

Assessment Objectives and Command Words

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Overview

Assessment objectives (AOs) refer to the skills that you need to demonstrate in your responses to questions in an examination. In Business there are four AOs:

- AO1 – Knowledge and Understanding
- AO2 – Application
- AO3 – Analysis
- AO4 – Evaluation

The weighting of these of the AO's are provided in the tables below for AS Level and A2 Level

AS Level	AO1	AO2	AO3	AO4
Component 1	11-13%	10-12%	9-11%	6-8%
Component 2	17-19%	13-15%	14-16%	12-14%
Overall	29-31%	24-26%	24-16%	19-21%

A Level	AO1	AO2	AO3	AO4
Component 1	12-14%	7-9%	6-8%	6-8%
Component 2	4-6%	11-13%	5-7%	6-8%
Component 3	6-8%	4-6%	11-13%	10-12%
Overall	24-26%	24-26%	24-26%	24-26%

Each assessment objective has a variety of command words that are used to indicate what skill(s) you need to demonstrate in your response to the question.

Command words are used to advise you what you need to do to successfully answer an examination question. The aim of these resources is to inform you of the meaning of some common command words that you may face for each of the assessment objectives. Examples of questions or statements for each of the command words are provided so that you become more familiar with the different assessment objectives and so that you can identify more readily the requirements for each of the skills you will be asked to demonstrate in the exam.

AO1 – Knowledge and Understanding

AO1 assesses your ability to demonstrate **knowledge and understanding** of key terms, concepts, theories, methods and models and show how individuals and organisations are affected by business activities.

Some common command words used for AO1 can be seen below. An outline is provided for each command word so that you become more familiar with how to approach a question containing these words or phrases.

State

Name

List

Identify

If you are asked to **state**, **name**, **list** or **identify** something then you should provide **brief facts or examples**. There is no requirement or expectation to write in a lot of detail for this command word. Some examples of questions that you might come across include:

State two benefits of market research.

Name two components of a business plan.

List three methods of financial motivation that might be used by a business.

Identify three external stakeholders to a business.

Define

If you are asked to **define** something (or similar wording such as **what is meant by...**) then you should **state the exact meaning of the word or phrase** that is given. There is no requirement to expand on the definition you provide, but it should be complete so that the meaning of the word or phrase being defined is clear. Some examples of questions that you might come across include:

What is meant by economies of scale?

Define the term added value.

Suggest

If you are asked to **suggest** something then you should **put forward a possible idea, reason or course of action**. There is no requirement to expand on the suggestion(s) you have made, unless you are asked to do so. Some examples of questions that you might come across include:

Suggest two ways in which a new business could raise finance.

Suggest three ways that a business could increase productivity of its staff.

Describe

If you are asked to **describe** something then you should **provide characteristics or a brief account**. There is no requirement to expand on the description you have made, but do ensure that your description is as complete as possible to show the main features of what you have been asked to describe. Some examples of questions that you might come across include:

Describe the main features of an oligopoly market.

Describe the main components of a SWOT analysis.

Outline

If you are asked to **outline** something then you should **provide a brief description or main characteristics** of, for example, a theory or concept. There is no requirement to expand on the outline you have made. Some examples of questions that you might come across include:

Outline three ways in which a business can segment its market.

Outline two methods of increasing staff motivation.

Summarise

If you are asked to **summarise** something then you should **present the main points** of the theory or concept in questions. There is no requirement to go into detail about the main points you have covered. Some examples of questions that you might come across include:

Summarise the main stages of the budgeting process.

Summarise the role and function of managers in a business.

AO2 – Application

AO2 assesses your ability to **apply** knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.

Some common command words used for AO2 can be seen below. An outline is provided for each command word so that you become more familiar with how to approach a question or statement containing these words or phrases. **Questions involving application may also require you to demonstrate other assessment objectives in your answer.**

Apply

If you are asked to **apply** something then you should **use your knowledge and understanding of a theory or concept and relate it to a specified context**. You should ensure that your response is specific enough to relate to a particular business or context and is not generic so that the same information could apply in the same way for any other business. If there is a case study or scenario provided, you should read this carefully as there might be important information that you might need to take into account to help you to apply the theory or concept. Some examples of questions that you might come across include:

Apply a SWOT analysis to Tesco.

Apply Porter's 5 Forces to Apple.

Use

If you are asked to **use** something then you should **apply the information provided to a particular model, theory or concept**. You should ensure that you apply the procedures and processes of a particular model correctly from prior learning. If there is a case study or scenario provided, you should read this carefully as there might be important information that you might need to take into account to help you to apply the theory or concept. Some examples of questions that you might come across include:

Use extrapolation to predict the future sales levels.

Use discounted cash flow to calculate the net present value.

You will have learned about the processes and techniques for concepts such as extrapolation and discounted cash flow and therefore you should apply these to the specific information provided in the question.

Calculate

If you are asked to **calculate** something then you should **work out the value** of whatever it is you have been asked to determine the value of. You should use the technique or formula that you have learned and the information provided in the context of the question to help you with the calculation. It is important that you remember to include the appropriate unit(s) of measurement in your answers. Some examples of questions that you might come across include:

Calculate the three-point moving average using the data provided.

