

IB Business and Management Standard Level (SL) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Which term denotes the different functional sections of a business such as marketing, production, finance, and human resources?**
 - A. Divisions by function**
 - B. Functional Areas**
 - C. Supply chain**
 - D. Stakeholders**

- 2. What term describes the total long-term sources of finance used by a business, including loans, share capital, and reserves?**
 - A. Net Current Assets**
 - B. Current Liabilities**
 - C. Owners' Equity**
 - D. Capital Employed**

- 3. Which pricing strategy involves setting low prices to gain entry into a new market, then raising them as market share grows?**
 - A. Penetration pricing**
 - B. Price skimming**
 - C. Cost-plus pricing**
 - D. Psychological pricing**

- 4. Short-term incentives designed to stimulate sales of a product, e.g., discount coupons, prize draws, trade fairs, and free product samples.**
 - A. Direct mail**
 - B. Publicity**
 - C. Sales promotions**
 - D. Word of mouth**

- 5. What component of the marketing mix covers the methods used to inform, persuade, or remind people about a product, brand, or business?**
- A. Promotion**
 - B. Product**
 - C. Place**
 - D. Price**
- 6. Which financial statement shows a company's financial position at a specific point in time?**
- A. Income statement**
 - B. Cash flow statement**
 - C. Balance sheet**
 - D. Statement of changes in equity**
- 7. Which costs change in proportion to the level of output, such as raw materials?**
- A. Variable costs**
 - B. Fixed costs**
 - C. Semi-variable costs**
 - D. Opportunity costs**
- 8. Which of the following is NOT part of the four P's of marketing?**
- A. Packaging**
 - B. Product**
 - C. Place**
 - D. Price**
- 9. Which management view holds that workers generally need direction and close supervision?**
- A. Theory Y**
 - B. Motivators**
 - C. Time rate**
 - D. Theory X**

10. What is another name for a perception map?

- A. Perception map**
- B. Position map**
- C. Brand map**
- D. Market map**

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Answers

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1. B
2. D
3. A
4. C
5. A
6. C
7. A
8. A
9. D
10. B

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Explanations

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1. Which term denotes the different functional sections of a business such as marketing, production, finance, and human resources?

A. Divisions by function

B. Functional Areas

C. Supply chain

D. Stakeholders

Think of a business organized into functional areas: marketing, production, finance, and human resources. Each area specializes in its own activities and skills, yet all work together to meet the company's goals. This structure—dividing the organization into these functional areas—best describes the internal sections of a business. The other concepts refer to different ideas: the supply chain is about how products move from suppliers to customers, and stakeholders are the people or groups with an interest in the business.

2. What term describes the total long-term sources of finance used by a business, including loans, share capital, and reserves?

A. Net Current Assets

B. Current Liabilities

C. Owners' Equity

D. Capital Employed

This item tests understanding of long-term funding used to finance a business. Capital employed describes the total long-term sources of finance, including loans, share capital, and reserves. It represents the funds tied up in the business's assets that come from long-term sources, and it can be calculated as total assets minus current liabilities or as long-term liabilities plus shareholders' equity. Net current assets is only the difference between current assets and current liabilities, so it doesn't capture long-term funding. Current liabilities are short-term obligations and don't reflect long-term sources. Owners' equity covers equity alone and doesn't include debt, whereas capital employed includes both. So capital employed is the best fit for describing the total long-term sources of finance.

3. Which pricing strategy involves setting low prices to gain entry into a new market, then raising them as market share grows?

- A. Penetration pricing**
- B. Price skimming**
- C. Cost-plus pricing**
- D. Psychological pricing**

Penetration pricing is about entering a new market with a deliberately low price to attract a large number of customers quickly and win market share. The idea is to build volume, achieve economies of scale, and deter competitors; once the business has a strong position, prices can be raised as costs are covered and the customer base is established. This directly describes starting with low prices and increasing them as market share grows. Price skimming, by contrast, starts with a high price to skim early adopters and then lowers it over time, so it's not the approach described. Cost-plus pricing bases price on cost plus a markup, not on market-entry strategy. Psychological pricing uses pricing cues to influence perceptions, not specifically to gain market share through low entry prices.

4. Short-term incentives designed to stimulate sales of a product, e.g., discount coupons, prize draws, trade fairs, and free product samples.

