Higher Level only

Paper 3 Assessment Guide

The social enterprise paper, on Units 1 to 5 including the HL extension material: describe a need, explain the challenges, recommend a plan.

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KNOWLEDGE. INSIGHT. IMPACT.

Duration	Marks	Weighting	Stimulus
1 h 15 min	**25**	**25%**	**Unseen**
plus 5 minutes' reading	Questions 1, 2 and 3: 2 · 6 · 17	of the final HL grade	a social enterprise

For students assessed from May 2024 onwards, under the IB *Business management guide* (first assessment 2024, updated July 2024).

1 How Paper 3 works

What does the paper ask, and where do the marks sit?

Three questions, one direction

■ IB requirement

25 marks, drawn to scale; suggested times in grey

Question 3 alone is 68% of the paper

Question 1 · AO1
2 marks 6 min
Describe the human need
Of the stakeholder named, with a theory.

Question 2 · AO1, AO2
6 marks 18 min
Explain the challenges
Usually two, 3 marks each.

Question 3 · AO1 to AO4
17 marks 50 min, with planning
Recommend a plan of action
A plan for the organization in meeting the need, marked against criteria A to D.

Times, about three minutes a mark, are our suggestion. Questions 1 and 2 are marked with an analytic markscheme, Question 3 with four criteria. The guide's summary table speaks of one compulsory question; its detailed outline, and every paper so far, sets three.

What the unseen stimulus contains

■ IB requirement

A short introduction
The social enterprise and the need it meets.

A visual
of a product or service.

Excerpt
an email

Excerpt
a social media post

Excerpt
a newspaper article

Excerpt
a table or chart

Excerpt
another document

A sixth
sometimes

The organization and its region are fictitious (teacher support material; November 2025 report), and the stimulus runs to no more than 750 words (May 2025 report).

How to read the labels

■ **IB requirement** IB guide or examiner instructions
◆ **Recommended strategy** our technique, not a rule
● **Examiner emphasis** IB subject reports
□ **Illustrative example** invented for this guide

Sources: IB *Business management guide* (first assessment 2024, updated July 2024); teacher support material; IB examiner instructions (2026); IB subject reports, May 2024 to May 2026. Haven Lunchbox and its resources are invented for this guide.

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2 Questions 1 and 2

How do I describe the need, then explain the challenges?

Haven Lunchbox (invented) uses the profits of its two cafés to provide free school lunches to children from low-income families in Northvale.

Question 1: the human need, 2 marks

■ IB requirement ● Examiner emphasis □ Illustrative example

Describe the human need of the children that Haven meets. [2]

Start from	→	Describe **1 mark**	→	Identify **1 mark**
The stakeholder named		**Their particular need**		**An appropriate theory**
Children from low-income families in Northvale.		They may not otherwise eat a regular, nutritious midday meal; Haven provides one free at school.		A physiological need in Maslow's hierarchy of needs.

Examiner instructions (2026): one mark for describing the particular human need, and one additional mark for identifying an appropriate business management theory.

- Write about the stakeholder the question names.
- Copying the stimulus earns at most one mark.
- HL theories, such as McClelland or Deci and Ryan, are accepted where they fit.
- "Psychological" or "physical" needs are not credited as the theory.
- Herzberg's hygiene factors do not describe a human need; motivators can, where they fit.
- Read the question: a paper may rule a theory out.

Question 2: two challenges, 3 marks each

● Examiner emphasis □ Illustrative example

Explain two challenges Haven faces: one financial and one in human resources. [6]

	Identify the challenge, in the area named	**Explain** why it is a challenge, with theory	**Apply** with evidence from the stimulus
Challenge 1 finance	Haven may not have enough cash to meet its payments.	An organization needs enough cash inflow to pay its bills when they fall due.	Quarterly café cash sales fell from $42,000 to $31,000 (Resource 3) while weekly lunch requests rose from 900 to 1,200.
Challenge 2 human resources	Kitchen staff may become dissatisfied and leave.	In Herzberg's theory, poor working conditions are a hygiene factor that causes dissatisfaction.	A volunteer's post says staff have worked unpaid overtime for two months (Resource 6).

The markscheme for each paper sets what earns the marks. Recent markschemes credited identification, explanation and application for each challenge; a lone copied figure, or a trend without figures, was not enough for application (subject reports).

Where Question 2 marks are lost

● Examiner emphasis

Overlap	Two challenges that are really one, such as "cash flow" and "liquidity": the second earns little.
Wrong area	A marketing challenge when the question asks for operations.
No theory	A sensible explanation with no business management concept behind it.

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3 Understanding Question 3

How do the four criteria build one coherent plan?

Recommend: present an advisable course of action with supporting evidence. There is **no single correct plan**; a feasible plan that serves the whole organization is credited on its merits.

How the four criteria interact

■ IB requirement

D · Sequencing of ideas and plan of action 3 marks — frames the whole response: a clear, coherent order

A Resource materials 4
Every resource used as evidence for an action.

B Tools and theories 4
Tools applied to decide and shape the actions.

→

The plan of action
One forward-looking direction for the whole organization

Finance	Marketing
Human resources	Operations

→

C Evaluation 6
The expected impact on the relevant areas of the business, and the trade-offs between them.

What the top level of each criterion asks

■ IB requirement ● Examiner emphasis

Criterion	Top level, in the guide	What reports warn against
A Resource materials 4 marks	Reference to **all** the resource materials, effectively supporting the plan	Repeating the stimulus, for example through a SWOT
B Tools and theories 4 marks	Appropriate tools and theories **effectively applied**	Naming a tool without using it
C Evaluation 6 marks	The expected impact on the **relevant areas of the business**, and the **trade-offs** between them	Generic points; disadvantages called trade-offs
D Sequencing 3 marks	Ideas and plan sequenced in a **clear and coherent** manner	Repeating Question 2; actions that clash

In full, A is *Use of resource materials* and B is *Business management tools and theories*.

