

91379



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

3



SUPERVISOR'S USE ONLY

Level 3 Business Studies, 2012

91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

2.00 pm Monday 3 December 2012

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 2–15 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.

| ASSESSOR'S USE ONLY | | Achievement Criteria | |
|---|--------------------------|---|-----------------------------|
| Achievement | | Achievement with Merit | Achievement with Excellence |
| Demonstrate understanding of how internal factors interact within a business that operates in a global context. | <input type="checkbox"/> | Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context. | <input type="checkbox"/> |
| | | Demonstrate comprehensive understanding of how internal factors interact within a business that operates in a global context. | <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: CHANGE MANAGEMENT AND LEADERSHIP

Use the information in the boxes and your business knowledge to answer the following questions.

In 1997 Sarah Pomare, a descendent of Te Ati Awa, started a new company in Wellington, New Zealand. Initially, the company produced high-quality wool clothing, mainly for the high fashion market, under the brand name *Winter's Dawn*. By 2007 sales had expanded into Europe and North America, and while pressures existed to shift production offshore to China, Sarah, in consultation with whānau, hapū, and iwi of Te Ati Awa, made the decision to keep production in New Zealand.

It soon became apparent that *Winter's Dawn* was finding it a challenge to keep costs low, while maintaining production in New Zealand. Other domestic and European designers were having their products made offshore, at lower cost, and using their profits to finance extensive marketing campaigns. Sarah had to find a new product line.

Sarah and her husband had always been active, and enjoyed adventure sports, tramping, canoeing, rock climbing, and skiing in winter. *Winter's Blast* was the obvious next step. Sarah would create a new product line of fashionable, rugged, and colourful wool clothing that featured contemporised Māori motifs for the recreational outdoor sports market.

This idea was obviously a big step, and Sarah decided to hire Hayley Love – an experienced, local Māori designer also of Te Ati Awa descent – to lead the team and work on the new product line. Hayley would need to work very closely with some of the in-house designers, who would be moved from the *Winter's Dawn* fashion range to the new recreational outdoor sports range. This would require careful change management.

- (a) Explain why the ability to respond to change is an important characteristic of all modern business.

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QUESTION TWO: INNOVATIONASSESSOR'S
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Use the information in the boxes and your business knowledge to answer the following questions.

In 2009 Sarah was contacted by Bill Taylor, a professor in industrial design at a local university. His faculty had been developing a Computer Aided Design process for the wool clothing industry, and he wanted to discuss this potential innovation with Sarah.

- (a) Explain how innovation in **production processes** can allow firms to compete more successfully in an international market.

Sarah was unsure about introducing the new technology until it was fully tested. However, she was keen to develop a culture of innovation in her company. She wanted a business where designs would be exciting and creative, with designers developing new ideas for both products and processes.

(c) Evaluate the strategies that Sarah could introduce to make the design side of her company more innovative.

In your answer, you should:

- explain TWO strategies she could implement that would encourage workers to develop new ideas
- fully explain the impact of these strategies on the company by explaining ONE positive and ONE negative impact of each strategy on the performance of the business
- draw a justified conclusion as to which strategy would be the more effective.

QUESTION THREE: QUALITYASSESSOR'S
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Use the information in the box and your business knowledge to answer the following questions.

- (a) Explain why Quality Management is important to the performance of a business.

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