- A. Direct mail**
- B. Publicity**
- C. Sales promotions**
- D. Word of mouth**

Short-term incentives designed to stimulate sales are sales promotions. They create a quick push to buy or try a product by offering something extra at the point of sale or for a limited time, rather than changing the product itself or building long-term brand image. The examples show different forms: discount coupons reduce the purchase price to encourage trial, prize draws generate excitement and can drive purchases, trade fairs bring potential buyers together with sellers to generate interest and orders, and free product samples let customers try the product with no risk, increasing the chance of future purchases. These differ from publicity (unpaid media attention), direct mail (a communication method that may include offers but isn't the incentive itself), and word of mouth (spontaneous recommendations).

5. What component of the marketing mix covers the methods used to inform, persuade, or remind people about a product, brand, or business?

A. Promotion

B. Product

C. Place

D. Price

Promotion is the part of the marketing mix that covers the methods used to inform, persuade, or remind people about a product, brand, or business. It includes activities like advertising, public relations, personal selling, sales promotions, and direct marketing, all aimed at communicating with customers to raise awareness, shape perceptions, encourage action, and keep brands top of mind. This distinguishes it from the other elements: Product is what is offered, Place is where and how it's distributed, and Price is how much customers pay. So promotion best fits the description.

6. Which financial statement shows a company's financial position at a specific point in time?

A. Income statement

B. Cash flow statement

C. Balance sheet

D. Statement of changes in equity

Showing the company's financial position at a specific point in time is what the balance sheet does. It lists what the business owns (assets) and what it owes (liabilities) plus the owners' stake (equity) as of a particular date, providing a snapshot of the financial position. This contrasts with the income statement, which covers performance over a period; the cash flow statement, which tracks cash movements over a period; and the statement of changes in equity, which shows changes in equity over a period.

7. Which costs change in proportion to the level of output, such as raw materials?

A. Variable costs

B. Fixed costs

C. Semi-variable costs

D. Opportunity costs

Costs that change in proportion to output are variable costs. As production increases, more raw materials are needed, so total cost rises directly with the number of units produced. The cost per unit for these inputs is typically stable in the relevant range, which means total variable cost grows in step with output. This is different from fixed costs, which stay the same regardless of how much is produced (like rent or salaries not tied to production). Semi-variable costs have both fixed and variable elements, so they don't increase strictly in proportion across the full range. Opportunity costs, meanwhile, are the benefits forgone by choosing one option over another and aren't tied to production volume.

8. Which of the following is NOT part of the four P's of marketing?

- A. Packaging**
- B. Product**
- C. Place**
- D. Price**

Understanding the marketing mix means focusing on four main areas: what the product is (Product), what it costs (Price), where and how it's distributed (Place), and how it's communicated to customers (Promotion). Packaging influences how a product is perceived and can affect branding and usage, but it isn't treated as a separate element in the classic four Ps framework. It sits under the product decisions rather than standing as its own P. Therefore packaging is not part of the four Ps, while Product, Place, and Price are. (Promotion is the other P that completes the standard four.)

9. Which management view holds that workers generally need direction and close supervision?

- A. Theory Y**
- B. Motivators**
- C. Time rate**
- D. Theory X**

This question tests management views on how to supervise and motivate workers. Theory X holds that workers generally need direction and close supervision because managers believe people dislike work, avoid responsibility, and need external control. That makes it the model most associated with tight oversight. In contrast, Theory Y suggests people are self-motivated and capable of self-direction with less supervision, while the other options refer to a wage system or to motivational factors rather than a management stance on supervision.

10. What is another name for a perception map?

- A. Perception map**
- B. Position map**
- C. Brand map**
- D. Market map**

In marketing, a perception map visualizes how consumers view brands on two chosen attributes, showing each brand's position in the minds of buyers relative to competitors. It's also called a position map because the label highlights where a brand sits in consumers' perception—its position in the market. The axes (for example, price vs. quality) reveal how brands are perceived and help identify gaps or opportunities for repositioning. Other terms like brand map or market map aren't standard labels for this tool, while perception map and position map are generally used interchangeably.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://ibbusinessandmgmtsl.examzify.com>

We wish you the very best on your exam journey. You've got this!

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