Calculate, using the information provided, the break-even number of units for R&R Ltd.

Illustrate

Show

Adapt

If you are asked to **illustrate, show or adapt** something then you should **use diagrams to make clear how a concept or theory works given a particular circumstance or change in circumstance**. You should ensure that your illustration relates to the specific information in the case or context provided. Some examples of questions that you might come across include:

Illustrate, using a break-even chart, how a change in costs affects the break-even point.

Show on a demand and supply diagram how an increase in advertising expenditure affects demand for the business.

Adapt the demand and supply diagram to show what will happen to the price of wine if the weather in Spain is worse than expected.

With reference to

If a question or statement includes the phrase '**with reference to**' you should use the information in the case study or a particular business example, concept or theory to inform your response. You should ensure that your response is specific enough to relate to a particular business or context and is not generic that the same information could apply in the same way for any other business. You should read any case study provided carefully as there might be important information that you might need to take into account to help you to apply the theory or concept. Some examples of questions that you might come across include:

With reference to the text, provide examples of how the business motivates their employees.

With reference to the Ansoff Matrix, explain the different strategies that the business can use to grow.

Interpret

If you are asked to **interpret** something then you should **translate information calculated or provided into a recognisable form that can be understood by explaining its meaning**. You should ensure that you make the meaning of a particular result or set of data clear by using prior learning and techniques to help you. You might also find that using examples or making comparisons to alternative findings useful to help you to interpret information. Some examples of questions that you might come across include:

Interpret the price elasticity of demand result that you have calculated.

Interpret the net profit margin that you have calculated.

Construct

If you are asked to **construct** something, you should **create a diagram or framework** using a theory or concept that you have been shown in your prior learning. You should ensure that you construct your diagram or framework taking into account any specific information provided in the case study or context provided. Some examples of questions that you might come across include:

Construct a decision tree based on the information provided.

Using the information provided, **construct** a break-even chart.

AO3 – Analysis

AO3 assesses your ability to **analyse** issues within businesses, showing an understanding of the **impact** on individuals and organisations of external and internal influences

Some common command words used for AO3 can be seen below. An outline is provided for each command word so that you become more familiar with how to approach a question or statement containing these words or phrases. **Questions involving analysis will normally require you to also demonstrate other assessment objectives in your answer.**

Analyse

If you are asked to analyse something then you should **organise information or subject matter into characteristics and address each in detail by close examination of the issue in question.** Analysis requires you to go beyond description, and instead looking at aspects such as **cause and effect, considering in-depth the different elements of a concept or theory, and presenting arguments for and against using examples and evidence to support your points.**

You can appreciate that the skill of analysis requires a number of different elements to be demonstrated in a comprehensive response to an issue. Sophisticated analysis will involve developing a chain of reasoning that links cause and effect and may connect together different points to the same issue. You should also use examples either in context of a particular business or sector as defined in the question or in the case study, if one has been provided. Some examples of questions that you might come across include:

Analyse how Aldi and Lidl can take advantage of economies of scale as their businesses grow.

Analyse the importance of quality to a business in the manufacturing sector.

Compare / Contrast

If you are asked to **compare**, then you should **identify and explain the similarities** between, for example, two or more concepts, theories or approaches. If you are asked to contrast, then you should **identify and explain the differences** between, for example, two or more concepts, theories or approaches. You should demonstrate your knowledge and understanding of the concepts or theories in your answer, perhaps by providing a definition or describing the characteristics of those things that you have been asked to compare or contrast. As part of your response, you should provide examples from the case study, if one is provided, and / or from your own knowledge to support the points you are making. Some examples of questions that you might come across include:

Compare financial and non-financial incentives as means of motivating workers.

Provide a **contrast** between the public sector and private sector of the economy.

Explain

If you are asked to **explain** something, then you should **provide details and reasons for how and why something is the way it is**. You may also be asked to explain a term or phrase that is being used in a particular context. You should also include in your response a clear meaning of what it is that you have asked to explain and be sure to include sufficient detail so that any **cause and effect (impact)** is communicated clearly as part of your explanation. You should also, where appropriate, include examples to make your explanation stronger and clearer. Explain is a very common command word in the specification checklist; it appears in the vast majority of topics you have and will be studying. Some examples of questions that you might come across include:

Explain why a business draws up a business plan.

Explain how changes in fiscal policy can affect businesses.

Sometimes the command word '**explain**' can also be used for lower tariff questions such as:

Explain what is meant by the term added value.

Explain what is meant by economies of scale.

These types of lower tariff statements require less to be written compared to the earlier example statements for 'explain'. You need to be clear on what is required from the specific wording of the statement you face and be guided to an extent by the number of marks available for this command word as to how much detail is needed.

