

## Assessment Schedule – 2017

### Business Studies: Demonstrate understanding of how a large business responds to external factors (90844)

#### Assessment Criteria

#### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** the situation/action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.

**Justifying:** Uses relevant evidence to justify the significance of the decision or the likelihood of success. This should include reference to alternative courses of action, or new information to further support the decision that has not already been established in earlier parts of the question.

Part	Sample answers / Evidence
(a)	<p><u>Fully explain ONE positive and ONE negative impact on <i>Kapai Kiwifruit</i> of an investment in new technology.</u></p> <p><i>Positive</i></p> <p>Investing in new technology will enable <i>Kapai Kiwifruit</i> to be more productive (Stated). This is because the new technology (picking machines) will be able to pick more fruit than employees can, as the machines can work 24/7 during the picking season without needing the breaks that people need (Explained). The impact of this for <i>Kapai Kiwifruit</i> is that it will have more kiwifruit picked at the right time, less kiwifruit rotting on the vines, and therefore more fruit available to be sold, which will increase its sales and hence potential profits (Fully explained).</p> <p><i>Negative</i></p> <p>Investing in new technology could be expensive, as <i>Kapai Kiwifruit</i> may have to borrow funds from the bank (Stated). The loans will increase the interest expenses for the business and may have an impact on cash flow (Explained). An increase in expenses will decrease the business' profitability, and may result in the business having to reduce expenses in other areas, such as maintenance (Fully explained).</p>
(b)	<p><u>Discuss the impact of the Employment Relations Act (ERA) on <i>Kapai Kiwifruit</i>.</u></p> <p><i>Example from <i>Kapai Kiwifruit</i> to explain the purpose of the ERA:</i></p> <p>The purpose of the ERA is to define the rights and responsibilities of <i>Kapai Kiwifruit</i> and its employees (Stated). The ERA would help <i>Kapai Kiwifruit</i> explain its responsibilities in regard to treatment and payment of seasonal workers. Seasonal employees would know their rights, so both parties could enter the agreement in good faith (Explained).</p> <p><u>Fully explain ONE cost to <i>Kapai Kiwifruit</i> of complying with the ERA.</u></p> <p>Complying with the ERA may mean that contract negotiations are more complicated and take longer (Stated). This will increase costs for <i>Kapai Kiwifruit</i> (Explained), which may in turn negatively impact on profitability (Fully explained).</p> <p><u>Justify, with TWO reasons, why it is in <i>Kapai Kiwifruit</i>'s best interests to comply with the ERA.</u></p> <p>It is best for <i>Kapai Kiwifruit</i> to comply with the ERA, as there is increased awareness of it among the public and media, due to poor treatment of seasonal workers in the industry, and <i>Kapai Kiwifruit</i> would not want to risk further negative publicity, as this could affect its brand image and sales. By complying with the ERA, <i>Kapai Kiwifruit</i> will be perceived to be showing corporate social responsibility (new information).</p> <p>By complying with the ERA and ensuring that employees are dealt with openly and honestly, the business will have employees who feel they are being fairly treated. These employees are more likely to remain with the business, reducing staff turnover and ensuring that the business will not have to waste time and</p>

