

90844



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

2

SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2014

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

2.00 pm Tuesday 25 November 2014

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how a large business responds to external factors.	Demonstrate in-depth understanding of how a large business responds to external factors.	Demonstrate comprehensive understanding of how a large business responds to external factors.

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

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Background information

All questions refer to *Effects Galore*, a leading New Zealand provider of special effects for film, television, and online video production. *Effects Galore's* main customers are large media organisations. It employs 40 animators, designers, and other technology experts. The company was started by Sam Alexander in 2004 as a part of his NCEA Information Technology course, and has grown into a business of national importance.

QUESTION ONE: TECHNOLOGICAL INFLUENCES

Rapid changes in technology, such as the creation of new social media and cheaper ultra-fast broadband (4G), have presented both opportunities and threats to *Effects Galore*. Online piracy (theft) and increasing competition from young animators working from home are just two possible threats.

- (a) Explain how an external factor such as a technological change can impact on a business.

- (b) Fully explain ONE opportunity for *Effects Galore* from the rapid changes in technology indicated in the stimulus above.

In your answer, refer to:

- the range of animation and design services offered by *Effects Galore*
- the possible impact on *Effects Galore's* profits.

Question One continues on page 4 ►

QUESTION TWO: POLITICAL FACTORSASSESSOR'S
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To reduce high youth unemployment, the government is offering tax incentives (savings) to businesses that invest in New Zealand, and those who employ school leavers for on-the-job training.

Sam is very keen to take advantage of the tax incentives, and plans to employ younger animators and/or social media users.

- (a) Explain how a change in government policy, **other than** tax incentives, can impact on a business.

- (b) Fully explain TWO impacts on *Effects Galore* of the government's new tax incentive policy outlined above.

In your answer, include reference to the tax incentives available to *Effects Galore* by:

- increasing its investment in New Zealand
- offering on-the-job training to school leavers.

Question Two continues on page 8 ►

QUESTION THREE: TRADE UNIONS

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Effects Galore is located in an area of New Zealand with a higher rate of youth unemployment than the national average. The technology trade union (TTU), which represents half of all the designers and animators at *Effects Galore*, is against Sam taking advantage of the government incentives (described on page 6) to train school leavers on the job. The TTU is threatening industrial action.

A major Hollywood studio has contacted Sam about the possibility of *Effects Galore* providing some design and technology services for its latest big-budget production, but is waiting for the outcome of the union action before making a final decision whether to proceed.

(a) Explain ONE role of a trade union.

(b) Fully explain how a trade union may impact on a large business (more than 20 employees or with a national or regional significance) you have studied.

In your answer, you should refer to:

- collective agreements for **the members of the trade union only**
- working conditions for all workers at the named business.

Business name	
Good(s) sold or service(s) provided	

Question Three continues on page 12 ➤

90844