

90844



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

2

SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2011

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

2.00 pm Wednesday 30 November 2011

Credits: Four

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 the questions in this booklet.

Refer to relevant business knowledge and/or Māori business concepts in your answers.

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.

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

ASSESSOR'S USE ONLY		Achievement Criteria	
Achievement		Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how a large business responds to external factors.	<input type="checkbox"/>	Demonstrate in-depth understanding of how a large business responds to external factors.	<input type="checkbox"/>
Overall level of performance (all criteria within a column are met)			<input type="checkbox"/>

You are advised to spend 60 minutes answering the questions in this booklet.

QUESTION ONE: ECONOMIC SUSTAINABILITY

Use the information in the boxes and your business knowledge to complete the following tasks.

Parakore Oils is a large skincare company started by a husband and wife team, Kahu and Kiri Maihi, ten years ago. The company's products are based on natural ingredients (*parakore* means "pure" in te reo Maori). Within five years the original range of ten products grew to over 30 and the company was employing 15 full-time staff and 8 part-timers.

Parakore Oils' production process involves workers gathering the *raukawa* leaves (a New Zealand native plant) from their plantation next door, and taking it directly to the on-site lab where the oils are extracted, processed into skincare products, bottled and labelled. This decision to have a close connection between the raw materials and processing stages gives the company a unique advantage, as does Kahu and Kiri's philosophy to have employees trained in all aspects of the business, from production to distribution. Distribution is done via a nationwide courier with local branches throughout New Zealand.

(a) Explain the term **economic sustainability**.

(b) Fully explain how *Parakore Oils* is economically sustainable.

In your answer, you should refer to:

- production
- distribution.

QUESTION THREE: ENTERPRISE CULTUREASSESSOR'S
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Kahu and Kiri have been successful because they saw an opening in the market for skincare products based on natural ingredients. The company also involves its staff in every aspect of the business, from production to distribution. They encourage and reward staff for introducing innovative and creative ideas.

(a) Explain the term **enterprise culture**.

(b) Fully explain the importance of having an enterprise culture in New Zealand.

In your answer, you should refer to:

- risk-taking
- innovation.

QUESTION FOUR: SOCIAL FACTORSASSESSOR'S
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Parakore Oils produces high-value products targeted at discerning, health-conscious consumers looking for alternatives to products that contain chemical preservatives.

- (a) Explain ONE possible benefit that *Parakore Oils* could gain from current trends in consumer attitudes towards health.

- (b) Fully explain the difference between a **social trend** and a **belief**.

In your answer, you should refer to:

- attitudes
- culture.

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