





NEW ZEALAND QUALIFICATIONS AUTHORITY MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD KIA NOHO TAKATŪ KI TŌ ĀMUA AO! Tick this box if you have NOT written in this booklet



Level 2 Business Studies 2021

90843 Demonstrate understanding of the internal operations of a large business

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of the internal operations of a large business.	Demonstrate in-depth understanding of the internal operations of a large business.	Demonstrate comprehensive understanding of the internal operations of a large business.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL parts of the task in this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–11 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (<//>
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). This area may be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TASK

This task has four parts, (a) to (d). Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task. You may integrate any relevant Māori business concepts into your answer.

You should read the resource information in ALL of the boxes before beginning the task.

Nuku Cycles is an iwi-owned bicycle manufacturing company based in Taupo that assembles and sells a range of e-bikes to a number of bicycle retailers around the country.

There has been an increase in demand for *Nuku Cycles*' commuter e-bikes (which run on rechargeable batteries), and there is often a waiting list to purchase them. Bicycle stores have recently experienced problems importing stock from overseas brands.

You may choose EITHER *Nuku Cycles* OR a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

(a) (i) Referring to an example, why do employees use a policy or procedure when selling goods or services?

(ii) How might the business be impacted if it does not have policies and procedures in place when selling goods or services?

DEFINITIONS

Pūtake refers to the origin, or reason for being. Every business has a reason for being. Many Māori businesses exist for the same reason as other businesses – that is, they are there to provide goods or services at a profit and to enrich the business owner(s). A significant number, however, have very different reasons for being. Such businesses emphasise communal and social responsibilities, which may not be a priority for mainstream businesses.

Social responsibility is the goal of contributing to the well-being of the communities that businesses affect and on which they depend. It is about aligning a company's business activities and objectives with its social and environmental values.

Nuku Cycles' pūtake is centred on promoting the benefits of exercise and encouraging cycling to improve health and fitness. Management believe they have a social responsibility to their community to ensure there are plenty of opportunities for people of all ages and backgrounds to ride a bike. Having this focus means that *Nuku Cycles* does not make as much profit as other bike manufacturers of a similar size, as it tries to keep the prices of some of its models affordable for the wider community.

You may choose EITHER *Nuku Cycles* OR a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (b) Discuss whether the business should be centred on a pūtake of social responsibility rather than profitability.
 - (i) Referring to a specific example used by the business, why is practising social responsibility important to the business, and how might doing so impact its brand?

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(ii)

How might practising social responsibility be a financial disadvantage to the business?

(iii) Justify whether the pūtake of the business should be centred on social responsibility or profitability. Provide TWO reasons for your decision by referring to both social responsibility and profitability.

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Monthly revenue and cost reports are financial tools which aid future decision-making.

In the box below, enter the details of a large business (more than 20 employees and/or having a national or regional significance) that you have studied in depth. **Do not use** *Nuku Cycles*.

Name of the large business:
Good(s) sold or service(s) provided:

(c) (i) Referring to specific examples, why are revenue and cost reports prepared for different product lines or services?

(ii) Explain, with TWO reasons, how these monthly revenue and cost reports aid in future decision-making.

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Production processes can use one of three methods – job, batch, or flow. Each production process has advantages and disadvantages, and a business must decide which one works best for its product or service.

Nuku Cycles assembles the bicycles in its factory, ensuring that all components meet the quality specifications required, and that all electrical parts are fully operational. The quantities of bicycle parts ordered are based on predicted demand over the next three to six months for the various models produced.

You may choose EITHER *Nuku Cycles* OR a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (d) Discuss the most appropriate production process for the business.
 - (i) Referring to a product that the business is selling, identify a production process that the business uses, or should use, to prepare their product for sale.

(ii) Why is this production process best suited to the product being manufactured or assembled, and how might it affect another function of the business, such as marketing, sales, or human resources?

(iii)	Why could this production process be a disadvantage for the business, and how might this
	have a future consequence for the business?
(iv)	Justify, with TWO reasons, how this production process is better than another production process the business could have used.

	Extra space if required. Write the question number(s) if applicable.	
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