SUPERVISOR'S USE ONLY

90838



Level 1 Business Studies, 2018

90838 Demonstrate an understanding of external factors influencing a small business

2.00 p.m. Tuesday 27 November 2018 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an understanding of external factors influencing a small business.		Demonstrate a comprehensive understanding of external factors influencing a small 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 2–11 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

QUESTION ONE: ECONOMIC INFLUENCES

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Bruce owns *Beach Pizza*, a small pizza shop offering a wide range of Italian and pizza specialities in Marlborough. Rising interest rates have caused business confidence to fall.

In vo	y explain the impact of rising interest rates on <i>Beach Pizza</i> . bur answer:
•	explain ONE negative consequence for <i>Beach Pizza</i> of rising interest rates
•	fully explain ONE strategy that Bruce could implement to reduce the effects of rising interest rates.

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(b)

	6.0	
	me of the small business	
	od(s) sold or service(s) ovided	
n y	our answer:	
	describe ONE possible ac of improved business con	ction your named business may implement to take advantage fidence
	fully explain how improved the long term.	d business confidence could benefit your named business in

More space for this answer is available on the next page.

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QUESTION TWO: COMPETITION

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Beach Pizza is facing increased competition within the Marlborough region. A number of new fast food outlets have opened in the area.

Increased competition can have positive and negative impacts on existing businesses.

Pizza.			

n y	our answer:	
	describe a possible response by Beach Pizza	
	explain the cost of the response to Beach Pizza	
	fully explain ONE positive consequence for Beach Pizza's customers.	

QUESTION THREE: LEGAL INFLUENCES

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Bruce has just read a news article titled "Burger Advertising NOT quite what's on the packaging". The article claims that the burgers in photos created by food stylists on the packaging are very different from the burgers served to consumers.

iast 1000 outlets	s if they breach this law.		

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Bruce read on the WorkSafe New Zealand website that the Health and Safety at Work Act 2015 (HSWA) has replaced the Health and Safety in Employment Act 1992. The HSWA ensures that employers like Bruce shift the focus from recording health and safety accidents in the workplace to proactively identifying and managing risks before accidents happen.

safety accidents in the workplace to proactively identifying and managing risks before accidents happen. (b) Fully explain the impact of the Health and Safety at Work Act (HSWA) 2015 on Beach Pizza. In your answer: describe the purpose of the HSWA 2015 explain ONE advantage for Beach Pizza's employees of the HSWA 2015 fully explain ONE disadvantage and ONE advantage for Beach Pizza of the HSWA 2015.

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