	<p>resources hiring and training new employees (new information). As a result, the business will be more productive, due to employees being more motivated, leading to higher production levels and increasing sales.</p> <p><b>Note:</b> Additional possible answer: If <i>Kapai Kiwifruit</i> did not comply with the ERA, it would be in breach of employment laws and risk a large fine. This would increase costs for <i>Kapai Kiwifruit</i>, putting pressure on profit margins.</p>
(c)	<p><u>For a large business (more than 20 employees, or having national or regional significance) you have studied, fully explain ONE advantage and ONE disadvantage to the employees of belonging to a trade union (apart from the financial cost of joining the union).</u></p> <p><i>Air New Zealand – domestic flights</i></p> <p>One advantage to employees: The benefit for Air New Zealand pilots of belonging to the Federation of Air New Zealand Pilots is that it gives the employees the power to negotiate through the collective bargaining power that they have with the airline (Stated). There is strength and power in being part of a larger group, rather than trying to negotiate as an individual (Explained). Pilots can usually negotiate higher wages, and better terms and conditions, collectively than they can as individuals (Fully explained).</p> <p>One disadvantage to employees: All pilots in the FANZP are bound by the collective agreement and cannot negotiate their own terms and conditions (Stated) or opt out of industrial action if this is the option to be taken to address an employment issue (Explained). Individual disputes with the airline have to go through the union, and may not be given the priority that the pilot feels they deserve (Fully explained).</p>
(d)	<p><u>Discuss TWO possible responses by <i>Kapai Kiwifruit</i> management to industrial action by their employees.</u></p> <p>Identify and explain a method of industrial action that could be undertaken by the employees:</p> <p>A <b>strike</b> is when employees decide not to work on certain days or for a period of time (Stated); they withdraw all of their labour from the workplace, so the business is unable to continue to produce goods or services (Explained).</p> <p>A <b>go slow</b> is when employees will carry on working, but will do so at a slow pace, to reduce the amount of goods or services the business produces (Stated). By reducing productivity, the business will not be producing as much output (goods and services), and this will reduce the volume of sales that the business can generate (Explained).</p> <p>An <b>overtime ban</b> is when employees will refuse to work any time over and above the normal contracted hours (Stated). If the business has urgent work that needs to be done and it cannot be completed in normal hours, this work will have to wait until the next normal working day (Explained).</p> <p><u>Fully explain TWO actions that management may take in response to the stated industrial action.</u></p> <p><i>Kapai Kiwifruit</i> could re-open negotiations with the union and decide to compromise (meet half-way) with the union and employees (Stated). By meeting half-way, all parties would benefit – the business would go back to producing goods or services for sale, and employees would be back working full-time and earning an income (Explained). The business would remain economically sustainable and able to operate into the foreseeable future, which would give employees long-term employment security and stability (Fully explained).</p> <p><i>Kapai Kiwifruit</i> could decide to employ alternative labour to fill the positions left vacant by striking employees (Stated). This would ensure that the business continues to produce goods and services and generate sales, so that it remains economically viable (Explained). They could only employ alternative workers for the period of the strike, otherwise they would be in breach of the ERA (Fully explained).</p> <p><u>Justify, with TWO reasons, which response would be preferable for management.</u></p> <p>Re-opening negotiations with the union and employees would be the better response for <i>Kapai Kiwifruit</i>. By coming to an agreement they would be able to</p>

resume normal operations and ensure that the profits of the business are minimally affected (new information). Also, they would not have to train new employees into the positions left vacant by the strike (new information). This would ensure that productivity remains high, as any new employees would initially be slow and less productive, because they would not be as experienced in the role as the striking staff.

### Grade-score descriptors

Achievement		Achievement with Merit		Achievement with Excellence			
<p>Explains:</p> <ul style="list-style-type: none"> <li>• ONE positive impact on <i>Kapai Kiwifruit</i> of investment in new technology</li> <li>• ONE negative impact on <i>Kapai Kiwifruit</i> of investment in new technology</li> <li>• the purpose of the ERA, with an example from <i>Kapai Kiwifruit</i></li> <li>• ONE cost to <i>Kapai Kiwifruit</i> of complying with the ERA</li> <li>• ONE advantage to employees of belonging to a trade union</li> <li>• ONE disadvantage to employees of belonging to a trade union</li> <li>• (Identifies and) explains a method of industrial action</li> <li>• ONE response to the industrial action.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• ONE positive impact on <i>Kapai Kiwifruit</i> of investment in new technology</li> <li>• ONE negative impact on <i>Kapai Kiwifruit</i> of investment in new technology</li> <li>• ONE cost to <i>Kapai Kiwifruit</i> of complying with the ERA</li> <li>• ONE advantage to employees of belonging to a trade union</li> <li>• ONE disadvantage to employees of belonging to a trade union</li> <li>• ONE response to the industrial action.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts to support explanations.)</p>		<p>Fully explains ONE cost to <i>Kapai Kiwifruit</i> of complying with the ERA.</p> <p><b>AND</b></p> <p>Justifies, with TWO reasons, why it is in <i>Kapai Kiwifruit's</i> best interests to comply with the ERA.</p> <p><b>AND</b></p> <p>Fully explains TWO responses to the industrial action.</p> <p><b>AND</b></p> <p>Justifies, with TWO reasons, which response would be preferable for <i>Kapai Kiwifruit</i>.</p> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts to support explanations.)</p>			
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most/all Excellence evidence.

**N0** = No response; no relevant evidence.

### Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3-4	5-6	7-8