

90843



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2012

90843 Demonstrate understanding of the internal operations of a large business

2.00 pm Friday 30 November 2012

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 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 2–15 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.

TOTAL

ASSESSOR'S USE ONLY

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

Use the information in the boxes, and your business knowledge, to answer each question.

QUESTION ONE: LEADERSHIP

Fruits of Nature Ltd is a New Zealand-owned international food company whose activities include food processing, packaging, and food services for the hospitality sector.

Tony Hamilton is the CEO and founder of the company, which draws resources from Māori-owned land. As a descendent of the people from the area, Tony received permission from the local iwi to build on the land, to help establish a new company that would support economic development within the iwi.

Tony's leadership style has been described as "tough, but fair and honest". He is not afraid to try new things or make hard decisions, and always has the big picture in mind. He knows all of his 200 employees personally – some of them are relatives – and he has a thorough understanding of their roles and responsibilities. He believes that good management of people is the key to his company's success. Tony is task-orientated and is an effective communicator. He gives specific instructions to his employees so they are clear about his expectations.

- (a) State and explain the type of leadership style that best describes Tony Hamilton.

- (b) Fully explain the characteristics of an effective leader in a business.

In your answer, you should refer to:

- skills and attributes
- personal values.

QUESTION TWO: GROWTH STRATEGIES

Until recently, *Fruits of Nature Ltd* has specialised in canned fruits and vegetables, soups, and baby food. The company is now exploring product diversification, in two ways. These are the supply of organic fruit and vegetables, or the production of frozen meals. Both options respond to changing customer lifestyles and values. However, the company does not want a type of expansion that would lose focus on their vision, which states that “respect for the environment is as important to us as it is to you”.

- (a) Explain ONE reason why *Fruits of Nature Ltd* would choose product diversification as a growth strategy.

- (b) Fully explain the link between product diversification and market share.

In your answer, you should refer to:

- existing product range
- sales and profit growth.

QUESTION THREE: KAITIAKITANGA

One aspect of kaitiakitanga is related to the practice of conservation for the overall well-being of iwi resources. It is an aspect that considers the protection of all natural resources, such as the native bush and the ecosystem.

Fruits of Nature Ltd's vision statement recognises the importance of running their processing operations in harmony with the environment and iwi resource. The CEO, Tony Hamilton, considers himself to be a kaitiaki, as he is a direct descendent of people from the area and is closely involved with the local iwi. In addition, he ensures that the protection of all resources and species in the ecosystem is upheld, as he understands the importance of passing on a legacy for future generations.

- (a) Explain ONE way in which *Fruits of Nature Ltd* would practise kaitiakitanga in their daily operations.

- (b) Fully explain how kaitiakitanga influences Tony Hamilton's business decisions at *Fruits of Nature Ltd*.

In your answer, you should refer to:

- natural resources
- processing operations.

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