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90844



NEW ZEALAND QUALIFICATIONS AUTHORITY
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SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2016

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

2.00 p.m. Friday 25 November 2016
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 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 2–12 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.

Not Achieved

TOTAL

2

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Background information for all questions

Asia Food Suppliers is an Auckland-based supermarket chain looking to expand nationally.

QUESTION ONE: POLITICAL INFLUENCES

The New Zealand Government has approved changes to existing immigration policies to make it easier for people from Asia to settle and live in New Zealand. By introducing this policy change, the New Zealand Government is hoping to increase the number of Asians living in New Zealand by 50% over the next 10 years.

Source (adapted): http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/NationalEthnicPopulationProjections_HOTP2013-38.aspx

- (a) Fully explain how the change in immigration policy may affect New Zealand businesses.

the effect on businesses will depend on what they sell, their target market, and competition.

a If a businesses target market was mainly europeans (maybe a type of food asians won't eat?) then their sales wouldn't increase ~~but then~~ and there wouldn't be any major downsides.

competition is a big problem. for example. Fish and chip shops. This is one of the main lines of busines of chinese immigrants. more Immigrants means existing Fish and chip shops could face a much ~~larger~~ larger competition.

Government policies may be implemented through:

- free trade agreements such as the Trans-Pacific Partnership (TPP)
- initiatives to discourage consumption of “demerit products”, e.g. sugar, tobacco.

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Asia Food Suppliers is worried about other government policies that may affect their decision to expand nationally.

- (b) Discuss a government policy (other than immigration) that could impact on *Asia Food Suppliers*' expansion. You may choose an example from the box above, or any other relevant policy.

In your answer:

- explain a response to your chosen policy that *Asia Food Suppliers* could implement
- fully explain ONE advantage and ONE disadvantage of this response for *Asia Food Suppliers*
- justify, with TWO reasons, why this response could ensure a successful expansion for *Asia Food Suppliers*.

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

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QUESTION TWO: SOCIAL INFLUENCES

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The demographics of New Zealand's population are changing. By the year 2043, the proportion of New Zealand's population over 65 is projected to be 23.8%. In 2016, it is currently at 14%.

<http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/qstats-65-plus-mr.aspx>

- (a) Fully explain why a business needs to be aware of demographic changes.

- (b) Discuss TWO responses that *Asia Food Suppliers* could implement to address the issue of an aging population, in order to ensure continued growth.

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In your answer:

- explain EACH response that *Asia Food Suppliers* could implement
- fully explain ONE advantage of EACH response
- justify, with TWO reasons, which response will have the greater impact on growth.

older people don't go out as much as younger people. with a larger % of old people the supermarket could look at ways - to bring their goods to the aging population. //

Home delivery with the aid of a website would be good for the supermarket. This ~~was~~ work is already being done to help the aging population embrace tech and a supermarket partnership would go together well. This would help with growth by ~~exp~~ virtual expansion to older people - and also bring in revenue from those that don't usually go to a supermarket - who now can due to online shopping. //

QUESTION THREE: LEGAL INFLUENCES

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Asia Food Suppliers needs to employ more staff who have an awareness and understanding of Asian cultures. They have approached a market research company for the names, addresses, and phone numbers of possible employees.

- (a) Fully explain why the market research company may be in breach of the Privacy Act if they gave the information requested by *Asia Food Suppliers*.

Whether or not the market research company is in breach of the privacy act depends on how they obtained the data. for example: //

If the data was collected from a phone book they could give the data to *Asia Food Suppliers* but they would not be able to charge money as they ~~do~~ do not own the data. //

If the market research company collected the data through an online survey/physical survey etc they would have rights to the data but would not be able to sell it or unless the people taking the survey agreed for their data to be shared with a 3rd party. //

Other laws which are likely to impact on large businesses in New Zealand include:

- the Employment Relations Act 2000
- the Resource Management Act 1991.

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- (b) Choose ONE of the laws from the box above. Discuss ONE response by a large business you have studied (more than 20 employees, and/or having a national or regional significance) to the law you have chosen.

In your answer:

- explain how your chosen business has responded to the law
- fully explain ONE advantage and ONE disadvantage to the business of the response
- justify the response in terms of the degree of success for the business.

Name of large business	McDonalds McDonalds
Good(s) sold or service(s) provided	Fast food
Law	Resource Management act 1991

McDonalds has responded to the resource management act by using quality control methods to ensure their food is of a high standard. This utilizes resources as there is less waste due to customer dis-satisfaction.

An advantage of the resource management is their (McDonalds) increase in social standing. ie - another badge they can proudly display.

A disadvantage of the resource management act is the time McDonalds spends to ensure they are abiding with the act //

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

AD

Not Achieved exemplar for 90844 – 2016		Total score: 2
Q	Grade score	Annotation
1	N0	The candidate has provided little evidence towards the Achievement grade. If the candidate had completed all sections of this question, they may have gained an A3/A4. In part (a) the response was stated, but not explained.
2	N2	The evidence is not at an Achievement level, and showed little application of business knowledge. In part (b) a relevant response has been given, and also an explanation of the advantage of that response.
3	N0	Why the market research company may be in breach of the Privacy Act has been loosely identified, but not explained – the evidence is also incorrect. In part (b) the candidate has incorrectly taken the Resource Management Act (RMA) to be about reducing waste, which is a corporate social responsibility issue and not a requirement of the RMA.