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91380



NEW ZEALAND QUALIFICATIONS AUTHORITY
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Level 3 Business Studies 2021

91380 Demonstrate understanding of strategic response to external factors by a business that operates in a global context

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate in-depth understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate comprehensive understanding of strategic response to external factors by a business that operates in a global context.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

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.

Do not write in any cross-hatched area (XXXX). This area may be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

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 answer.

You should read the resource information in ALL of the boxes before beginning the task.

BACKGROUND INFORMATION

DEFINITION

The **European Union (EU)** is a political and economic union of 27 member states that are located in Europe.

Pirikahu is a New Zealand business that manufactures a wool-based housing insulation product. This innovative product is used to insulate houses from the cold. The wool used by *Pirikahu* would normally be thrown out, as it is of no use in creating knitting wool for clothing. Most aspects of the business (manufacturing and head office) are located in south Auckland.

The owners of *Pirikahu* value sustainability. They are particularly pleased that they use wool that would normally be a waste product, but are aware that they need to further develop sustainability around culture inside the business, and also further improve economic sustainability, as their profits have not been as high as expected. *Pirikahu* has sold its wool insulation product in New Zealand since 2018 and has small sales outlets in Tasmania, Australia, and in the city of Leeds in northern England. *Pirikahu* is looking to expand globally.

Pirikahu's presence in the United Kingdom (UK) has been limited, because the UK was a member of the European Union (EU) from 1973 to 2020, meaning trade restrictions have prevented non-EU businesses from setting up large-scale operations in the UK.

By the end of 2020, *Pirikahu* had become increasingly positive about new opportunities to access the UK market as a result of the UK leaving the EU. The directors at *Pirikahu* are keen to grow the UK market in response to this change in conditions.

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