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Level 2 Business Studies 2022

90844 Demonstrate understanding of how a large business responds to external factors

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how a large business responds to external factors.	Demonstrate in-depth understanding of how a large business responds to external factors.	Demonstrate comprehensive understanding of how a large business responds to external factors.

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 2–12 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (▨). 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.

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 answers.

Work-Life-Balance (WLB) Furniture is a manufacturer of furniture that enables a room in the home to be easily converted into a workspace. With changes in flexible working conditions that make it easier for workers to work from home, demand for furniture that can be used in a home office has rapidly increased.

WLB Furniture's main product line is a workstation (desk) that can be assembled and disassembled, and easily stored under a sofa or bed, reducing clutter in living spaces. The workstations can be customised to suit different requirements, allowing for increased functionality, comfort, and productivity for the users. The wood for these desks is sourced from environmentally friendly and sustainable forestry companies, and is considered a durable material that will give the desks a long lifetime.

WLB Furniture pays its employees the living wage, as opposed to the minimum wage.

(a) (i) Why is paying the living wage as opposed to the minimum wage considered ethical?

With the rise of businesses using social networking sites like *Facebook*, *Twitter*, and *Instagram* to access and target customers, *WLB Furniture* has focused its advertising resources on the use of these sites to reach potential new customers.

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

- (b) Discuss how the use of social networking tools could impact future business success.
- (i) Why could the use of social networking sites be an advantage to a business, and how might it impact the business in the future?

- (ii) Why could the use of social networking sites be a disadvantage to a business, and how might it impact the business in the future?

- (iii) Justify, with TWO reasons, whether the use of social networking sites will have a positive impact on the long-term economic sustainability of the business.

WLB Furniture's factory has been operating late at night to meet increased customer demand. The noise from production has been keeping its residential neighbours awake, leading to complaints to the local council over breaches of the Resource Management Act. The council has told *WLB Furniture* to reduce the noise or stop operating in the evening.

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

- (c) (i) Why is it important for businesses to comply with the Resource Management Act when operating as a business?

Government policies and decisions regularly affect businesses.

Specific examples of government policies include:

- taxation
- subsidies to encourage the purchase of certain products or to employ local labour
- the restriction or banning of the use of particular materials or production processes based on their environmental impact
- health and safety initiatives
- tax and other incentives to make operating a business in New Zealand more appealing
- the increase (or decrease) of duties on imported goods.

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 WLB Furniture.**

Name of the large business: _____

Good(s) sold or service(s) provided: _____

(d) Using ONE of the government policies provided in the resource above, discuss how a change in government policy might affect your named business.

(i) State a government policy that has impacted, or could impact, your named business.

(ii) Explain TWO possible actions that could be taken by your named business in response to this change in government policy, and how doing so would affect the business.

Please turn over ➤

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

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