

Trimester assessment worksheet

IB Business Management 2.2 | HL Worksheet 1

Structural fit during international growth: functions, products, and regions

Level	HL
Time	60 minutes
Total marks	50

Focus: international growth | functional structure | product divisions | regional authority | hybrid structures

Name	Class	Date

Instructions

- Answer all questions. Use precise business management terminology throughout.
- Apply evidence from the stimulus material and make cause-and-effect links explicit.
- For higher-mark questions, weigh alternatives and end with a justified recommendation or judgement.

Section A | Multiple choice

Q1 [1] As a company expands internationally, a purely **functional structure** may become less suitable because:

A	specialists disappear
B	different regional conditions require faster, more localized decisions
C	shareholders lose authority
D	product lines become illegal

Q2 [1] A **product-based structure** is most likely to increase:

A	resource duplication
B	no accountability
C	communication speed in every situation
D	employee turnover automatically

Q3 [1] A **geographical structure** is especially useful when:

A	markets are identical in every region
B	regional regulations and customer preferences differ
C	a business only sells online locally
D	all decisions must remain centralized

Q4 [1] When organizations grow, structure often evolves because:

A	all businesses must become flat
B	the original informal arrangement may no longer coordinate growing complexity effectively
C	authority should always move upward

D delayering is always mandatory

Section B | Short answer

Q5 [4] Explain one reason a purely **functional structure** can become less effective as a business expands internationally.

Q6 [4] Explain one benefit of giving regional managers some **decentralized authority** in the micromobility industry.

Q7 [6] Analyze one advantage and one disadvantage of organizing NovaRide around **product divisions** rather than around functions.

Section C | Data response / case study - Case study: NovaRide Mobility

NovaRide makes e-bikes, e-scooters, and charging docks. The business began in Berlin with a **functional structure** and central departments for design, procurement, compliance, and marketing. It now sells across EU North, EU South, and the Gulf region.

Regional sales directors argue that product launches are often slowed by central approval because each market faces different certification rules, insurance partners, and service expectations. The CEO is considering a **hybrid structure**: keep design and procurement centralized but create regional adaptation teams with delegated authority over launch timing, local partnerships, and after-sales service.

Region	Revenue growth	Average launch delay	Local regulation changes last year	Customer satisfaction
EU North	8%	2 weeks	3	84%
EU South	5%	5 weeks	7	76%
Gulf	14%	7 weeks	9	74%

Q8 [4] Explain one reason geographical factors matter when designing NovaRide's structure.

Q9 [6] Analyze whether NovaRide should decentralize more authority to regional managers.

Q10 [10] Evaluate NovaRide's proposal to keep centralized design and procurement but create regional adaptation teams with delegated authority over launch timing, local partnerships, and after-sales service.

Section D | Extended response

Q11 [12] Recommend the most suitable structure for NovaRide over the next three years: functional, product-based, geographical, or a hybrid of these. Justify your answer with reference to coordination, control, and responsiveness.

Planning hint: define the issue briefly, analyze benefits and drawbacks, then make a supported judgement or recommendation.

Answer key and marking guidance - IB Business Management 2.2 | HL Worksheet 1

Teacher guidance: accept any other relevant answer that uses correct business terminology. For higher-mark questions, reward contextual application, cause-and-effect reasoning, balance, and a supported judgement.

Section A answers

Q	Answer	Rationale
1	B	International growth often increases the need to respond to local regulations, markets, and customer needs.
2	A	Divisions by product often duplicate staff and support resources.
3	B	Regional variation makes local management more valuable.
4	B	Growth, scale, and complexity often require a more formal and better-coordinated structure.

Section B answers

Q5 [4] Explain one reason a purely functional structure can become less effective as a business expands internationally.

- Central specialist departments may become overloaded as product launches and market requests increase across regions.
- This can slow decisions because one function must serve many markets with different conditions.
- International businesses often need faster local responses to regulation, customer preferences, and partnerships.

Marking guidance: Reward a clear explanation of overload or slow responsiveness, developed in an international context.

Q6 [4] Explain one benefit of giving regional managers some decentralized authority in the micromobility industry.

- Regional managers can respond faster to local licensing rules, traffic regulations, and service partnerships.
- This should improve launch speed and customer relevance.
- It may also reduce delays caused by waiting for headquarters.

Marking guidance: Up to 2 marks for the benefit and up to 2 marks for developed application to micromobility.

Q7 [6] Analyze one advantage and one disadvantage of organizing NovaRide around product divisions rather than around functions.

- Advantage: product divisions create clearer accountability and focus, allowing managers to concentrate on the needs of e-bikes, e-scooters, or charging docks separately.
- This can improve coordination within each line and sharpen strategic decisions.
- Disadvantage: support resources may be duplicated across divisions, raising costs and making consistency harder.
- A strong analysis weighs sharper product focus against potential inefficiency.

Marking guidance: Top-band answers analyze both strategic focus and duplication costs in context.

Section C answers

Q8 [4] Explain one reason geographical factors matter when designing NovaRide's structure.

- Different regions face different laws, certification rules, and service conditions.
- A structure that ignores these regional differences may create launch delays and weak local responsiveness.
- This is visible in the case because the Gulf and EU South face more regulatory changes and longer delays.

Marking guidance: Reward clear explanation of regional variation and development using the data.

Q9 [6] Analyze whether NovaRide should decentralize more authority to regional managers.

- More regional authority could reduce launch delays because local managers would not need to wait for all decisions from Berlin.
- It could also improve customer satisfaction by adapting service and partnerships to local needs.
- However, too much decentralization may weaken consistency and create duplication or conflicting decisions across regions.
- The best analysis links decentralization to both speed and coordination risk.

Marking guidance: Top-band answers balance responsiveness gains against consistency risks and use regional evidence.

Q10 [10] Evaluate NovaRide's proposal to keep centralized design and procurement but create regional adaptation teams with delegated authority over launch timing, local partnerships, and after-sales service.

- The proposal preserves central control where scale economies and product consistency matter most - design and procurement.
- Regional adaptation teams would likely improve responsiveness to regulation and customer needs, especially in the Gulf and EU South where delays are longest.
- The structure could raise coordination challenges if regional teams push for changes that conflict with product or brand standards.
- Its success would depend on clear decision boundaries, shared data systems, and strong communication between central and regional teams.
- A well-supported evaluation may conclude that the proposal is sensible because it balances control with local flexibility better than the current structure.

Marking guidance: Use a levels-based approach. Strong answers will weigh control, economies of scale, responsiveness, and coordination before reaching a justified judgement.

Section D answer

Q11 [12] Recommend the most suitable structure for NovaRide over the next three years: functional, product-based, geographical, or a hybrid of these. Justify your answer with reference to coordination, control, and responsiveness.

- A purely functional structure is unlikely to remain sufficient because international complexity is already creating delays.
- A purely product-based structure may sharpen focus but could ignore the strong regional regulatory differences shown in the case.
- A purely geographical structure may improve local adaptation but could weaken product consistency and scale economies.
- A hybrid structure is likely to be strongest because NovaRide needs central control over core product design and procurement while allowing more regional authority where conditions vary.
- A high-quality response will recommend a hybrid model and explain how reporting lines, delegated limits, and communication systems should be designed.

Marking guidance: Best responses compare at least three options, apply the case throughout, and justify a clear recommendation with awareness of possible drawbacks.

Overall marking principle: reward accurate business terminology, use of case context, logical analysis, and a clear final judgement where evaluation is required.