4 marks] if the response lacks depth in the explanation. There is an attempt at application to the MSS case study.

Award [6 marks] if the explanation has depth and is applied well to the MSS case study.

SECTION B

4. **(a)** **Define the term *flat organizational structure* (line 49).** *[2 marks]*

A flat organizational structure is one that is not hierarchical, with very few levels of management and supervision. Hence, there are short chains of command from the top of the organization (such as from a head teacher) down to the bottom of the organization (such as the teachers at *MSS*). A flat organizational structure increases the span of control for managers, thus offers fewer opportunities for job promotion.

*Award **[1 mark]** for a definition that shows some understanding of the term flat organizational structure, or an answer that shows no application to MSS.*

*Award **[2 marks]** for an answer with a clear definition of flat organizational structure, with appropriate application to MSS.*

(b) **Explain the importance of having a mission statement (line 37) for *MSS*.**
[4 marks]

An organization's mission statement refers to a declaration of its overall goal and its intended purpose. Currently, it is not clear (at least to external stakeholders) what *MSS* really exists for; to many, it may simply be perceived as another secondary school.

The mission statement forms the basis for setting the aims and objectives of the organization. This could help to unify staff, so they work collectively to achieve the desired organizational goals. It would also help with decision-making, such as whether to invest in an IT centre at the school or to market its services at students from other cities and neighbouring countries.

Jacob Wendo thinks *MSS* needs to produce a mission statement so that there is a common purpose, based on shared values of the school.

Accept any other relevant explanation.

*Award up to **[2 marks]** for an answer that shows some knowledge of the importance of mission statements. The answer lacks depth or application to MSS.*

*Award up to **[4 marks]** for an accurate answer that shows good knowledge of the importance of mission statements. The answer is applied well to the MSS case study.*

(c) **Describe <u>two</u> benefits for *MSS* having a unique selling point (line 54).**

[4 marks]

The interrelated advantages of having a USP include the following:

- The USP explains to students and parents why *MSS's* educational service is better than that provided by alternative schools.
- The USP give the school clear differentiation, as few local schools have IT facilities (line 53), helping *MSS* to attract more students.
- Since *MSS* is a fee-paying school, having the USP helps to increase revenue for the school.
- It can encourage customer loyalty (parents send their younger children to the school when they reach secondary education level). It can also encourage positive word of mouth promotion for the school, helping to bring in new customers (students).
- It can help to improve the school's marketing, by integrating the USP into all aspects of its marketing, such as school brochures. Essentially, the USP provides and promotes a clear benefit to customers (the students of *MSS* and their parents).
- In the long term, is the USP leads to higher enrolment numbers at the school, it may gain the ability to charge more because of the added value service (although the IT facilities would need to be kept up to date).
- Ultimately, a USP can give *MSS* competitive advantages over other schools in the Tanztown area
- *Accept any other relevant benefit of having a USP.*

Mark as 2 + 2

*Award **[1 mark]** for <u>each</u> valid advantage that is identified, and **[1 mark]** for the development of each of these answers, written in the context of MSS, up to a maximum of **[2 marks]**.*

(d) **It has proved difficult to recruit and retain teachers at *MSS* (lines 41 – 42). Using relevant motivation theories, discuss the factors that may demotivate teachers at *MSS*.** *[10 marks]*

Any combination of the motivation theories/theorists in the Business Management subject guide may be used to answer this question:

- FW Taylor (scientific management)
- A Maslow (hierarchy of needs)
- F Herzberg (motivation-hygiene theory)
- JS Adams (equity theory)
- DH Pink (autonomy-purpose-mastery)

Factors in the *MSS* case study that can possibly lead to demotivation of the teachers include:

- Centralised decision-making – This could be related to Pink's autonomy factor as teachers are unable to have any decision making power given the flat nature of its organizational structure (line 49). Teachers may therefore feel disconnected, less valued, or undermined – which could be related to Herzberg's hygiene factors (relationship with supervisors).

- Relatively low wages - Teachers are paid according to the standard government pay scales, whereas those working in private, international schools are likely to earn more. Taylor's theory argues that people are driven by economic factors; the relatively low pay in Tanzania, especially without prospects for promotion at *MSS*, does not meet this need. In addition, real wages in Tanzania are falling as the GDP growth rate (1.5%) is less than the rate of inflation (5.2%) as shown in Item 1.

- Working conditions are poor – Herzberg's theory suggests there is dissatisfaction at *MSS* as it is failing to address hygiene factor needs. For example, teachers' living accommodation is of poor quality - this is a particularly important non-financial consideration for teachers as the school is located in a remote area. In addition, the school has only recently had IT facilities (albeit, without any internet access). Some teachers have found it difficult to teach the girls in only English as most students speak Kiswahili (lines 46 - 47). Also, the lack of career progression and opportunities for professional development limit opportunities for progression and achievement (motivators in Herzberg's theory).

- A lack of promotional opportunities – Maslow's recognition and esteem needs are not met as *MSS's* organizational structure is flat (Figure 1). This means there are no promotional opportunities for teachers (lines 47 - 48). In addition, there are no possibilities for professional development (lines 47 - 48), meaning opportunities to meet the needs of teachers are not met.

