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90844



NEW ZEALAND QUALIFICATIONS AUTHORITY  
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## 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.**

**Achievement**

**TOTAL**

**9**

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**Background information for all questions**ASSESSOR'S  
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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](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.

If the number of immigration from china increases, New Zealand businesses would be affected heavily. Airlines to and from asia would gain large increases in sales to tickets from people moving here or visiting home, which would allow them to make deals and perhaps focus more on the large demand. Housing market/retailers sales would increase as the new immigrants would need a home. Business that sell things that are in high demand for asian immigrants would also gain and increase in sales and potential profits, as their potential customers increase when they move to New Zealand.



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.

Asia food suppliers could stop selling demerit products and receive potential compensation from the government.

One advantage of this would be the help from the government, as they would aid Asia Food suppliers in order to discourage demerit products.

One disadvantage would be to lose customers who like to buy those demerit products such as children looking for sugar or grown-ups wanting tobacco, this would lead to decreased sales and potentially profit as well.

This would grow Asia food suppliers into a positive sugar free, demeritless product store where families could come to buy sugarless products and avoid tobacco.

It would also allow for Asia Food Suppliers to become gain compensation from the government, which could allow them easier access to loans in order to buy new stores and spread across New Zealand into different areas.

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



## 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.

A business must be aware of demographic changes because as the number of older people increase, so does the need for cures, wheel chairs, walking chairs, scooters, nursing homes / retirement homes. If the average age of retirement is 65 and the assumed guess is that by 2043 the population of people over 65 is expected to nearly double, businesses must be aware of an entire new market, and the new demand. By selling the products that the new large percentage of old people need, businesses will be able to successfully increase sales and potentially profit. A business needs to be aware of other demographic changes such as religion percentage and ethnicity/culture.



- (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.

Asia food Suppliers could ~~emp~~ implement a staff members which carry your groceries for you, which would allow the older people to continue shopping without causing them any hazards. ~~Another~~ This would allow the old people to shop here, and would potentially expand their customer range as their reputation increases, which would lead to increased sales and increased profits, it would also be an ethical business practice as they are helping old people.

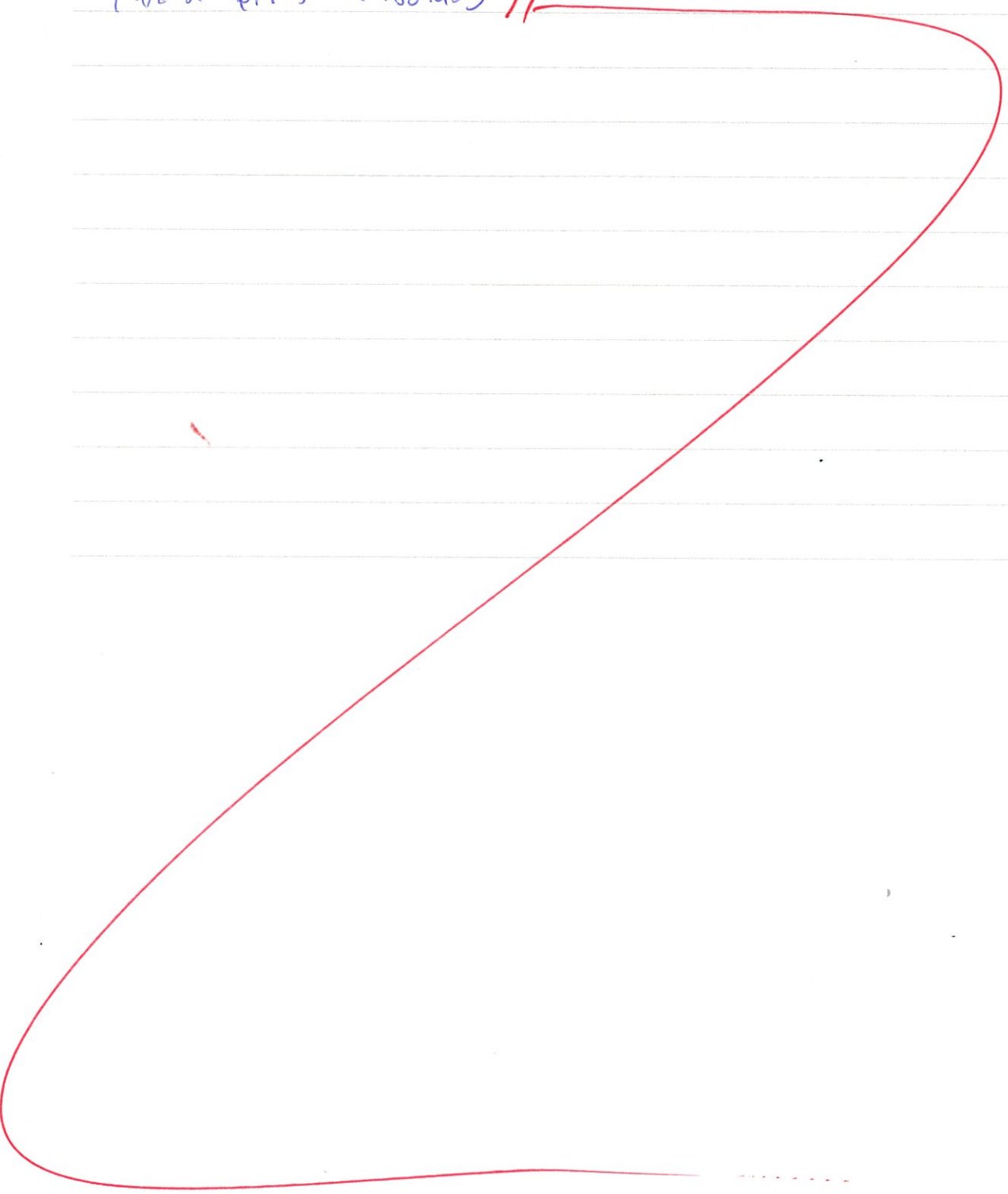
And <sup>with these new hires, they could</sup> ~~Another way~~ <sup>hire</sup> Asia food Suppliers could respond is by hiring staff to pack people's bags and carry them to their car. This would help the older people get their car and would once again increase their reputation, which could lead to increase sales and therefore a potential increase in profit. //

