

SUPERVISOR'S USE ONLY

2

90844



Draw a cross through the box (X) if you have NOT written in this booklet

+



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 2 Business Studies 2024

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

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 2–12 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.

Source: <https://www.customs.govt.nz/about-us/news/important-notice/#:~:text=Customs'%20goods%20fees%20are%20to,2023%20and%201%20July%202024>

(a) With reference to TWO specific functions of the business, such as marketing, sales, production, and/or human resources, explain how an increase in customs duties could impact the business.

**This page has been deliberately left blank.
The assessment continues on the following page.**

Carl, the store owner, has recently had a visit from a local manufacturer who is trying to convince *CeeGee's* to start selling their New Zealand-made business suit, which is produced using sustainable material, even though it will be higher in price than the international brand that *CeeGee's* currently stocks.

Carl is conscious of the impact this could have on the stakeholders in his business, including (but not limited to) customers, staff, the bank where he has a loan, local suppliers, and the landlord of the shop he is renting.

CeeGee's prides itself on meeting societal expectations of being a responsible business. This means it operates efficiently and ethically, meeting and exceeding what is required by law. The business always considers its impact on people (staff and community) and the environment.

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) Explain why using a local manufacturer, rather than importing their products from overseas, would be an advantage for the business in meeting societal expectations for the environment.

- (ii) Explain, with TWO solutions, how a business could manage the increased costs of using a local manufacturer.

- (iii) Justify whether changing to a local manufacturer aligns with societal expectations of responsible business practice by considering the impact on at least TWO different stakeholders of the business.

Carl has always made a point of sitting with his employees and going through the contract before it is signed to make sure it is understood, fair, and matches the needs of his employees.

Tikanga – Values, rules, priorities, and ways of doing business. A set of values that constitutes a uniquely Māori approach to doing business. It specifically incorporates Māori diversity, kinship and relationships, and guardianship, and therefore does not focus solely on producing a profit for the owners / shareholders.

(c) (i) Why is it important for the business owner to ensure that all employees have an employment contract?

(ii) How does creating a contract in consultation with the employee provide an opportunity for the business to practice tikanga?

Demographic change in sales refers to how customers might differ over time. Examples might be changes in number, age, ethnicity, gender, income, beliefs, wants, or values.

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) Explain TWO actions that a business could take to ensure economic sustainability when dealing with the demographic change.

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

QUESTION
NUMBER

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

QUESTION
NUMBER

90844