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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.

Merit

TOTAL 05

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.

a benefit of *manaia Tala* using *Ramand mill* to manufacture their clothing is that they will meet their environmental goals. This is because *Ramand mill* has a very good environmental impact rating, which ~~mean~~ leads to the production of environmentally sustainable clothing. This therefore enables *manaia Tala* to maintain their reputation, as a brand that values environmental sustainability, as they grow larger, meaning they will most likely attract customers which will further result in more sales.

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

~~A benefit of *manaia Tala* using *Bahl textiles* to manufacture their clothing is that they will meet their ~~social~~ responsibility goals. This is because goal of ~~being~~ maintaining the exclusivity of their garments, ~~while~~ *Ramand mill* offers. This is because~~

Bahl textiles offers a minimum order quantity of ~~2500~~ per item, while Ramand mill offers 200 per item, this is not sufficient for manala tala's expectancy of upto 500 items sold. Therefore

Answer on page 11

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

Manala Tala should select Bahl textiles over Ramand mill to manufacture their clothing because Bahl textiles supports manala tala in meeting their environmental and social goals, while Ramand mill only assists in meeting environmental goals. This is so, because the social compliance ~~the~~ score of Bahl textiles is relatively high which leads to them most likely complying with social sustainability (of not doing: animal abuse etc) and not damaging the environment. ~~nothing~~
This is a better option because it upholds manala tala's social and environmental values, and as they expand, this ~~company~~ ^{investors} can will attract new ~~customers~~, ~~which will~~ ~~lead to more sales~~ who also value social responsibility, therefore leading to more sales.

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.

A possible cause for the quality expectations of *manaia tala* not being met is that ~~they don't have any~~ ~~assurance of~~ their Suppliers aren't producing at a high quality. This is because *manaia Tala* have no assurance of the way their suppliers are conducting their production runs. This leads to statements made by their Indian Suppliers to have unclear meanings. Therefore when their suppliers say they can produce high quality, *manaia tala* has no assurance of their motivations, leading to ~~disappointment~~ ~~in~~ ~~expectations~~.

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

The introduction of a quality assurance system will likely negatively effect the economic sustainability of *manaia tala*. This is because a quality assurance system only inspects the final product (before the sign off to be sold) after the production process. which means the costs of producing a product will be extra if found to not be of high quality. This will therefore lead to *manaia Tala* having to spend more capital for the same amount of items.

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*.

A possible cause for the delay in receiving orders by *manaia Tala* is that their suppliers are ~~using~~ not using the fastest way to transport goods. This is because ~~the~~ their suppliers are using Ocean shipping to deliver their ~~goods~~ goods. Ocean shipping requires ~~less~~ more days with more variation ranging from 13 - 63 days. This will lead to delays depending on the choice of service (LCL or FCL). Therefore this results in ~~the~~ delays and *manaia tala's* customers not receiving their orders.

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

NZ Govt securing a free trade agreement with India could benefit *manaia tala* in their problem of receiving ~~the~~ delays of goods from their suppliers. This is because ~~manaia~~ ~~flight~~ ~~costs~~ Air freight is most expensive, however with the trade agreement, the prospect of direct flights between NZ and India could indicate a decrease in the cost to import goods through air freight. Therefore this will result in the problem of *manaia tala's* delays in receiving their orders being resolved, which will further lead to customer satisfaction as they receive their orders on time.

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 Sculpt. 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 of choosing garment creator suite for manaia tala is that they will be able to operate at maximum capacity. This is because the design software of garment creator suite has a collaboration feature that allows more than one worker to work on a design at the same time. This will enable manaia tala to operate at maximum capacity enabling them to produce more products, that will allow them to grow and expand into new markets.

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

a positive effect of choosing ~~Stitch~~ ^{Stitch} ~~creator~~ ^{Sculpt} for manaia tala is that they will be able to ~~operate at maximum~~ be more economically sustainable. This is because their initial and ongoing monthly costs are cheaper than that of garment creator suite. This will result in leftover capital that manaia tala can use to reinvest into the business, in areas such as innovation and production to create better products. This will result in better ~~employee~~ ^{employee} satisfaction, ~~which~~ ^{which} meets their goal of social sustainability.

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

manaia tala should select Garment Creator Suite because it allows them to operate at maximum capacity. Although the higher initial and ongoing monthly costs, it will most definitely be worth it as the company will be able to operate at maximum capacity. Operating at maximum capacity allows for better employee satisfaction ~~and~~ for their jobs. Making producing high quality comparable. This ~~is~~ approach to production will result in more products that will ~~allow~~ ^{serve} ~~for~~ ~~the~~ manaia tala well as they grow and expand into new markets.

Extra space if required.
Write the question number(s) if applicable.

QUESTION
NUMBER

Question a) II)

a benefit of manana tula using Bahl textiles as a manufacturer is that they will meet Social ~~and~~ ^{and environmental} ~~environmental~~ goals. This is because Bahl textiles has a social compliance score of 9.4 meaning their ~~company is~~ ^{company is} very likely to comply with not carrying out major ethical issues in fashion such as Animal abuse, Damage to the environment, and child labour etc. Therefore This enables manana tula to uphold their brand reputation and attract more customers who agree with their values, which further leads to an increase in Sales.

Merit

Subject: Business Studies

Standard: 91381

Total score: 05

Task	Grade score	Marker commentary
One	M5	<p>The response explained a benefit from using Ramand Mill and a benefit from using Bahl Textiles.</p> <p>These benefits have been carefully explained by recognising that the</p> <p>(a) benefit will either attract customers and therefore increase sales, or meet their quality expectations, or improve their brand reputation.</p> <p>The recommendation could have been improved by building on the earlier points.</p>
		<p>The candidate identified the cultural differences in communication as a possible cause for the quality expectations of Manaia Tala not being met.</p> <p>(b) The response could have been improved by demonstrating a better understanding of quality assurance (they referred to quality control).</p>
		<p>The response identified the slower delivery times from using ocean shipping, as opposed to faster means, as a possible cause of delays.</p> <p>(c) The response could have been improved with a better understanding of free trade agreements (the response indicated that the free trade agreement would create direct flights, rather than this being a by-product of the FTA).</p>
		<p>The candidate has carefully explained that a benefit of choosing the Garment Creator Suite is the collaboration feature, which would allow them to increase production and therefore grow.</p> <p>(d) The candidate provided a good answer by linking the rationale to further product innovation opportunities, due to available capital.</p> <p>The response could have been improved by including the cost figures from the resource material in the answer.</p>