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SUPERVISOR'S USE ONLY

Level 2 Business Studies, 2019

90843 Demonstrate understanding of the internal operations of a large business

9.30 a.m. Tuesday 26 November 2019
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.

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

High Achievement

TOTAL

04

ASSESSOR'S USE ONLY

TASK

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

Wellington Associated Sports Group (WASG) is a new business that has been formed to combine the administrative tasks, such as event management and marketing, of a variety of different sports in the Wellington region. WASG is funded mainly by local government, but also receives income through subscriptions from various sporting organisations and from sponsors, as well as by managing food stalls at venues. It began operations in March 2019, but has run into some difficulties in its first six months.

WASG's mission statement is: "To be Wellington's premium provider of sports administration and support." The core values of trust, integrity, and transparency are considered the most important when dealing with publicly funded income streams.

Note: In this context, "transparency" means that business decisions and use of finance can easily be followed and are open to inspection by the stakeholders of the business.

Melanie Ruawai, a well-known sports personality, has been selected to lead WASG despite having limited experience in business. Her knowledge in leading and managing people has mainly come from her time captaining Wellington representative teams on the national stage. To fill gaps in her business knowledge, Melanie has been researching successful business leaders and managers to see what has worked best for them in their businesses.

You may choose either *Wellington Associated Sports Group (WASG)* or a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (a) Referring to WASG or your chosen business, discuss the differing roles and skills of leaders and managers in the business.

In your answer:

- explain ONE key difference between the roles of a leader and a manager in the business context ✓
- fully explain TWO skills that leaders and/or managers would need in order to run an effective business ✓
- justify, with TWO reasons, which skill would be more important for a new leader and/or manager in the business. ✓

A leader is a person who through social influence maximises the efforts of others. A manager is a person who oversees a group of people and ensures operations are being run as they should. ^A The difference in ~~B~~ roles between a leader and a manager is that a leader ^(can be anyone) is there to motivate staff, and a manager's role is to make sure the business is operating as it should be eg. following laws //

To be a leader and/or manager needs to have certain skills in order to run the business. A skill that a leader and/or manager should have //

is communication skills. By a leader having good communication skills this ensures good relationships with staff and it allows these leaders and/or managers to communicate to their staff what they should be doing. Another skill that a leader and/or manager should have is perseverance. Perseverance is an important skill as it is what will keep the business going, even when things may be difficult //

I think communication is the most important skill for a leader and/or manager to have as communication is what drives the business to success. Good communication within a business ensures that all staff know what they are doing. This increases productivity, which increases sales and profits. Communication is also important as it creates good and healthy relationships between manager and employees. Good ~~comm~~ work relationships cause ~~no~~ a better staff morale and make a better work environment //

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The examination continues on the following page.**

Much of Melanie's time in the first few weeks has been spent putting together policies and procedures for WASG's staff to follow when it comes to dealing with different aspects of business operations.

You may choose either *Wellington Associated Sports Group (WASG)* or a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (b) Referring to WASG or your chosen business, fully explain the need for a business to have clear policies and procedures for staff to follow.

In your answer:

- explain a policy or procedure that would be suitable for the business ✓
- fully explain why the business needs to have this policy or procedure in place. ✓

~~A policy~~ Policies are a set of guidelines that state the rules and expectations of how the business should be run. Procedures are the methods of how these policies will be met //

A policy / procedure that WASG should have is that when staff are handling equipment to set up these events or food stalls they should do so using the right equipment, ~~in a~~ ^{and in} a sensible and appropriate way (Health and Safety procedure) //

It is a very important procedure for WASG to have, even just health and safety procedures in general as it gives employees direction as to how to handle equipment safely so nobody gets hurt. This health and safety procedure //

is vital to have as it will minimise the ~~chance~~ of risk of employees getting hurt. An employee getting hurt is a bad image for the business and a possible lawsuit. Having this procedure in place also shows staff that Melanie and the company cares about employee well being //

A key income stream for WASG is running food caravans and coffee carts at venues. WASG employs a number of staff to source, prepare, and sell the food and coffee. At the first few events issues have arisen, such as lengthy delays between when a customer orders and receives their food or coffee, resulting in long lines of people at certain times of the day. Often this has been caused by staff having to order extra supplies, due either to stock running out part-way through the day or staff not following recipes and using more ingredients than necessary.

