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if you have NOT written in this booklet



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Mana Tohu Mātauranga o Aotearoa  
New Zealand Qualifications Authority

# Level 2 Business Studies 2024

## 90843 Demonstrate understanding of the internal operations of a large business

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of the internal operations of a large business.	Demonstrate in-depth understanding of the internal operations of a large business.	Demonstrate comprehensive understanding of the internal operations of a large 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 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 2–12 in the correct order and that none of these pages is blank.

Do not write in the margins (⚡⚡⚡⚡). This area will be cut off when the booklet is marked.

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

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

**Background information**

*CeeGee's* is a clothing store located in a city in the North Island that caters for 30 to 50-year-old professionals who work in the central business district. *CeeGee's* stocks a range of men's and women's business suits, shirts, and ties which are made overseas and imported into New Zealand by sea freight. The suits are a common international design that can be found in many other countries.

The retail clothing industry is a competitive market, with businesses experiencing declining sales, and increasing rents and overseas resource costs, such as materials.

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The retail clothing industry is a competitive market, with businesses experiencing declining sales, and increasing rents and overseas resource costs, such as materials.

You may choose EITHER CeeGee's OR a large business (more than 20 employees and/or with a national or regional significance) operating in New Zealand that you have studied in depth.

- (ii) Explain how a business may respond to increases in freight charges while remaining profitable.

Customers are requesting suit designs that are more customised (tailored) than those CeeGee's currently offers, which is having an impact on sales. Management are considering using a local manufacturer that offers a batch and job production process that allows its customers to pick certain fabrics, sizing, design, and accessories, using a design application.

You may choose EITHER CeeGee's OR a large business (more than 20 employees and/or with a national or regional significance) operating in New Zealand that you have studied in depth.

- (b) (i) Identify a production process being used, and explain why it could be an advantage for a business.

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- (ii) Why could this production process be a disadvantage for a business, and how might this have a negative impact on employees?

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- (iii) With reference to brand loyalty and economic sustainability, justify, with TWO reasons, why this production process is more appropriate than another production process for a business.

**Rangatiratanga** refers to the exercise of leadership, authority, guardianship, and ownership rights – particularly focused on resource production, utilisation, and management for current and future requirements. This includes strategic development and oversight, relationship development and maintenance, problem-solving, conflict resolution and peace-making, adaptation, risk analysis, and management.

In the box below, enter the details of a large business (more than 20 employees and/or having a national or regional significance) operating in New Zealand that you have studied in depth. **Do not use CeeGee's.**

Good(s) sold or service(s) provided: \_\_\_\_\_

- (ii) Using a part of the definition of rangatiratanga, explain how management may choose to change the strategic direction of the business, after analysing its monthly revenue and cost reports.

*CeeGee's* operates a shamrock organisational structure that uses permanent staff within the store throughout the week, outsources its finance, human resource, and marketing functions to its contractors, and employs part-time workers during the weekend and at peak times.

You may choose EITHER CeeGee's OR a large business (more than 20 employees and/or with a national or regional significance) operating in New Zealand that you have studied in depth.

- (d) (i) Explain why using a shamrock organisational structure could be an advantage to a business.

- (ii) Explain why using a shamrock organisational structure could be a disadvantage to a business, and how it could impact the ability of a business to maintain high levels of customer service.



- (iii) Justify, with TWO reasons, whether using a shamrock organisational structure would be more effective than another organisational structure.

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

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