

90844



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2019

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

9.30 a.m. Tuesday 26 November 2019
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 parts of the task in this booklet.

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

ASSESSOR'S USE ONLY

TASK

This task has four parts, (a) to (d). Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task. You may integrate any relevant Māori business concepts into your answers.

Magical Movers is a residential moving company based at Pukekohe in South Auckland, with 40 employees who perform a range of functions, including sales and marketing, information technology, logistics, operations, and finance. The company has a range of different-sized vehicles for short and long haulage, and has a large storage facility in central Auckland. It has multiple contracts with moving and transport companies throughout New Zealand.

The residential moving market is growing fast in New Zealand, but there is considerable competition, with many larger transportation companies operating in this market. Although wages are very high for movers, it is difficult to find skilled people to work in an industry where the hours are long and the work is physically demanding.

The government is looking at ways of improving New Zealand's roading system, which requires considerable financial investment. One method the government has used to raise the necessary capital is to increase the tax on fuel in specific parts of the country, such as Auckland, where *Magical Movers* is based. Any increase in fuel costs affects the profitability of transportation businesses. *Magical Movers* operates in a price-sensitive industry in which there are many competitors.

The government is considering whether to apply this policy to other parts of the country.

You may choose **either *Magical Movers* or** a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

(b) Referring to *Magical Movers* or your chosen business, discuss TWO responses that the business could make to reduce the impact that a rise in fuel costs is likely to have on its profitability.

In your answer:

- explain how a rise in fuel costs would impact on business profitability
- fully explain TWO responses the business could make to reduce this impact while operating in a competitive market
- justify, with TWO reasons, why one response would be better than the other.

Magical Movers has developed a code of ethics for all its workers. In the code of ethics, particular attention is paid to ensuring that customers pay a fixed rate for moving services which does not change if the job takes longer than expected. The code of ethics also helps to ensure that employees get appropriate meal breaks and rest stops to maintain their well-being when working.

You may choose **either** *Magical Movers* **or** a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (c) Referring to *Magical Movers* or your chosen business, fully explain TWO reasons why the business needs to make ethical decisions regarding how it operates.

Extra space if required.
Write the question number(s) if applicable.

QUESTION
NUMBER

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