**BUSINESS MANAGEMENT - COMMAND WORDS**

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<th>Command</th>
<th>Definition</th>
<th>Example Question</th>
<th>Example Solution</th>
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<td><strong>Identify/State</strong></td>
<td>Give the name or identifying characteristics of something.</td>
<td>Identify 2 stakeholders of a supermarket. (2)</td>
<td>Customers(1) and Employees(1)</td>
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| **Define** | Give a clear meaning. | Define the following financial terms:  
- Fixed Costs (1) | Fixed Costs are costs which remain the same and do not vary with output or sales. (1) |
| **Outline** | Briefly describe – more than one word but not as detailed as ‘describe’. | Outline 2 stages in the recruitment process. (2) | One stage of the recruitment process is to identify a job vacancy to check that the job actually exists. (1)  
Another stage of the recruitment process is to create a job description which includes key information about what the job involves. (1)  
Advertising the job is another stage of the recruitment process. Jobs can be advertised either internally or externally. (1)  
NOTE: “job description” or “advertising” etc. on its own would not be accepted. |
| **Justify** | Why - Give reasons to support suggestions or conclusions. | Justify the importance of good customer service. (2) | Good customer service will ensure that customers return to the business. This will increase the sales of the company. (1)  
The owner of the business will gain a good reputation with good customer service which will entice new customers to try his/her business. (1) |
| **Describe** | Provide a detailed/thorough description. | Describe the factors of production. (3) | Land refers to the natural resources that an organisation uses. Examples of land include farmland, water and coal. (1)  
Labour is the workforce/employees within an organisation for example, managers, shop assistants, cleaners etc. (1)  
Capital is the money invested in the organisation to buy man-made resources. Examples of capital include premises, equipment and machinery. (1)  
Enterprise is the idea that the entrepreneur comes up with for the business. The entrepreneur combines the other factors of production with the idea to make profit. (1) |
| **Compare** | Show similarities and differences between two or more factors. | Compare piece-rate with time-rate as methods of calculating wages. (2) | Piece-rate is where they are paid by the units produced (or sales made) **whereas** time-rate is where employees are paid by the hour. (1)  
Piece-rate means the more units produced, the higher the pay **whereas** time-rate means the more hours worked the higher the pay. (1) |
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<td><strong>Discuss</strong></td>
<td>Examine closely taking account of strengths and weaknesses in an argument; offer reasons for and against.</td>
<td><strong>Discuss</strong> the advantages and disadvantages of recycling to an organisation. (4)</td>
<td>One advantage of recycling to an organisation is that items can be reused to make new products. (1) This can reduce the cost of materials for the organisation and therefore increase their profits. (1) Recycling within an organisation can also give them a competitive edge by helping to improve the reputation and image of the organisation.(1) However, when recycling within an organisation, the items need to be sorted into different categories and this takes time to do. (1) Also, some recycling materials are cheaper and therefore may be of poorer quality. This may put customers off when purchasing the product. (1)</td>
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<td><strong>Explain</strong></td>
<td>Give a detailed response (definition AND explanation) as to why/how something may benefit/hinder.</td>
<td><strong>Explain</strong> the problems of having too much stock. (3)</td>
<td>One problem of having too much stock is that the organisation’s money is tied up in stock which isn’t being used. <strong>This means that</strong> the organisation is unable to use that money to improve another area of the business. (1) Another problem with having too much stock is that goods may deteriorate or become obsolete. <strong>This results in</strong> the organisation having high wastage costs as they will have no other choice but to get rid of this stock. (1) Having too much stock may mean there is a much greater chance of theft from employees or otherwise. <strong>This could result in</strong> a loss of profit from the unsold goods.(1) There are greater storage and insurance costs for organisations with too much stock. <strong>This means that</strong> prices may have to increase to cover these additional costs.(1)</td>
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