

Assessment Report

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Level 2 Business Studies 2019

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Part A: Commentary

This was the first year where candidates for standards 90843 and 90844 were able to use either the given business context or their own context studied in class, for three of the four parts of the task. Where candidates had a good understanding of their own business context and used this consistently, their grades were very strong. Some candidates used the given context for the one

part of the task that required their own business context to be used. Careful reading of the instructions for each question is important.

Candidates are reminded that the bullet points are there to support the content and structure of their answers, but do not constitute the actual question. Care must be taken to ensure the question is answered, and not just the bullet points in sequential order.

The literacy aspect of the papers should not be underestimated. The resource material provided in all three papers has been included with a purpose, and should be incorporated into the candidates' answers where relevant.

Poor literacy and understanding of business terms used in the paper was a major factor in candidates scoring lower than expected. The quality of candidates' answers often depended on the appropriateness of business terminology used, e.g. sales, profit, revenue and expenses, customers or employees, efficient, effective, or productivity.

While no Māori concept was examined this year, every question invited candidates to incorporate one where relevant. Those who used one voluntarily generally provided strong context and understanding, and enhanced their answers. Candidates need to be familiar with all Māori concepts as provided in the Teaching and Learning Guide, as the assessment specifications do not specify which Māori concept will be assessed.

Answers at the Excellence level require three aspects to be fully integrated: enterprise, citizenship, and sustainability. Content knowledge, deep understanding of the context, and reference to

the three concepts that form the course of the Level 2 curriculum were features of strong Excellence answers.

‘Justification’ answers require candidates to compare and contrast solutions and/or reasons. They should refer to both the preferred solution/reason and to the rejected solution/reason, providing advantages and disadvantages and/or positives and negatives. New information not already given in the candidate’s previous answer should also be provided. This could be done by referring to other ways in which the solution/reason may impact on the business (i.e. production, finance, marketing, human resource) or a stakeholder (e.g. customer, employee, supplier, community). Integration of business knowledge and demonstration of in-depth understanding of business concepts is required.

Part B: Report on standards

90843: Demonstrate understanding of the internal operations of a large business

Candidates who were awarded **Achievement** commonly:

- understood definitions of key business concepts such as productivity and variance

- analysis provided a rote-learned response without relating it to their chosen or given business
- did not use examples from their chosen business
- explained the “what”, and gave reasons.

Candidates whose work was assessed as **Not Achieved** commonly:

- did not understand the concepts of productivity and variance analysis
- did not attempt all parts of the task, or provided brief and incomplete responses
- did not understand the difference between production and productivity
- did not apply information (use examples) from their chosen business.

Candidates who were awarded **Achievement with Merit** commonly:

- understood that productivity involves inputs (resources) as well as outputs
 - fully explained the impact of business decisions, using 'what', 'why', and 'how'
 - applied and used examples from their chosen business or given context to show in-depth understanding
 - understood that variance analysis involves comparing predicted data with actual data.
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Candidates who were awarded **Achievement with Excellence** commonly:

- justified by linking their response to the context/chosen business
- compared other reasons/action to justify their chosen reason/action
- added new information (did not repeat earlier reasons)
- integrated business knowledge from across the curriculum.

Standard-specific comments

Candidates need to ensure they have a clear understanding of the business concepts as outlined in the Teaching & Learning guidelines. Many candidates misunderstood key concepts such as productivity and variance analysis.

Understanding definitions of business terms would assist candidates to better formulate their responses.

Candidates need to be confident with their chosen business and be prepared to apply business knowledge to their chosen business for all relevant parts of the task.

When using their own business, candidates need to show they have in-depth understanding of that business, using key facts or data to support their arguments.

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

Candidates who were awarded **Achievement** commonly:

- understood the difference between an employer association and a union
- explained the benefits of belonging to an employer association
- explained that a fuel tax increasing fuel costs increases expenses and leads to decreasing profitability
- identified at least one response for reducing the impact of rising fuel costs on profitability that is relevant to the chosen business
- understood the difference between ethical and legal decision-making
- explained at least one reason why the chosen business should be ethical in order to keep employees and/or customers
- had a working knowledge of one of the chosen laws (Privacy Act, Employment Relations Act or Resource Management Act) and was able to provide an example of how this Act relates to a chosen business
- explained an advantage and/or disadvantage of the business (not a stakeholder) complying with the law

- understood that the advantage and/or disadvantage needed to be a likelihood of complying with the law, and did not discuss what might happen if the business did not comply
- attempted to link responses to the case study information or their own business of choice
- demonstrated some business knowledge, particularly when providing responses or reasons in the context of the case study or their own chosen business
- stated relevant Māori business concepts.

