

SUPERVISOR'S USE ONLY

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Draw a cross through the box (X) if you have NOT written in this booklet

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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 2 Business Studies 2023

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

Do not write in any cross-hatched area (X). This area will 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 boxes on the following pages, 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.

Background information

Tohunga o waho (which translates to ‘outdoor specialists’ in English) is a business that offers educational outdoor experiences in New Zealand. Its mission statement is to provide the best out-of-the-classroom wilderness experiences for school-aged children.

There is a focus on student personal growth and the sustainability of New Zealand's natural resources in its programmes, which is reflected in *Tohunga o waho's* goals.

Tohunga o waho contracts its services to a range of primary and secondary schools throughout New Zealand, with regional offices in Auckland, Wellington, and Christchurch.

Management have recently completed a variance analysis and identified some unfavourable variances. An extract of this analysis is shown in the table below.

| | Budget | Actual | Variance |
|-------------------|----------|----------|-----------|
| Fuel costs | \$10,000 | \$11,500 | \$(1,150) |
| Staff costs | \$20,000 | \$22,500 | \$(2,500) |
| Equipment repairs | \$5,000 | \$6,200 | \$(1,200) |

You may choose EITHER *Tohunga o waho* OR a large business (more than 20 employees and /or with a national or regional significance) operating in New Zealand that you have studied in depth.

- (a) (i) Explain why using variance analysis could be an advantage to the business.

- (ii) Using a specific example, how could a business correct an unfavourable variance in costs to ensure that it remains profitable?

- (iii) Referring to the business and TWO elements of the definition of rangatiratanga, justify whether one type of leadership style would be more effective than another.

Policies and procedures are vital for keeping a business running in a safe and orderly manner.

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

Name of the large business: _____

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

- (c) (i) Explain ONE policy that your chosen business has in place to maintain the health and safety of employees.

- (ii) Explain ONE health and safety procedure that your chosen business has in place to protect customers. How would the business be impacted if this procedure is not followed?

DEFINITION

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.

Tohunga o waho is struggling with a limited supply of experienced staff. The business is reaching its capacity in terms of staff-to-student ratios. Management would like to allow more students on each experience without increasing staff numbers. There is a conflict with meeting the increasing capacity and ensuring staff well-being, while also maintaining standards and staying true to its pūtake of providing the best out-of-the-classroom wilderness experience.

You may choose EITHER *Tohunga o waho* OR a large business (more than 20 employees and/or with a national or regional significance) operating in New Zealand that you have studied in depth.

(d) Discuss the importance of a business being socially responsible, as well as being economically sustainable.

(i) Using a specific example, explain why it is in the best interests of the business to be socially responsible.

(ii) Explain why being socially responsible could be a disadvantage, and how this disadvantage might impact the future of the business.

- (iii) Justify, with TWO reasons, whether it is important for the business to be both socially responsible and economically sustainable. You should refer to the concept of pūtake in your answer.

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Write the question number(s) if applicable.

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