- Inequalities – Adams's theory suggests that the rewards do not meet the efforts of the teachers. Their pay is not exceptionally high, yet they have to make sacrifices, such as putting up with poor living accommodation and poor facilities at work.

- *Accept any other relevant and substantiated point that is discussed in the context of the MSS case study.*

*Award [**1 to 2 marks**] for an answer that uses motivation theories in a superfluous way. There is general discussion about motivation, without application to MSS.*

*Award [**3 to 4 marks**] for answers that demonstrate some understanding of the motivational issues facing teachers at MSS, but with gaps in the understanding of motivation theories. The answer contains simplistic comments. Alternatively, there is*

theoretical understanding of relevant motivational theories, but with minimal application to MSS.

Award [5 to 6 marks] for answers that have only one relevant motivation theory. Alternatively, the answer may include two theories but with limited application to MSS. There is no, or very limited, evaluation.

Award [7 to 8 marks] for answers that demonstrate good discussion, using at least two theories. There is appropriate application to MSS, with some evidence of evaluation.

Award [9 to 10 marks] for answers that demonstrate good discussion, using at least two relevant theories. There is good use of the case study, including the additional material. There is clear evidence of evaluation.

SECTION C

*Answer **the compulsory** question from this section.*

5. **Using the additional stimulus material above (Section C) <u>and</u> information from the case study, recommend which option *MSS* should pursue.**   *[20 marks]*

Candidates should carry out an investment appraisal to calculate the payback period (PBP), the average rate of return (ARR) and the net present value (NPV), using a discount rate of 6%, for the two projects.

Payback period (PBP)

Using the cumulative cash flow method shows that both project will reach their PBP after the third year but before the end of the fourth year.

PBP	Cost	Year 1	Year 2	Year 3	Year 4
Option 1	35,000	10,000	22,000	34,000	46,000
Option 2	50,000	14,000	28,000	42,000	56,000

For Option 1, which costs $40,000, the PBP can be calculated as follows:

- At the end of Y3, the total net cash flow = $34,000
- The shortfall to reach PBP = $6,000
- In Y4, the annual NCF = $12,000
- Hence, in Y4, the monthly NCF = $12,000 / 12 = $1,000 per month
- $6,000 / $1,000 = 6 months
- ∴ PBP = 3 years and 6 month

For Option 2, which costs $50,000, the PBP can be calculated as follows:

- At the end of Y3, the total net cash flow = $42,000
- The shortfall to reach PBP = $8,000
- In Y4, the annual NCF = $14,000
- Hence, in Y4, the monthly NCF = $14,000 / 12 = $1,167 per month
- $8,000 / $1,1,67 = 6.86 months
- ∴ PBP = 3 years and 7 months

Average rate of return (ARR)

Adding up the total NCF for each Option gives the total revenue over the five years. The difference between this figure and the cost of the investment gives the expected total profit for each Option. To calculate the ARR, the annual profit figure is required.

	Revenue	Cost	Profit	Profit p/a
Option 1	58,000	40,000	18,000	3,600
Option 2	70,000	50,000	20,000	4,000

For Option 1, the ARR is calculated as follows:

$3,600 / $40,000 = **9.0%**

For Option 2, the ARR is calculated as follows:

$4,000 / $50,000 = **8.0%**

Net present value (NPV)

To calculate the NPV, the NCF from each year must be discounted by the relevant discount factor. The sum of these NCF figures minus the cost of the investment then gives the value of the NPV.

Year	Discount rate	Option 1 NCF	Option 2 NCF
1	0.9434	9,434	13,208
2	0.8900	10,680	12,460
3	0.8396	10,075	11,754
4	0.7921	9,505	11,089
5	0.7473	8,968	10,462
	Total	48,662	58,974
	Cost	40,000	50,000
	NPV	**8,662**	**8,974**

In summary:

	PBP	ARR	NPV
Option 1 (IT centre)	3 years, 6 month	9.0%	$8,662
Option 2 (accommodation)	3 years, 7 months	8.0%	$8,974

Arguments in favour of Option 1 (IT centre) might include:

- A slight shorter PBP, although the difference is insignificant
- The ARR is 1% higher for each year of the project
- Option 1 is a slightly cheaper option, so represents less financial risk to the school
- Having an ICT centre could give *MSS* a competitive advantage over local rivals that do not have this unique selling point (line 53), helping *MSS* to attract more students
- In the long term, is the USP leads to higher enrolment numbers at the school, it may gain the ability to charge more because of the added value service (although the IT facilities would need to be kept up to date)
- Having decent IT facilities and an IT centre could improve the conditions at work for the teachers at *MSS*
- Having properly functioning IT facilities such as internet access can help deal with hygiene factors that are causing some dissatisfaction at *MSS*
- Converting a classroom into an IT centre can help *MSS* to improve its marketing plan and overall marketing strategy, in order to promote the school to students in the cities and even in neighbouring countries.

