

IB Business Management

Trimester Assessment Worksheet

Worksheet 5: External Influences and Start-up Decisions

Name: _____ Class: _____ Date: _____

Instructions: Answer all questions. Total marks: 50.

Section A: Multiple choice (10 marks)

Select ONE correct answer (A–D).

1. External influences include:

- A. Only staff skills
- B. Social and technological trends
- C. Only profit
- D. Only internal culture

2. Technological change may:

- A. Close markets
- B. Reduce costs or create new markets
- C. Eliminate ethics
- D. Stop competition

3. Ethical expectations may lead firms to:

- A. Hide supply chains
- B. Treat workers fairly and reduce harm
- C. Ignore customers
- D. Increase pollution

4. A political influence could be:

- A. New trade rules
- B. Staff appraisals
- C. Store layout
- D. Product colour

5. A legal influence could be:

- A. New advertising restrictions
- B. A new app feature
- C. A marketing slogan
- D. Customer tastes

6. Environmental concern can increase demand for:

- A. Sustainable products
- B. Wasteful packaging
- C. Unsafe labour
- D. Counterfeits

7. A start-up challenge is often:

- A. Strong brand recognition
- B. Raising finance
- C. High bargaining power
- D. Guaranteed sales

8. Limited bargaining power can cause:

- A. Better supplier terms
- B. Cash flow pressure
- C. Unlimited credit
- D. Lower risk always

9. Monitoring the environment helps businesses:

- A. Avoid change
- B. Adapt and stay competitive
- C. Remove rivals
- D. Stop innovation

10. A social trend example is:

- A. Ageing population
- B. Interest rate rise
- C. New tax code
- D. Oil price only

Section C: Data response – Recycling-focused start-up (15 marks)

A new recycling business sells refill stations and reusable containers to local cafés. It needs funding for equipment, must comply with new waste laws, and faces competitors offering similar products.

1. Analyse two external influences affecting this business and their impact on demand or costs. (6)

2. Evaluate two strategies the start-up could use to build market share. (9)

Section D: Extended response (10 marks)

Answer ONE question.

1. Discuss why failure to respond to external change can reduce competitiveness. (10)
2. Discuss the opportunities and challenges for new businesses in a fast-changing environment. (10)

Answer Key + Marking Guidance

Section A answers

Q	Ans
1	B
2	B
3	B
4	A
5	A
6	A
7	B
8	B
9	B
10	A

Sections B–D indicative content

- Costs can rise due to regulation, wage inflation, taxes, input shortages or higher borrowing costs.
- Demand can change via social trends, technology, ethical expectations, environmental awareness.
- Tech opportunity: platforms, automation, e-commerce. Challenge: rapid imitation, skills gaps, security/compliance costs.
- Case: legal compliance raises costs; environmental/ethical trends raise demand; competition pressures prices.
- Strategies: strong USP/branding, partnerships, customer education, competitive pricing, service reliability, digital promotion.
- 10-mark answers: balanced arguments and clear judgement.

Assessment rubric (10-mark responses)

Level	Descriptor
1–3	Descriptive; limited terms; little/no example; weak judgement.
4–6	Clear explanation; some analysis; relevant example(s); some balance.
7–8	Strong analysis; good case use; considers both sides; justified conclusion.
9–10	Sophisticated, balanced evaluation; integrates key terms; criteria-based judgement.