

# Markscheme

**November 2025**

**Business management**

**Higher level**

**Paper 3**

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1. Using an appropriate business management motivation theory, describe **one** human need that SG meets by offering the SG app to farmers. **[2]**

One appropriate motivational theory is Maslow's hierarchy of needs. The needs that SG meets by offering the app include:

**Physiological or basic needs** through allowing farmers to pay for housing food and clothing **and other basic needs** as the app connects them with buyers who are willing to pay fair prices. R1 indicates that the number of farmers struggling has fallen by 77% and average profit is increasing (+125%)

The same could be described for **safety and security needs**, as farmers are probably meeting health and job security through the opportunities give to them by a stable or increased income from using the app.

If a candidate writes that the app **allows farmers to meet Safety needs through 'Safe housing'** award only **[1]** mark. This is repetition. Likewise, if a candidate writes that security needs are met by Job Security.

The application mark for safety and security needs to describe why the SG app provides a safety OR security need for farmers.

**Do NOT accept Psychological or Physical** needs for Maslow.

Equity and Expectancy theory could also be appropriate and described given that farmers could be motivated by receiving fair prices and Table 1 in R1 indicates that they are not struggling as much after the app was used.

Deci and Ryan (Competence) and McClelland (Achievement) could also be appropriate given the data in Table 1 of Resource 1 which indicates that farmers are not struggling and achieving an increase/improvement to the quality of their lives which could be linked to achievement and competence.

*Do not accept Herzberg 2 factor Theory if Hygiene needs are described. These are not motivators. The stimulus does not indicate that Herzberg motivators are being satisfied through Job Enrichment from using the app, hence do not accept this either.*

*Award **[1]** for using an appropriate business management theory, e.g. Maslow's hierarchy of needs and **[1]** for describing a human need which farmers meet. Award up to a maximum of **[2]**.*

*If a candidate includes a relevant Maslow need or other appropriate theory but applied using the app being life changing as from the stimulus then award **[1]** only, as "life changing" or "our lives have improved dramatically" is copied (lifted) from the stimulus.*

2. Using **Resource 2** and **Resource 3**, explain **one** human resource challenge **and one** operations management challenge facing SG. **[6]**

**HR Challenges include**

From Resource 2, one human resource challenge facing SG is that customer service to support the farmers using the app is insufficient. There is evidence of demotivation through overwork. SG Staff may lack the appropriate customer service skills and training. (Identification)

An organization that does not seem to have customer service skills and expertise and thus appropriate training, may hinder future external recruitment and impact on efficiency and productivity. (Theoretically Explained)

The rapid growth of SG has put pressure on customer service workers (there are three-hour delays to answer calls), some employees have resigned, and those who remain are overworked and on the job training is confusing. (Application).

Another human resource challenge linked to this could be the perceived high labour turnover of employees and/or the lack of external induction training (Identified). High labour turnover will impact an organization's recruitment and motivation at a time of faster than expected growth. (Explained) There is evidence from the case that SG has grown too fast. (Application)

**Operations Management challenges include**

From Resource 3, there are operations management challenges, as SG has been threatened by a hacker. There could be a data leak through a cybersecurity threat. (Identification)

A data leak of personal details, even just a threat such as this, can embarrass and have an ethical implication for SG who are supposed to protect their stakeholder's personal information. (Explained) This could also impact the brand value and goodwill that SG have generated (Explained) if personal details of farmers are released. (Application)

A second operation management challenge is the lack of copyright protection. (Identification) Failing to protect trademarks or other intellectual property leaves *an organization* vulnerable to losing its position in the marketplace threatening its sustainability and is risky. (Explained) There is evidence from Resource 3 that a group of business angels, *Ventura*, is thinking of creating a free app that could look very similar to the SG app (Application).

There is a possibility of an additional challenge for SG which is a lack of contingency plan from R3 (identified).

Organizations especially those involved in the handling of data must have a back up plan in case there is a threat or if artificial intelligence does not work properly or breaks down (Theoretically explained).