Arguments in favour of Option 2 (living accommodation for teachers) might include:

- The NPV is higher for Option 2, but the difference of $312 is insignificant
- Even though the ARR for Option 2 is lower, it still earns *MSS* an extra $400 per year (or $2,000 over the lifetime of the project) compared with Option 1
- The school also finds it difficult to recruit and retain teachers (line 42), so must improve the living accommodation (one of the main concerns expressed by teachers who have left the school), i.e. the living accommodation for teachers is of poor quality (lines 44 - 45), which makes it more difficult to retain staff
- Improved perks, such as better quality living accommodation especially due to the remote location of *MSS*, can help to motivate teachers, given that *MSS* is unable to raise their salaries (teachers are paid according to the standard government pay scales)
- Similarly, improving the living accommodation for teachers may help to retain staff; the high staff turnover rate of about 30% suggests teachers are dissatisfied with aspects of work at *MSS* (Herzberg's two-factor theory).

Despite Option 1 having a shorter PBP and higher ARR, these figures are only estimates at best. The higher NPV figure for Option 2 might not materialise as it is difficult to make accurate projections for 5 years. Factors such as adverse weather conditions might delay buildings works for both the IT centre and the renovations to the living accommodation. These external factors would tend change the estimated figures for the PBP, ARR and NPV.

The final decision will depend on a number of quantitative and qualitative factors, such as:

- *MSS's* overall approach and attitude to risks. This will also depend on the relatively bargaining power of Jacob Wendo, the other trustees of *MSS*, Mrs Kashinga and Mr Jones.
- The available funds to *MSS* to implement one of these two strategic options. The bank lending rate in Tanzania is relatively high at 16.85% (Item 1), so Option 2 may be riskier as it costs an extra $10,000 (or 25% more than Option 1).
- The financial health of the school (date for which has not been provided in the case study).
- The accuracy of the quantitative data and forecasts presented by Mr Jones.
- The need to consider other decision-making tools such Gantt charts, force field analysis and decision trees.
- The need to consider qualitative factors, such as the impact of the two projects on the wellbeing of staff and the impact on teaching and learning at the school.
- *Accept any other relevant substantiated conclusion.*

Awarding the 20 marks (from pages 65 – 68 of Business Management Guide)

There are 5 assessment criteria for Section C:

Criterion A: Knowledge and understanding of tools, techniques and theories
Criterion B: Application
Criterion C: Reasoned arguments
Criterion D: Structure
Criterion E: Individual and societies

Criterion A: Knowledge and understanding of tools, techniques and theories
This criterion addresses the extent to which the candidate demonstrates knowledge and understanding of relevant business management tools, techniques and theories, as stated and/or implied by the question. This includes using appropriate business management terminology.

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	Superficial knowledge of relevant tools, techniques and theory is demonstrated.
2	Satisfactory knowledge and understanding of relevant tools, techniques or theories is demonstrated.
3	Good knowledge and understanding of relevant tools, techniques and theories is generally demonstrated, though the explanation may lack some depth or breadth.
4	Good knowledge and understanding of relevant tools, techniques or theories is demonstrated.

Criterion B: Application

This criterion addresses the extent to which the candidate is able to apply the relevant business management tools, techniques and theories to the case study organization.

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	The relevant business management tools, techniques and theories are connected to the case study organization, but this connection is inappropriate or superficial.
2	The relevant business management tools, techniques and theories are appropriately connected to the case study organization, but this connection is not developed.
3	The relevant business management tools, techniques and theories are generally well applied to explain the situation and issues of the case study organization, though the explanation may lack some depth or breadth. Examples are provided
4	The relevant business management tools, techniques and theories are well applied to explain the situation and issues of the case study organization. Examples are appropriate and illustrative.

Criterion C: Reasoned arguments

This criterion assesses the extent to which the candidate makes reasoned arguments. This includes making relevant and balanced arguments by, for example, exploring different practices, weighing up their strengths and weaknesses, comparing and contrasting them or considering their implications, depending on the requirements of the question. It also includes justifying the arguments by presenting evidence for the claims made.

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	Statements are made but these are superficial.
2	Relevant arguments are made but these are mostly unjustified.
3	Relevant arguments are made and these are mostly justified.
4	Relevant, balanced arguments are made and these are well justified.

Criterion D: Structure

This criterion assesses the extent to which the candidate organizes his or her ideas with clarity, and presents a structured piece of writing comprised of:

- an introduction
- a body
- a conclusion
- fit-for-purpose paragraphs.

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	Two or fewer of the structural elements are present, and few ideas are clearly organized.
2	Three of the structural elements are present, or most ideas are clearly organized.
3	Three or four of the structural elements are present, and most ideas are clearly organized.
4	All of the structural elements are present, and ideas are clearly organized.

Criterion E: Individual and societies

This criterion assesses the extent to which the candidate is able to give balanced consideration to the perspectives of a range of relevant stakeholders, including individuals and groups internal and external to the organization.

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	One individual or group perspective is considered superficially or inappropriately.
2	One relevant individual or group perspective is considered appropriately, or two relevant individual or group perspectives are considered superficially or inappropriately.
3	At least two relevant individual or group perspectives are considered appropriately.
4	Balanced consideration is given to relevant individual and group perspectives.