- (c) Referring to a large business (more than 20 employees and/or with a national or regional significance) that you have studied, discuss solutions the business has implemented, or could implement, to improve productivity in production processes.

In your answer:

- explain the term 'productivity' as it relates to your chosen business ✓
- ✓ fully explain TWO ways in which the business has improved, or could improve, its productivity *training, financial rewards, motivation to improve morale*
- justify, with TWO reasons, which method would be the most effective for improving productivity in the business.

Name of large business:	The Warehouse //
Goods and/or services provided:	was Sale of various different goods //

Productivity in terms of The Warehouse is how efficiently and effectively each employee is working and just how efficiently ~~and~~ productive the business is as a whole. Each employee being on task and getting it done //

A way in which The Warehouse has improved the productivity of the business is by training the employees that they hire. Training is important as it ensures that staff know //

their role in the business and it ensures that they are doing their job knowledgeably and confidently. Overall, just makes sure staff knows what they are doing. //

Another way ^{that productivity has been} ~~is to provide~~ ^{is} improved productivity at The Warehouse is by managers providing financial rewards e.g. promotions to workers who are doing a good job. Financial rewards improve productivity as it makes employees who have done a good job feel as though they are being recognised. It gives them a sense of accomplishment. It motivates staff to work harder and do their best, which results in an increase in productivity. //

I think training is the most effective way to improve productivity & because it not only teaches employees on how to do their job but it also motivates them as they will feel good knowing that they are doing their job correctly. //

Melanie has been told that it is important to gather sales and expense data from the sports events as soon as possible, to help her plan for future events and review how the previous ones have performed. The WASG board of directors is particularly interested in reports that show variance analysis for each of the events.

You may choose **either** *Wellington Associated Sports Group (WASG)* or a large business (more than 20 employees and/or with a national or regional significance) that you have studied in depth.

- (d) Referring to WASG or your chosen business, fully explain ONE way in which variance analysis could be used to improve decision-making for the business.

In your answer:

- explain the term 'variance analysis', using examples ✓
- fully explain ONE way in which variance analysis improves decision-making.

Variance analysis is data that shows what ~~WASG~~ has sales have been made and what expenses have also been made at WASG over a specific period of time.

An example of variance ^{analysis} ~~examples~~ is data that shows that a specific food that is being sold at a food stall is doing better (making more sales) than another item being sold. Another example could be that the data shows what WASG is spending more money on. //

Variance analysis improves decision-making in a company, specifically WASG because it gives insight into what services and/or products being sold are bringing in more sales. It also gives insight as to what isn't //

making sales. This allows the business to make future beneficial decisions. Decisions that will create more sales and therefore create more profit for WASG. //

This data also shows what the company is purchasing and how much their expenses are. This helps the company make better decisions as it shows them where they can cut down on spending and therefore potentially maximise profits. //

Achievement Exemplar 2019

Subject	Level 2 Business Studies		Standard	90843	Total score	04
Part	Grade score	Annotation				
a	A4	The candidate has not applied their understanding of leaders and managers to their chosen business or WASG as asked in the question.				
b		<p>The candidate has correctly defined policies and procedures, and provided a general example of a policy in the context of WASG.</p> <p>The candidate has explained why this policy is needed for WASG, and explained some impacts on the business.</p> <p>To achieve Merit, the candidate could have included more business knowledge / business terms when explaining the impacts, and given a more specific policy.</p>				
c		<p>The response contains consistent evidence towards Achievement. The candidate has provided a general explanation of productivity. Two reasons to increase productivity are correct, with the second reason (providing financial rewards) at Merit level, as the response contains a 'what', 'why' and impact.</p> <p>To gain Merit, the candidate needed to specifically explain productivity (input per unit of output) and provide two fully explained reasons.</p>				
d		<p>The candidate has not correctly understood the concept of variance analysis, which limits the response. Knowing the correct definition of variance analysis would have greatly improved the response.</p> <p>There is some evidence of how variance analysis could improve decision-making, but it is vague.</p>				