

# IB Business Management Worksheet 01

## 1.3 Business objectives - Mission, vision and SMART objectives

Topic	Mission statement, vision statement, aims, objectives and SMART targets
Level	SL/HL foundation
Time	55 minutes
Total marks	50

### Instructions for students

- Answer all questions. Show application to the business case when required.
- Use IB command terms carefully: define, explain, analyse, discuss, evaluate.
- For extended responses, make a justified judgement supported by the case and business concepts.
- Case data are fictional and created for assessment practice.

### Key syllabus coverage

- Mission statements set out the overall purpose of a business.
- Vision statements describe what a business wants to become in the future.
- Objectives translate broad aims into measurable targets.
- SMART objectives help managers coordinate and monitor activity.

## Section A - Multiple choice

Choose the best answer. Each question is worth 1 mark.

### 1. Which statement best defines a mission statement?

- A. A detailed daily production schedule
- B. The overall purpose of a business
- C. A quantified target with a deadline
- D. A list of shareholder dividends

### 2. Which statement is most likely to be a vision statement?

- A. To reduce waste by 12% this year
- B. To be the most trusted renewable energy brand in Europe
- C. To open three stores by June
- D. To pay suppliers within 30 days

### 3. What makes an objective measurable?

- A. It is written by senior managers only
- B. It contains a quantifiable target
- C. It is ambitious and general
- D. It appears in promotional material

### 4. Which objective is the best example of a SMART objective?

- A. Improve the business soon
- B. Become much more sustainable
- C. Increase online sales by 15% within 12 months
- D. Make employees happier

### 5. Why might a mission statement be difficult to evaluate?

- A. It is often broad and not directly measurable
- B. It must be changed every week
- C. It only applies to public sector businesses
- D. It always contains confidential data

**6. Which sequence most accurately shows the movement from broad purpose to action?**

- A. Tactics -> targets -> aims -> mission
- B. Mission -> aims -> objectives -> strategy -> tactics
- C. Objectives -> mission -> tactics -> vision
- D. Strategy -> mission -> targets -> shareholders

**Section B - Short answer**

**7. Define the term vision statement. [2]**

---

---

---

**8. Explain one reason why a business may consult employees when producing a mission statement. [4]**

---

---

---

---

**9. Explain two benefits to a business of setting SMART objectives. [6]**

---

---

---

---

---

---

**10. Rewrite this objective so that it is SMART: "We will improve customer satisfaction." [2]**

---

---

---

**Section C - Data response / case study**

**Case study: GreenGlow Candles**

GreenGlow Candles is a small private sector business that sells handmade candles online and at local markets. Its mission statement is "to brighten homes in a responsible way". The owner, Mara, wants the business to become a nationally recognised eco-friendly home fragrance brand within five years.

Recently, GreenGlow had customer complaints about late deliveries and inconsistent packaging. Mara has drafted three possible objectives for the next year.

Draft objective	Wording
A	Make delivery better as soon as possible.
B	Reduce average delivery time from 5 days to 3 days within 9 months.
C	Be the best sustainable candle maker in the country.

**11. Define the term objective. [2]**

---

---

---

**12. Explain why objective B is more SMART than objective A. [4]**

---

---

---

---

---

**13. Analyse one way GreenGlow's mission statement could influence its business decisions. [6]**

---

---

---

---

---

---

---

---

**14. Evaluate whether GreenGlow should prioritise a clear vision statement or SMART objectives over the next year. [8]**

---

---

---

---

---

---

---

---

---

---

---

---

**Section D - Extended response**

**15. Discuss the value to a start-up business of having a mission statement. [10]**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

# Answer key and marking guidance

## IB Business Management Worksheet 01

Mark positively. Award credit for valid alternative answers that are accurate, relevant and applied to the case. Do not require the exact wording used in this key.

### Section A - Multiple choice answers

Q	Answer	Rationale
1	B	A mission statement sets out the overall purpose of a business.
2	B	A vision statement describes a desired future position.
3	B	Measurable objectives include a number, percentage or clear indicator.
4	C	It is specific, measurable and time-specific; it can also be assessed for realism and agreement.
5	A	Mission statements are usually general and may not include measurable targets.
6	B	Broad purpose is converted into objectives and then long- and short-term action plans.

### Section B - Short answer guidance

**Q7.** Award up to 2 marks: 1 mark for stating that it is about the future direction/ambition of a business; 1 mark for making clear that it describes what the business wants to become or achieve in the long term.

**Q8.** Award up to 4 marks: employees may feel ownership of the mission (1), which can increase commitment/motivation (1); employees may provide realistic insight into what the business can achieve (1), improving the relevance of the mission and decisions based on it (1).

**Q9.** Award up to 6 marks: Possible benefits include clearer direction for employees, easier monitoring of performance, better coordination of resources, improved motivation when targets are agreed and realistic, and clearer basis for review. Award 3 marks for each well-explained benefit.

**Q10.** Award 2 marks for a specific, measurable and time-specific rewrite, for example: "Increase the percentage of customers rating service 4 or 5 out of 5 from 72% to 82% by 31 March 2027." Award 1 mark for a partially SMART version.

### Section C - Data response / case study guidance

**Q11.** Award up to 2 marks: a target (1) that is measurable and has a given timescale (1).

**Q12.** Objective B specifies the measure, average delivery time (1), includes a quantifiable target from 5 to 3 days (1), and gives a time period of 9 months (1). It is therefore easier to monitor and review than the vague wording "make delivery better" (1).

**Q13.** Application required. GreenGlow says it wants to brighten homes responsibly, so Mara may choose recyclable packaging or low-waste suppliers even if costs rise. This could strengthen brand image and customer loyalty among eco-conscious buyers, but it may reduce short-term profit margins. Award marks for definition/application/analysis.

**Q14.** Balanced points: A vision statement may inspire employees and communicate long-term ambition to stakeholders. However, for the next year GreenGlow has operational problems, so SMART objectives may be more useful because delivery and packaging can be measured, monitored and improved. Strong answers should conclude that the vision gives direction, but SMART objectives are likely to be the immediate priority if service problems are damaging customer satisfaction.

### Section D - Extended response guidance

Indicative content: mission can communicate purpose to employees, customers and suppliers; it may motivate staff by giving a sense of identity and direction; it can support promotion and differentiation, especially for ethical or sustainable businesses; limitations include vague wording, difficulty measuring success and the risk that actions do not match statements; start-ups may need practical SMART objectives more urgently for cash flow and survival. Strong answers should define relevant terms, apply arguments to the case, analyse effects on stakeholders and objectives, and reach a supported judgement. Judgement: A mission statement has value when it influences decisions and behaviour, but it is not sufficient on its own; measurable objectives and credible actions are needed.

### Generic 10-mark extended response rubric

Marks	Descriptor
1-2	Limited knowledge; response is mostly descriptive or contains serious inaccuracies.

Marks	Descriptor
3-4	Some relevant knowledge and explanation; limited application to the business or question.
5-6	Clear explanation and some analysis; applied to the business, but balance or depth may be uneven.
7-8	Good analysis of both sides or several perspectives; well applied with reasoned links to objectives and stakeholders.
9-10	Balanced, fully applied evaluation with a clear, justified judgement and recognition of limitations or trade-offs.