Candidates whose work was assessed as **Not Achieved** commonly:

- demonstrated poor business knowledge, e.g. candidates confused employer associations and trade unions, did not know any of the three laws in part (d) or confused these laws with other laws, and did not know what an ethical decision was
- did not utilise the case study information properly, particularly in part (d) where students used the examination case study instead of their own business as instructed
- only stated answers, without explaining in more detail why these were the answers; often this involved repeating information already contained in the resource material
- used incorrect business terminology, e.g. money instead of sales, profit, revenue and expenses, cost instead of price; people instead of customers or employees; easier/faster instead of efficient, effective, or productivity; happy and work hard instead of motivated

- did not complete all parts to of the task, in particular (a) and (d).

Candidates who were awarded **Achievement with Merit** commonly:

- explained at least one benefit of belonging to an employer association and how this will impact on the chosen business in terms of, for example, enterprise, sustainability or citizenship
- explained at least one response the chosen business could make to reduce the impact of rising fuel costs on profitability, and how this response might impact the business in a competitive market
- explained at least one reason why the chosen business should be ethical in order to keep employees and/or customers, and how these ethical decisions might impact on the business in areas such as enterprise, sustainability or citizenship
- explained an advantage and/or disadvantage of the business (not a stakeholder) complying with the law, and what impact compliance might have on the chosen business in terms of, for example, enterprise, sustainability or citizenship
- provided linked examples from the case study information or their own chosen business
- demonstrated good business knowledge and used appropriate business terminology/Māori business concepts
- did not use new information to support their reasons when justifying their choice, and/or repeated previous information.

Candidates who were awarded **Achievement with Excellence** commonly:

- fully explained two responses the chosen business could make to reduce the impact of rising fuel costs on profitability, and how these responses might impact the business in a competitive market
- justified, by using new information and/or referring to other business concepts or ideas, why one response to combating rising fuel costs would be better than the other. This usually required explaining an advantage of the chosen response and a disadvantage of the alternative response
- provided detailed, explicit, linked examples from the case study information or their own chosen business
- demonstrated extensive business knowledge and consistently used appropriate business terminology/Māori business concepts.

Standard-specific comments

Employer associations were not commonly understood by the majority of candidates, who appeared to be confused about the role and function of trade unions. Similarly, candidates were not aware of the distinction between ethical and legal decisions – for example, paying a living wage is ethical, whereas paying the minimum wage which is a legal requirement.

Responses to issues facing the business must be realistic, legal, and actually resolve the issue being addressed. For example, cutting staff wages is not legal and therefore not an appropriate response.

Any justification should refer to both responses, giving the relative benefits of one response over the other.

The three laws that form the curriculum for NCEA Level 2 are not well known: the Privacy Act, Employment Relations Act and Resource Management Act

Candidates are required to do more than just suggest that the business will be fined if it does not comply with a law.

90845: Apply business knowledge to a critical problem(s) in a given large business context

Candidates who were awarded **Achievement** commonly:

- copied the resource material or re-wrote it slightly differently
- did not fully explain and/or use much detail in their responses
- did not answer all parts of the task.

Candidates whose work was assessed as **Not Achieved** commonly:

- copied or re-wrote information from the resource material
 - did not complete all parts of the task or only partially answered the questions
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- were unable to understand the resource information and key words
- did not use the case study/resource material in their responses.

Candidates who were awarded **Achievement with Merit** commonly:

- understood the case study and used the material in their responses
- fully explained their responses and used resource material in their justification
- gave some good reasons for choosing one solution/recommendation over another without undermining the validity of their other solution/recommendation
- had one strong solution/recommendation for each answer, but could not write two at an Excellence level.

Candidates who were awarded **Achievement with Excellence** commonly:

- structured their answers well, using paragraphs to distinguish between the different sections of their answers
- referred to the case study resource material consistently in their answer
- demonstrated extensive business knowledge, such as identifying realistic solutions/recommendations and using them to support their reasoning
- fully justified their choices by explaining in detail and linking to the case study.

Standard specific comments

Many candidates repeated information across the questions and struggled to provide original, relevant answers for each part of the task.

[Business Studies subject page](#)

Previous years' reports

[2018 \(PDF, 124KB\)](#), [2017 \(PDF, 48KB\)](#), [2016 \(PDF, 224KB\)](#)