

IB Trimester Assessment Worksheet

Delegation, chain of command, (de)centralization & bureaucracy

Time allowed	60 minutes
Total marks	50
Materials	No calculator required.
Instructions	Answer all questions. Show working for calculations. Use business terminology and apply answers to the scenario where given.

Command terms quick guide

Define: give the meaning of a term. **Explain:** give detailed reasons using business theory. **Analyse:** break down and show relationships / impacts. **Discuss/Evaluate:** present balanced arguments and reach a justified conclusion.

Section A: Multiple choice

Circle the correct option. (10 marks)

Q	A	B	C	D	Answer
1	Passing down authority	Passing down responsibility only	Removing a management layer	Outsourcing to another firm	_____
2	Less training needed	Faster decisions close to customers	Managers lose accountability	More bureaucracy	_____
3	More delegation	Rapid senior decisions (less delegation)	A wider span of control	Informal structure only	_____
4	The list of job titles	The line of authority and communication	The total number of employees	The process of recruitment	_____
5	Faster decisions	High flexibility	Slow decision-making due to rules	No hierarchy	_____
6	More authority at lower levels	Decisions taken mainly by senior managers	Teams choose their own budgets	A matrix structure	_____
7	Uniformity of decisions	Motivation of junior staff	Purchasing economies of scale	Length of chain of command	_____
8	More accurate messages	Distorted communication	Less bureaucracy	Higher spans of control at the top	_____
9	Unskilled staff with new tasks	Complex, urgent work	Skilled, experienced subordinates	Managers who distrust employees	_____
10	Good communication and clear objectives	More rules and procedures	No training	Only vertical communication	_____

Section B: Short answer

B1. Define the term **delegation**. [2]

B2. Explain **one** advantage and **one** disadvantage of delegation for a large organization. [4]

B3. Define the term **chain of command** and explain why a long chain of command may reduce efficiency. [4]

B4. Explain **two** factors that influence a manager's chosen span of control. [4]

Reference diagram

Use the continuum below to support your thinking in Section C and D.



Section C: Data response (case study)

Case: NovaBank

NovaBank is a national retail bank with a long history of serving large corporate clients. In the last two years, many large firms have started using non-bank finance and fintech platforms. NovaBank's analysts say the bank must: (1) grow its lending to small and medium-sized enterprises (SMEs), (2) launch innovative digital products (for example, budgeting tools inside the mobile app), and (3) keep profits stable while changing the way it works.

NovaBank currently has a centralized, tall structure. Head Office approves most product changes, marketing campaigns and lending criteria. Branch managers report to regional managers who report to directors at Head Office. Different departments (IT, compliance, marketing and retail banking) often work in silos.

C1. Define the term **centralization**. [2]

C2. Analyse **one** benefit and **one** drawback to NovaBank of decentralizing some product decisions to branch level. [6]

C3. Suggest **two** structural changes NovaBank could make to improve cooperation between departments when developing new products. **[4]**

C4. Recommend the most appropriate type of organization chart for NovaBank's situation (functional, regional, or matrix). Justify your recommendation using the case. **[4]**

Section D: Extended response

D1. Discuss whether **bureaucracy** can be beneficial for a bank undergoing digital transformation. **[10]**

Consider regulation, risk, customer service, innovation and speed of decision-making.

Answer key and marking guidance

Indicative answers are provided. Accept any other reasonable, well-justified points.

Section A (10 marks)

- Q1: A
- Q2: B
- Q3: B
- Q4: B
- Q5: C
- Q6: B
- Q7: B
- Q8: B
- Q9: C
- Q10: A

Section B (14 marks)

- B1** (2) Delegation: passing down authority to more junior employees, while the manager remains accountable for outcomes.
- B2** (4) Example advantage: decisions closer to customers; increases motivation/skills; reduces senior workload. Example disadvantage: training costs; inappropriate with authoritarian leadership; less suitable in crises due to need for rapid expert decisions. 2 marks per side (point + explanation).
- B3** (4) Chain of command: line of authority/communication from top to bottom. Long chains can distort messages, slow decisions, and reduce responsiveness. 2 marks definition + 2 marks explanation.
- B4** (4) Any two explained factors: subordinate skill/experience, manager attitude, nature/urgency/complexity of work. 2 marks per explained factor.

Section C (16 marks)

- C1** (2) Centralization: decision-making power concentrated at the top/centre (senior managers/head office).
- C2** (6) Benefit: branches can tailor products/criteria to local SME needs; faster response; may motivate branch staff. Drawback: risk of inconsistent decisions/compliance issues; harder to control brand and risk; requires strong communication and training. Marking: 1-2 knowledge, 1-2 application to banking/branches, 2 analysis of impacts.
- C3** (4) Any two, e.g. create cross-functional product teams (matrix); appoint product/project managers; set up a digital innovation unit that draws staff from IT/marketing/compliance; reduce hierarchy to shorten approval routes. 2 marks per well-explained suggestion.
- C4** (4) Likely matrix (to improve cross-department coordination for digital products) while retaining compliance oversight; or regional if local customer differences dominate. Award 2 marks for justified choice + 2 marks for case-linked reasons.

Section D (10 marks)

- D1** (10) Balanced discussion: Bureaucracy can improve consistency, risk control, and regulatory compliance; clear roles reduce errors. However, excessive rules can slow innovation, frustrate creative employees, and reduce customer responsiveness. High-scoring answers propose a 'smart bureaucracy' (clear accountability + streamlined processes) and conclude with context (risk appetite, market). Use bands: 0-2 limited; 3-4 some; 5-6 good; 7-8 well-balanced with evaluation; 9-10 sophisticated judgement and strong structure.