

90845R



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

## Level 2 Business Studies, 2011

### 90845 Apply business knowledge to a critical problem(s) in a given large business context

2.00 pm Wednesday 30 November 2011

Credits: Four

## RESOURCE BOOKLET

Refer to this booklet to answer the questions for Business Studies 90845.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

**YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.**

**RESOURCE A: CASE STUDY – ADVENTURE TOURISM**

*ThrillNZseekers* is an adventure tourism company employing 60 staff, including activity personnel, sales and marketing staff, and administrative support. They operate throughout the main centres of the South Island. The company offers extreme sporting and outdoor activities that attract mainly young and adventurous New Zealanders and overseas tourists.

The global economic recession has caused a decrease in tourist numbers worldwide. For New Zealand, the poor findings of a recent research study into adventure tourism indicate that a number of potential tourists are going elsewhere. This has resulted in fierce competition amongst tourism operators in the North and South Islands, including the introduction of even more extreme and dangerous sports (refer to Resource C). However, many companies have poorly trained and unqualified staff, and consequently their safety policies are often poorly managed.

*ThrillNZseekers*, despite being a successful company for the last five years, has experienced a 20% decrease in sales revenue over the past two years. To increase sales, they have introduced new activities that involve a higher degree of risk. As a result of an increased number of reported injuries and a near-fatality last month, this has impacted on their brand and reputation. According to the media, the near-fatality was due to the inexperience of the skiing instructor and his lack of knowledge of the equipment, which did not meet current safety standards. The family of the girl who nearly died is threatening legal action against *ThrillNZseekers*.

Safety policies and standards at *ThrillNZseekers* are now being investigated. An Occupational Safety and Health (OSH) audit of its staff training, quality of equipment, and safety policies and procedures has found major issues which the CEO, Mark Sambert, has been ordered to address (refer to Resource D).

Mark Sambert blames the results of the audit on the shareholders' refusal to invest in upgrading the equipment or further staff training on safety policies. The shareholders' reason for not upgrading the equipment is that they are interested in taking over a local sporting equipment manufacturer, *Xtreme Sportz Ltd*. This company has an excellent reputation for producing equipment that consistently meets OSH safety standards. The *ThrillNZseekers* shareholders believe the takeover would enable their company to restore its reputation and improve profitability in the long term. They insist that due to poor sales and increasing legal costs following the recent near-fatality, they cannot afford to both upgrade the equipment and take over *Xtreme Sportz Ltd*.

Mark Sambert is against the takeover. He would prefer the investment to be made in staff training and upgrading of equipment. He still believes he can turn around the reputation of the business and return *ThrillNZseekers* to its former success and growth.

**RESOURCE B: REPORT****How safe is adventure tourism in New Zealand?**

An in-depth research study of New Zealand has found that there is a major problem with

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the most common contributors to this problem.

Source (adapted):

T. Bentley, S. Page, D. Meyer, D. Chambers and I. Laird, 'How safe is adventure tourism in New Zealand? An exploratory analysis' [www.sciencedirect.com/science/article/pii/S0003687001000114](http://www.sciencedirect.com/science/article/pii/S0003687001000114)

**RESOURCE C: ADVERTISEMENT****ThrillINZseekers**

**We fulfill your wildest dreams...**

**Bringing the WILD back into ultra-extreme sports – faster, higher, deeper, further than you've EVER been before!!!**

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Source (image only): <http://snowboardingskiholidays.wordpress.com>

**RESOURCE D: SUMMARY OF OSH AUDIT**

<b>Issue</b>	<b>Exceeds the standard</b>	<b>Meets the standard</b>	<b>Does not meet the standard</b>
Quality of equipment			<b>X</b>
Level of staff qualifications and training			<b>X</b>
Compliance with safety policies and procedures			<b>X</b>
Completion of incident report(s)		<b>X</b>	