Tools that shape the plan: criterion B

◆ Recommended strategy □ Illustrative example

Tool	The decision it informs	Haven
Ansoff matrix	Which direction of growth, and how risky it is	Market development: existing food, a new market of offices
Force field analysis	Whether a change is likely to succeed	Office demand (Resource 4) against overtime (Resource 6), with no invented weightings
Gantt chart	The order and timing of the actions	The pilot runs before any hiring; hiring before expansion

All in the guide's toolkit, the last two HL only. Naming a tool earns at most 1 of the 4 marks (May 2026 report).

A plan that only fixes the Question 2 challenges

● Examiner emphasis

Question 2 explains why the enterprise struggles now; Question 3 plans what it does next. Responses that analysed only the Question 2 challenges reached at most 2 of 6 for C (May 2025 report).

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4 Building a strategic plan

How does one recommendation work across the whole organization?

Haven's stimulus (invented): **Resource 2** shows the kitchens quiet after 2 pm; **Resource 3**, café cash sales down from $42,000 to $31,000 a quarter while weekly lunch requests rose from 900 to 1,200; **Resource 4**, office emails asking about catering; **Resource 6**, a volunteer's post on two months of unpaid overtime. Resources 1 and 5 (not shown) would also need using for the top level of A.

One recommendation, four functions

◆ Recommended strategy ☐ Illustrative example

Recommendation
Launch a catering service for local offices, cooked in the kitchens' quiet afternoons

Ansoff: market development
existing products, a new market

Marketing	Operations	Human resources	Finance
Gain Offices already asking for catering (Resource 4)	**Gain** Idle afternoon capacity put to use (Resource 2)	**Gain** Jobs for Northvale parents; overtime ends (Resource 6)	**Gain** Trading income to offset the fall to $31,000 (Resource 3)
Cost Menus, prices and promotion to set up	**Cost** Packaging, delivery and a tighter schedule	**Cost** Recruitment and training time	**Cost** Spending before the first income arrives
Depends on Enquiries becoming regular orders	**Depends on** School-lunch slots fixed first	**Depends on** Catering income to pay two wages	**Depends on** Prices that cover costs on every order

Trade-off: offices most want lunchtime orders, but the lunch peak belongs to the school meals. Afternoon-only catering protects the mission and gives up the most valuable orders.

Trade-off: hiring local parents deepens Haven's social impact, but output is slower while they train, which delays the income meant to pay them.

Trade-off or disadvantage?

● Examiner emphasis ☐ Illustrative example

Disadvantage	"Opening a catering service will cost money and take time."
Trade-off	"Cooking in the quiet afternoons raises capacity utilization (operations), but adds shifts for a team already on unpaid overtime (human resources), so catering cannot grow until new staff are paid for (finance)."

A trade-off names what is gained in one area, what is given up in another, and why the choice is still worth making.

Sequencing the plan

◆ Recommended strategy ☐ Illustrative example

First pilot

Cater for two offices' afternoon events in the kitchens' quiet hours (Resource 2). School-lunch slots are fixed first.

Enables: evidence of demand and margin before any spending.

Then build capacity

Use pilot income to recruit and train two kitchen staff from Northvale families, ending the overtime (Resource 6).

Depends on: pilot income covering wages.

Later scale

Extend catering to more offices, and review whether a second kitchen is justified.

Depends on: lunches protected and cash flow positive.

First, Then, Later is a technique we recommend for criterion D, not an IB-prescribed structure. Any clear, coherent order can earn the marks.

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5 Examination readiness

What do examiners look for, and what can I leave out?

Plan like a social enterprise

Mission first

Its impact on stakeholders drives its decisions.

It trades

Most income comes from trading, not donations or grants.

Surplus sustains it

Any profit is used to sustain the mission.

Features as described in the IB teacher support material. A plan that leans on donations or grants ignores the second feature, which is one reason reports discourage it.

What earns marks, and what reports discourage

● Examiner emphasis

Rewarded

- A plan for the whole organization, not only the Question 2 challenges.
- Every resource used as evidence for an action.
- Tools that change the plan: Ansoff to choose a direction, a Gantt chart to schedule it.
- Each action evaluated, with trade-offs between areas.
- A feasible plan the enterprise could afford and staff.

Discouraged

- Repeating the stimulus, or a SWOT that only restates it.
- Relying on donations or grants to solve the problem.
- Naming tools without applying them.
- Generic evaluation, and disadvantages relabelled as trade-offs.
- Long introductions that restate Questions 1 and 2.

What Question 3 does not require

■ IB requirement ● Examiner emphasis

Limitations of the stimulus	Not required in Paper 3, unlike Papers 1 and 2: no criterion rewards it. Plan with what you are given.
A formal conclusion or summary	A clear, well-sequenced plan does not need to be repeated or summarized at the end (May 2026 report).
A fixed time horizon	Some papers have set five years, others none. Use the time frame the question gives; if none, set realistic timings yourself.
A set layout	The guide prescribes no layout for the plan. Planning notes are not marked, though reports encourage planning before writing.

Final checklist

◆ Recommended strategy

Question 1

- ☐ The particular need, for the right stakeholder
- ☐ An appropriate theory, named

Question 2

- ☐ Two distinct challenges, in the areas asked
- ☐ Theory and stimulus figures for each

Question 3

- ☐ Every resource used; tools applied
- ☐ Each action evaluated, with trade-offs
- ☐ Actions in a clear, coherent order

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