

**Subject:** Business Studies

**Level:** 2

**Standards:** 90843, 90844, 90845

## Part A: Commentary

Knowledge of specific “large business” case studies is required across all aspects of the content at Level 2. Higher-performing candidates who demonstrated their knowledge of a large New Zealand business well, and how it operates in a changing environment, were able to write answers that integrated their business knowledge with a familiar context.

Where resources were provided, candidates who referred to the case study from the resources performed better than those who did not. Candidates should avoid repeating resource material for their answers and carefully consider other aspects of the business context, and provide these insights in addition to direct links to the resource. Candidates who misread the question or did not use the resource material produced answers which were not relevant to the question being asked.

In justifying answers to Excellence level, candidates need to provide new information in their responses when comparing solutions and actions, or providing positives and negatives for the solutions. Candidates should strive to save new information for the justification part of the question, rather than incorporating it into earlier responses.

It is important for candidates to ensure they have a clear understanding of the business concepts and terminology as outlined in the Teaching and Learning Guidelines. An understanding of the Māori business concepts and how these can be applied to the case studies provided an advantage to candidates.

## Part B: Report on standards

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

#### Examination

The examination consisted of one question split into four parts; candidates were required to respond to all parts.

As per the Assessment Specifications, a business context was provided for the examination. Where applicable, candidates were able to use a large business they had studied to answer any part of the question, or the business context provided in the examination. There was one part of the question where candidates were required to refer to the actual business they had studied. A ‘large business’ refers to a business operating in New Zealand with more than 20 employees and/or with a regional or national significance.

The examination covered the following business knowledge and concepts: leadership skills and organisational structures in uncertain times, dealing with capacity issues and how budgeting assists in decision-making. The examination required candidates to apply their understanding of the internal operations of a large business to the business context provided, or to their own business context. A comprehensive understanding of internal operations of a large business was required for Excellence, which involved justifying, with relevant evidence, whether the use of a flat organisational structure is effective in dealing with uncertainty or whether preparing a budget helps in achieving business objectives.

## **Observations**

Most responses were fully answered, suggesting that candidates who chose to complete this standard were well prepared. Most candidates were able to use their chosen business to successfully answer part (d) of the assessment.

Candidates performed strongly when explaining the use of flat organisational structures in uncertain times, and how budgets assist businesses in achieving their objectives. In parts (a) and (c), most candidates were able to show at least a holistic understanding of leadership skills and why capacity issues create problems for stakeholders.

Merit and Excellence candidates wrote their responses in context, either by using the case study provided or their own chosen business.

## **Grade awarding**

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and 'why', and gave reasons
- described but did not explain impacts (for example, the long-term problems of a budget for a business)
- understood the 'big ideas' holistically, but did not use business terminology in their responses.

Candidates who were awarded **Not Achieved** commonly:

- did not attempt all questions or provided brief and incomplete responses
- did not demonstrate understanding of a flat organisational structure
- did not use business terminology.

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

- explained the impact of business decisions, using 'what', 'why', and 'how'
- included business knowledge – for example, candidates provided the features of an organisational structure, such as span of control, levels of hierarchy, and chain of command in their response
- explained how the business/stakeholder were impacted.

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

- used new information to justify their responses

- integrated business knowledge, using the context or their chosen business
  - justified their reasons that linked to the question (dealing with uncertainty and achieving business objectives).
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## **90844: Demonstrate understanding of how a large business responds to external factors**

### **Examination**

The examination consisted of one question split into four parts; candidates were required to respond to all parts.

As per the Assessment Specifications, a business context was provided for the examination. Where applicable, candidates were able to use a large business they had studied to answer any part of the question, or the business context provided in the examination. There was one part of the question where candidates were expected to refer to the actual business they had studied. A 'large business' refers to a business operating in New Zealand with more than 20 employees and/or with a regional or national significance.

The examination covered the following business knowledge and concepts: community expectations surrounding the living wage and how operating ethically could impact business profitability; the impact of the use of social networking tools; influence of the Resource Management Act; and the impact of a change in government policy. The examination required candidates to demonstrate their understanding of how and why businesses respond to these external factors and the consequences of operational decisions. A comprehensive understanding of how a business responds to external factors was required for Excellence, which involved justifying with relevant evidence the significance of the use of social networking tools for the long-term economic sustainability of the business, and the effectiveness of an action in response to a change in government policy.

