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91381



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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Business Studies 2024

91381 Apply business knowledge to address a complex problem(s) in a given global business context

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Apply business knowledge to address a complex problem(s) in a given global business context.	Apply in-depth business knowledge to address a complex problem(s) in a given global business context.	Apply comprehensive business knowledge to address a complex problem(s) in a given global business context.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

Pull out Resource Booklet 91381R from the centre of 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.

Do not write in the margins (/////). This area will be cut off when the booklet is marked.

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

Achievement

TOTAL 03

TASK

This task has FOUR parts, (a) to (d). Use the information from the resource booklet, the boxes in this booklet, and your business knowledge to complete this task. You may integrate any relevant Māori business concepts into your answers.

BACKGROUND INFORMATION

Manaia Tala is a New Zealand-based clothing and jewellery company. Established by two friends while studying in Auckland in the early 2000s, *Manaia Tala* has grown to exporting to over 20 countries.

Environmental sustainability is at the forefront of decisions made by *Manaia Tala* and is shown through their designs highlighting native flora and fauna, and the natural fibre fabrics chosen. Reducing their impact on the environment is a priority.

Producing quality clothing and jewellery is also central to the environmental sustainability goals of *Manaia Tala*. They seek to make durable products that will last for many years and, as a result, they are able to charge premium prices.

As well as valuing environmental sustainability, *Manaia Tala* takes social responsibility seriously. Implementing ethical practices such as payment of the living wage, the implementation of safe labour practices throughout their supply chain, and supporting the removal of child labour in the clothing industry are key objectives.

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The assessment continues on the following page.**

Until now, *Manaia Tala* have been manufacturing all of their clothing in New Zealand, and this has enabled them to ensure their social and environmental goals have been met. Now, however, *Manaia Tala* has increased to a size where it is no longer viable to manufacture all of their clothing within New Zealand, and they have determined that they will need to outsource some of their manufacturing to an overseas firm.

Manaia Tala has estimated that they will need to initially outsource the manufacturing of one clothing line consisting of seven items. They are considering two manufacturers in India: *Ramand Mill* and *Bahl Textiles*.

Manaia Tala usually offer a maximum of 500 items for sale of each item they produce, to help ensure exclusivity of their garments.

Refer to Resources A and B on page 2 of the resource booklet to answer part (a).

- (a) (i) Explain one benefit to *Manaia Tala* of using *Ramand Mill* to manufacture their clothing.

one benefit to using Ramand mill is the environmental impact rating. Since Manaia Tala's ~~the~~ ~~for~~ ~~front~~ decision is to have a sustainable business, this would help them achieve their goal. This comes under the ~~putake~~ business concept where having an environmentally friendly product is a good thing, you look after the resource and environment. Ramand mill's rating is very good, compared to bahl textiles which is good. Both aren't bad, but using ramand is better.

- (ii) Explain one benefit to *Manaia Tala* of using *Bahl Textiles* to manufacture their clothing.

One benefit for using bahl textiles is their high worker skill level. As Manaia Tala wants to produce high quality goods, this is their best choice. Having workers who know lots about what they are doing and how to do it

at high quality is essential. Having higher skilled workers would also mean they can get their work done faster, meaning the delivery time for each item will be less, resulting in higher customer satisfaction.

- (iii) Which of the two manufacturers would you recommend for *Manaia Tala*? Justify your recommendation, including any new information.

I would recommend Bahl textiles. There is one standout reason to this and it is the order quantity. As *Manaia Tala* only have a "MAXIMUM" order "limit" of 500 pieces, using a company with a minimum order quantity of 500 is bound to cause problems. If *Manaia Tala* don't want to order 500 units, they won't be able to, unless they sort a deal which will usually cost extra as it requires producing less items and is a nuisance for the company. Having a higher skill level for their workers is another benefit (as discussed in prev. question). Having less workplace accidents is a massive benefit. Reducing the amount of injury within the workplace is essential. This is because it saves money, time, and workers/amount of work. If people get injured, they will have to hire more people to take their shifts and this also costs time and money.

The first production run completed in India did not meet the quality expectations of *Manaia Tala's* management, and the clothing line was unable to be taken to market.

In response to the disappointment of the first production run, *Manaia Tala* has implemented a quality assurance system.

Refer to Resources C and D on page 3 of the resource booklet to answer part (b).

- (b) (i) Explain one possible cause for the quality expectations of *Manaia Tala* not being met.

One cause for the quality expectations not being met is the location in which the production is happening. As said in resource D, India is a very diverse country in all forms, geographically, demographically & culturally. This will play a role as the quality of resources needed to produce the goods is low. Being in India, they cannot focus on producing one high quality good, they have many other things to focus on, Hence the low quality clothing produced.