In R1 there is evidence of a lack of planning and a reliance on artificial intelligence which is being viewed as a challenge and opportunity.

Application is possible outside R2 and R3 for the challenges and could be linked to R1 and R5. Please accept if application is from outside R2 and R3 but not directly copied.

Accept impact on brand value as a theoretical explanation of an ops management challenge if the identification of a challenge is firmly linked to operations management.

*Mark as [3+3]. [1] for identifying the challenge, [1] for theoretical explanation and [1] for application.*

*Award only [1] mark for application if the candidate uses “there is evidence that SG is growing too fast” as application for both challenges.*

3. Using all the resources provided and your knowledge of business management tools and theories, recommend a plan of action to ensure that SG can continue to support struggling farmers. [17]

### Introduction

The main issue in this case, facing Musa and SG, is that although the SG app has been so successful in less than one year, SG is facing several threats which could impact significantly on its sustainability.

Farmers are clearly very happy with the service, which has impacted their lives and the community, (Resource 1) the data in Table 1 is compelling. However, if SG is to continue to support struggling farmers there needs to be a new strategy addressing two issues.

### Possible plan of action

One immediate idea from Resources 1, 2 and 5 is the need for **greater planning**. Some form of Gantt chart, business plan, or contingency plan is required to help with SG’s growth and to anticipate further challenges.

This would hopefully impact on HR and operations, especially the former, where challenges are merging. However, this planning will need to be carefully constructed, as there is evidence that Musa lacks the patience, expertise and experience to undertake this. (R1)

External technical advice and support will be required, which could be costly.

Hence, another idea is to work with **Ventura via a strategic alliance** (Resource 5). Ventura seems to have the technical knowledge that SG lacks. However, the cultures of the two organizations could be very different. SG needs to take the threat of the possible creation of a new, free app seriously. A free app with less functionality could still significantly compete with SG.

Secondly, **SG needs to undertake a social media campaign to educate farmers on the environmental costs of deforestation (Resource 4)**. Mobile phone ownership is set to increase from just over 50% in 2025 to nearly 65% in 2029. (Resource 1, Figure 2), a social media marketing strategy would probably be the method with the fastest reach despite Figure 1 indicating that growth of mobile phone usage in Lamuria is peaking by 2029.

The social media approach could offer articles and other information explaining the problems caused by deforestation.

The sequence of the first plan of action would be (1) to hire or retain social marketing expertise to develop the messaging and (2) to identify and retain influencers who can generate social pressure to follow the anti-deforestation message.

Data mining from the social media campaign could also be used here to provide additional research to support future growth opportunities. (Possible use of Porters’ Generic Strategies or Ansoff).

The issue needs to be thought through carefully. In Resource 3, SG has had one hacker/leak scare and does not need any more. A possible trade-off is that data mining might generate more accurate data, but at what cost to SG’s brand and reputation if there is another breach?

However, a social marketing approach delivered online might not be enough. Farmers who had been poor and are now prosperous will want to continue to prosper. They may simply ignore the message. Also, R5 indicates that internet in Lamuria is not reliable. Unless the negative impacts on the environment directly affect them, these farmers are likely to want to expand their operations and increase their profits. Perhaps SG could offer incentives through reduction in the cost of the app if they comply.

Such a social media and data mining approach will require funding and time to develop and be carried out carefully. Data mining will require more than issuing a few posts and gathering data. The creation of data centres will increase some marketing opportunities but also lead to more complexity in operations management at a time when the organization is perceived to be growing too quickly. (R5)

Thus, appropriate tools and theories could include but not limited to

- Gantt chart
- Business plan
- Contingency planning and Crisis management
- Porters' generic strategies – differentiation and or Ansoff
- Social media and other promotional ideas as part of a mix – below-the-line promotion
- Use of big data – data mining and the implications for decision-making; data centers
- Possible strategic alliance
- Possible new training and financial rewards systems
- Possible new pricing method for the app given that Musa thinks the app is price inelastic. Some use of dynamic pricing and the impact of Ventura on pricing for SG