Another way Asia food Suppliers could respond is by making deliveries to the old people who cannot leave the house anymore or can't go to the supermarket. This would require hiring drivers and vans for deliveries. This would help out the community by delivering groceries to those who can not go get them themselves. //

The greater impact on growth would most likely be new staff members to aid the older people as this would increase sales and reputation, without too much of an increase to costs, which means a higher. //

profit is likely. More customer means more sales and as their reputation increases, more customers will come.

It is also a very ethical thing to do, helping the elderly is always a good deed. It would allow ~~the~~ Asian food suppliers to feel proud of their business, and increase prices "reasonably" //



M5



**QUESTION THREE: LEGAL INFLUENCES**ASSESSOR'S  
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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*.

If the market research company gave *Asia Food Suppliers* the names, addresses and phone numbers of the possible employees, this could be a breach of the privacy act, as this act is a law, that focuses on ensuring that all people have the right to their privacy. If the Market research company didn't have enough the permission to give this information to ~~the~~ *Asia Food Suppliers*, they would be giving out personal information without permission which is what this act prohibits. Therefore would be breaching the privacy act law.



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	
Good(s) sold or service(s) provided	
Law	

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

N/

Achievement exemplar for 90844 – 2016		Total score: 9
Q	Grade score	Annotation
1	A3	The candidate has provided enough evidence for an A3. They were able to explain how the immigration policy could affect New Zealand businesses. They stated a response to a chosen policy that was identified as having an impact on Asia Food Suppliers, and one disadvantage was explained. The evidence given for an advantage (help from the government) was an invalid answer. Had the candidate explained in more detail, they may have gained an A4.
2	M5	The candidate provided sufficient evidence for M5. They were able to explain why a business needs to be aware of demographic changes. Two relevant responses were explained to address the issue of an ageing population for Asia Food Suppliers. However, the advantages of these responses to Asia Food Suppliers was fully explained for the first response only. When the candidate justified their reasons as to which response would have the greater impact, no new information was given and this precluded them from reaching Excellence level.
3	N1	This candidate gave evidence of an in-depth understanding in part (a) of why the market research company may be in breach of the Privacy Act. Had the candidate completed all sections of this question, they may have gained a higher score.