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90843



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

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

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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 Māoriowned 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.

State and expla	ain the type of leadership	style that best descril	bes Tony Hamilton.	
	ne characteristics of an eff r, you should refer to:	fective leader in a bus	siness.	
	attributes			
 personal 	values.			

(c)

Fully explain the benefits to a business of the CEO knowing every employee personally. In your answer, you should refer to: staff loyalty motivation and job satisfaction.	ASSESSOR'S USE ONLY
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Question One continues on page 4 ➤

(d) Discuss the impact of good leadership on a large business (more than 20 employees and/or with a national or regional significance) you have studied.

In your answer, you should:

- explain ONE example of good leadership in the named business, other than believing in and knowing all staff
- fully explain the effect of good leadership on customers of the named business
- justify, with reasons, why good leadership is important in the long term for the named business.

Name of business:

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QUESTION TWO: GROWTH STRATEGIES

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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".

growth strategy.
Fully explain the link between product diversification and market share. In your answer, you should refer to: existing product range sales and profit growth.

(c)

Fully explain why it is important for product diversification to match the company's vision. In your answer, you should refer to: company reputation brand loyalty.	

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Question Two continues on page 8 ➤

(d)	Discuss which product diversification option (supplying organic fruit and vegetables <i>OR</i> frozen meals) would be better for the overall growth of <i>Fruits of Nature Ltd</i> . In your answer, you should: state the option <i>AND</i> explain why this would be suitable for <i>Fruits of Nature Ltd</i> fully explain one advantage <i>AND</i> one disadvantage of this option justify, with reasons, why this option would be more appropriate than the other option for <i>Fruits of Nature Ltd</i> .	ASSESSOR'S USE ONLY

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QUESTION THREE: KAITIAKITANGA

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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.

	plain ONE way in which <i>Fruits of Nature Ltd</i> would practise kaitiakitanga in their daily practions.
	y explain how kaitiakitanga influences Tony Hamilton's business decisions at <i>Fruits of ure Ltd</i> .
In y	our answer, you should refer to:
•	natural resources
•	processing operations.

(c)	kaitia	explain why there may be an increase in the number of businesses practising akitanga. Our answer, you should refer to: company values	ASSESSOR'S USE ONLY
	•	business success.	

Question Three continues on page 12 ➤

(d)

	uss the impact of practising kaitiakitanga for <i>Fruits of Nature Ltd</i> . our answer, you should:
•	explain ONE immediate effect of kaitiakitanga for <i>Fruits of Nature Ltd</i>
•	fully explain why consumers would be more likely to purchase products produced by
	Fruits of Nature Ltd if the company practises kaitiakitanga
_	justify, with reasons and reference to the long-term consequences for <i>Fruits of Nature</i>
•	Ltd, Tony Hamilton's decision to practise kaitiakitanga.
	Ltd, Torry Hamilton's decision to practise kalitakitanga.

		Extra space if required. Write the question number(s) if applicable.	AS
QUESTION NUMBER		write the question number(s) it applicable.	

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