**Please note for Q3:**

*Examiners should consider any possible course of action that SG could take that is consistent with the stimulus. The sample evidence in the MS is only one possible direction SG could take.*

*If candidates suggest that the plan of action should mean that SG needs to do more planning, then this response is too narrow. The planning should include reference to contingency and/or a business plan and be specific and linked to the stimulus and consider how planning may impact on other relevant areas of the business.*

*Descriptive plan of action based around a SWOT or STEEPLE which merely copies or re-purposes the stimulus should be considered as inappropriate and marks for criterion A and D adjusted accordingly.*

*Marks should be allocated according to the assessment criteria on pages 7–9.*

The following assessment criteria will be used for question 3.

**Criterion A: Use of resource materials**

To what extent does the student use the resource materials provided to effectively support the recommended plan of action?

Marks	Level descriptor
0	The response does not reach a standard described by the descriptors below.
1	The response makes limited reference to the resource materials provided <b>or</b> the resources identified have been used ineffectively to support the recommended plan of action.
2	The response makes some reference to the resource materials provided <b>or</b> the resources identified have been used in a superficial way to support the recommended plan of action.
3	The response makes reference to most of the resource materials provided to support the recommended plan of action.
4	The response makes reference to all resource materials provided to effectively support the recommended plan of action.

It is not expected that candidates will write Resource 1 Resource 2 explicitly in their plans of action. Implied use of resources is acceptable.

***Use of materials in the plan should go beyond just mentioning the resource number/item. If a candidate merely describes the resource or lists them in a SWOT or STEEPLE framework with no analysis, then 1 mark only should be given if even the candidate uses all resources.***

For **[2]**, some reference means at least two resources are used in the plan.

For **[3]**, the candidate refers to at least three resources.

For **[4]**, the candidate refers to at least four resources.

**Criterion B: Business management tools and theories**

To what extent does the student’s plan of action effectively apply appropriate business management tools and theories?

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1	The response demonstrates limited application of appropriate business management tools and theories.
2	The response superficially applies appropriate business management tools and theories.
3	The response satisfactorily applies appropriate business management tools and theories.
4	The response effectively applies appropriate business management tools and theories.

A SWOT analysis which simply lifts the stimulus/resource material and repeats with no further evaluation would not be considered appropriate for a plan of action as it is a situational tool only. If a SWOT is followed by a separate plan of action which is evaluated and not merely repeating the stimulus, then the SWOT could be considered appropriate.

Appropriate tools can be identified from the toolkit but any theory (business content) which is used as a decision-making tool or applied to the plan of action should be accepted.

**Criterion C: Evaluation**

To what extent does the student effectively evaluate the expected impact of their plan of action on the relevant areas of the business?

Marks	Level descriptor
0	The work does not reach a standard described by the descriptors below.
1–2	The response is largely descriptive with limited analysis or evaluation of the expected impact of their plan of action. There is limited reference to the relevant areas of the business.
3–4	The response analyses the expected impact of their plan of action with some reference to the relevant areas of the business. There is some evidence of evaluation, but it is not sustained.
5–6	The student effectively evaluates the expected impact of their plan of action on the relevant areas of the business and considers the trade-offs between those areas.

**Criterion D: Sequencing of ideas and plan of action**

To what extent are the student’s ideas and plan of action sequenced in a clear and coherent manner?

Marks	Level descriptor
0	The response does not reach a standard described by the descriptors below.
1	The response is limited in its sequencing of ideas and plan of action.
2	The response consists of ideas and a plan of action but these are not always sequenced in a clear manner.
3	The response effectively sequences appropriate ideas and a plan of action in a clear and coherent manner.

Please note that weak performance in criteria A B and C does not imply that the mark for criterion D will be weak. A descriptive, inappropriate one-sided plan of action could still be clear and coherent and thus should be awarded **[2]** as per the Mark Band.

Award **[0]** if the answer is incoherent or if there is only **one** idea.

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