- (ii) Explain the effect the introduction of a quality assurance system will likely have on the economic sustainability of *Manaia Tala*.

For the economic Sustainability, it will have a good effect. They will save money on having to purchase more goods if they find out they cannot sell. So implementing a control aspect, which may only cost a small amount compared to buying a whole new batch, will be a positive thing in the long run because they will know they are getting high quality goods they can sell.

As well as experiencing some quality issues with the manufacturing completed in India, there have also been some time delays in *Manaia Tala* receiving their orders. This has resulted in some customer orders not being fulfilled within the required time frame.

Refer to Resources E and F on page 4 of the resource booklet to answer part (c).

- (c) (i) Explain one possible cause for the delay in receiving of orders by *Manaia Tala*.

One delay will definitely be by using Ocean Shipping. As stated in Resource E, using ocean takes around 13-63 days, whereas Air/plane only takes 2-8 days. Being a clothing business, *Manaia Tala* are most likely to use ocean shipping as it would be cheaper, and the clothes have very long shelf life so they can sit on the boat for that long and still be good upon arrival.

- (ii) Explain how the New Zealand Government securing a free trade agreement with India could benefit *Manaia Tala*.

This will benefit them as it promotes a positive environment around both parties. This could mean potentially having deals made or cheaper shipping prices for Air freight. This would benefit the company as they will receive their goods a lot quicker than by boat, whilst saving money. Having positive connections could also mean expansion of the product into India in the future, meaning more sales revenue will be generated.

As *Manaia Tala* has continued to grow and expand into new markets, the design software they had been using is no longer fit for purpose. As a result, they have made the decision to invest in software that enables them to produce 2D garment sketches, 3D modelling, tools for creating sewing patterns, and the ability to test fabrics.

Research thus far has narrowed the choice of the preferred software choices down to either Garment Creator Suite or Stitch Sculp. Both options include all of the tools that *Manaia Tala* requires and are within the budget they have available to purchase design software.

Refer to Resource G on page 4 of the resource booklet to answer part (d).

- (d) (i) Explain one positive effect choosing Garment Creator Suite would have on *Manaia Tala*.

A positive effect for choosing Garment Creator Suite would be the collaboration feature. Having more than one person work on a design is essential within a business, you will need to be open to opinions and different recommendations whether whether or not the design suits *Manaia Tala's* needs and wants.

- (ii) Explain one positive effect choosing Stitch Sculp would have on *Manaia Tala*.

Stitch Sculp would be the cost. As seen in resource G, the initial setup cost is \$9,500 compared to the \$13,000 with Garment. The then ongoing cost per month is cheaper, sitting at \$1595 per month compared to the \$700 per month with Garment. The extra money not spent on software could go towards more product.

- (iii) Which of the two software choices would you recommend for *Manaia Tala*? Justify your recommendation, including any new information.

I would recommend using *Stitch* script for a few reasons. The first being the cost, as discussed in the previous question, it is cheaper in the short run and long run to use *Stitch* script. The second reason is the online support, since *Manaia Tala* will be new to the software, they will run into problems and will need help, having support is essential for the business to move forward and grow. The only downside would be the collaboration feature being unavailable. This won't be good for the business as they cannot come up with multiple ideas that are generated by the whole group.

Achievement

Subject: Business Studies

Standard: 91381

Total score: 03

Task	Grade score	Marker commentary
One	A3	<p>The response has identified that Ramand Mill's sustainability is very good and explains that this lines up with Manaia Tala's sustainability objectives. The response could have been improved by explaining how this would be beneficial to Manaia Tala.</p> <p>(a) The response has identified the high worker skill level at Bahl Textiles and explained that this meets Manaia Tala's goal of high-quality goods, but does not explain how the quality will be beneficial for Manaia Tala, which was needed to reach Merit.</p> <p>The response in the recommendation could have built on the benefits to improve the grade.</p>
		<p>A more accurate response for why the quality expectations were not met would have improved the answer.</p> <p>(b) The response has described how higher quality could enhance economic sustainability. The response could have been improved by demonstrating a more complete understanding of quality assurance.</p>
		<p>The candidate has explained that Manaia Tala is likely to use ocean shipping, due to the nature of the business (clothing), and has identified that ocean shipping has a time frame of 13–63 days.</p> <p>(c) The response would have been improved by articulating a greater depth of understanding of free trade agreements.</p>
		<p>The candidate has identified that the Garment Creator Suite has a collaboration feature and explained that this would help to improve the designs.</p> <p>They also identified the purchase cost and ongoing costs of the Stitch Sculp, and explained that these cost savings could be used elsewhere in the business. The response could have been improved by explaining how either of these factors would meet the objectives of the business.</p> <p>(d) The response in the recommendation could have been improved by building on the benefits identified in earlier parts.</p>