Distinguish

If you are asked to **distinguish**, then you should **identify and explain the differences** between two or more concepts, theories or approaches, making these points of difference very clear, by using examples to support your points. You should demonstrate your knowledge and understanding of the concepts or theories in your answer, perhaps by providing a definition or describing the characteristics of those things that you have been asked to distinguish. Some examples of questions that you might come across include:

Distinguish between quantitative and qualitative market research.

Distinguish between planned and unplanned change.

Examine

If you are asked to **examine** something, then you should **consider closely and in detail** a particular concept, theory, issue or course of action. In your response you should establish the substantial issues and scrutinise each one closely and include cause and effect in the points that you make. You should also provide examples and evidence to support your points, using the study and your own knowledge to help you. Some examples of questions that you might come across include:

Examine the different methods of appraisal a business can use to evaluate employee performance.

Examine the role of price in determining the demand for businesses.

AO4 – Evaluation

AO4 assesses your ability to **evaluate** quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

Some common command words used for AO4 can be seen below. An outline is provided for each command word so that you become more familiar with how to approach a question or statement containing these words or phrases. **Questions involving evaluation will normally require you to also demonstrate other assessment objectives in your answer. In extended questions AO3 and AO4 are often assessed together.**

Evaluate

If you are asked to **evaluate** something, then you should **make a judgement based on weighing up points for and against** that which you are asked to evaluate. In your response, you should **provide a verdict as to what extent you agree with a statement, on the basis of presenting evidence and examples taken from a wide range of sources that both agree with and contradict the statement in question.** Finally, you should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for these, including any factors that have affected your judgement, such as the quality of information available.** You should support the points that you make in your argument with evidence and examples from theory and practice. Some examples of questions that you might come across include:

Evaluate the impact of Economic and Social factors on a business.

Evaluate the impact of pricing decisions on a business and its stakeholders.

Discuss

Argue

If you are asked to **discuss** or **argue** something, then you should **examine an issue in detail by addressing a range of key ideas and reasons for and against the issue.** You should **arrive at a conclusion, having presented a reasoned case.** In your response, you should **provide a verdict as to what extent you agree with a statement, on the basis of presenting evidence and examples taken from a wide range of sources.** You should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for this.** You should support the points that you make in your argument with evidence and examples. Some examples of questions that you might come across include:

Discuss the view that the marketing department is the most important function in a business.

Businesses should concentrate on maximising their profits rather than being ethical. Provide an **argument** for this statement.

Recommend

Advise

If you are asked to **make a recommendation** or to **advise**, then you should **put forward / suggest a proposal that is based on supported reasons**. Your role is to provide a course of action for a business so you should ensure that you make clear what this is in your response. You should consider various points in favour of the recommendation you propose or the advice you provide, but ensure that these are balanced with points made in contradiction. You should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for these**. You should support the points that you make in your argument with evidence and examples. Some examples of questions that you might come across include:

Recommend an effective payment system method that a business selling software packages to other businesses could use to increase staff motivation.

Advise Thomas Cook PLC whether or not to accept the special order detailed in the case study.

Justify

If you are asked to **justify** something, then you should **present a reasoned case using supporting evidence from theory and practice to explain why something should happen in a particular way**. You should provide a balance argument, making points in favour and in contradiction to the view considered. It is important that you provide evidence and examples to support the points you make, as this will help you to demonstrate your justification skills. You should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for these**. Some examples of questions that you might come across include:

Justify the need for businesses to conduct market research.

Businesses wanting to increase the quality of their products should invest more in technology and less in human resources. **Justify** this view.

Consider

If you are asked to **consider** something, then you should **review different information, opinions or perspectives in relation to the question or statement set**. For each point that you make, you should provide a counter point, as well as using evidence and examples. You should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for these**. Some examples of questions that you might come across include:

Consider the view that it is in the best interests of the majority of British businesses for the United Kingdom to be out of the European Union.

Consider the methods that a company manufacturing paint can use to increase employee participation in the business.

To what extent

Do you agree

If a question includes the phrase ‘**To what extent**’ and / or ‘**Do you agree**’, then you should **provide a thorough assessment of the evidence on both sides of an argument**. You could do this by **explaining / developing one side of an argument and qualifying the points made or by developing alternative arguments**. You should **arrive at a conclusion having presented a reasoned case using examples and considering different perspectives as to *how far* you agree with the statement in question**. In your response, you should **provide a verdict as to what extent you agree with a statement**. You should **come to a final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for this**. Some examples of questions that you might come across include:

To what extent would an increase in the exchange rate of the pound create problems for UK businesses?

A business plan will guarantee the success of a business venture. **To what extent do you agree** with this statement?

Assess

If you are asked to assess something, then you should **make an informed judgement based on weighing up arguments for and against** the issue or concept in question. You should provide evidence and examples in your response and develop lines of reasoning, in order to arrive at a **final decision on what you judge to be the most important factors leading you to your conclusion and provide justification for these**. You should also consider the case study provided in order your points are specifically applied to the context. Some examples of questions that you might come across include:

Assess the usefulness of the sales forecasting prediction to a business selling garden gnomes.

Assess the view that the Boston Matrix is not a very valuable tool for businesses.