### **Observations**

Candidates are encouraged to develop a range of business case studies in preparation for this standard. Those who had a thorough understanding of their own case studies performed particularly well in this standard, as they were able to readily apply them to the questions asked.

Candidates need to be aware of linking business terminology and concepts to the impact on the business – for example, the impact of the use of social media on the operating expenses, sales, and profits of the business. It is only when candidates understand the specific links that they can graduate their responses from 'Explained' to 'Fully explained'.

The development of the application of business terminology is vital in this standard. There were a number of candidates who did not appear to understand specific business terminology or how it linked to the question being asked – for example, how a government policy would impact a business.

Candidates who misread the question or did not use the resource material produced answers which were not relevant to the question. Some candidates gave an answer that

was a personal or emotional response rather than an action that they would take – for example, why paying the living wage is more ethical than paying the minimum wage.

### **Grade awarding**

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and gave reasons
- attempted to link responses to the case study information or their chosen business
- demonstrated some business knowledge, particularly when providing responses or reasons in the context of the case study or their chosen business. For example, candidates understood what the Resource Management Act is and could explain why it is in the best interests for a business to comply with it
- explained why the use of social networking sites could be an advantage and / or disadvantage to a business in the future.

Candidates who were awarded **Not Achieved** commonly:

- provided brief answers that showed little understanding of the business concepts and impacts being asked
- used an international business or the case study business provided in question (d), as opposed to using a large business operating in New Zealand
- did not complete all parts of the task, particularly part (a)
- demonstrated little business knowledge, e.g. misunderstanding what complying with the Resource Management Act is.

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

- explained the impact and or consequences by stating the 'what' and the 'why', and linking the impact of how this would affect the business
- provided linked examples from the case study information or from their own chosen business
- demonstrated business knowledge and included appropriate business terminology and/or Māori business concepts
- did not use new information to support their reasons when justifying their choice of response, and/or repeated previous information when justifying the positive impact of the use of social networking sites.

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

- justified, by using new information and/or referring to other business concepts or ideas, whether the use of social networking sites would positively impact the long-term economic sustainability of a business
- justified an appropriate response to a specific change in government policy provided, and its impact on their chosen business

- demonstrated a knowledge of the impact of external events on the operations of the business and their flow-on effects
  - provided detailed, explicit, and linked examples from the case study information or their chosen business, which showed a clear understanding of the operations of that business
  - demonstrated extensive business knowledge and consistently used appropriate business knowledge and/or Māori business concepts, enabling a comprehensive answer to be developed.
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## **90845: Apply business knowledge to a critical problem(s) in a given large business context**

### **Examination**

The examination was one question split into four parts; candidates were required to respond to all parts.

As per the Assessment Specifications, a business context was provided for the examination, and candidates were expected to respond to this and the additional resource material provided.

Candidates were required to explore the critical problems or issues presented, and its causes and effects, and apply their business knowledge to provide a range of possible solutions and recommendations for the problem or issues presented.

This examination covered the following critical problems and issues that threatened the continuation of the business: failure of internal controls due to technological challenges, resulting in ordering errors; human resource issues due to ineffective leadership and the loss of key personnel.

To apply comprehensive business knowledge to a critical problem in a given large business context for Excellence, candidates needed to recommend two solutions or strategies and justify which of these recommendations would be more effective in resolving or minimising the impact of the critical problem or issue presented.

### **Observations**

Candidates who performed well in this standard were able to combine the resource material with their own business knowledge when providing solutions or recommendations to the issues presented. It is vital that students refer to the resources provided to deliver a valid response to the questions asked.

When candidates are required to discuss issues, problems, and/or effects, it is recommended that they avoid using similar ideas, as this may limit a candidate's overall performance. This is particularly important when providing new reasoning when justifying one solution/option over another. It is also important when candidates are providing a justification that they also discuss why one solution/option would be better/more effective

than another option, as opposed to providing two additional advantages with no link to the other option.

Some students found it challenging to identify and then explain how two valid solutions would reduce the issues surrounding order fulfilment, particularly given that the issue surrounded the management of the website. These candidates tended to repeat what they had said in (b) (i) and (ii), and only brought in new ideas in part (iii).

Many candidates struggled with explaining how the two provided recruitment options would be successful in implementing a change in tikanga in part (d). This was due to the candidates either not understanding from the case study how the tikanga had been changed, which had led to the previous head of department leaving the company, or a lack of understanding of tikanga as a concept.

### **Grade awarding**

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and gave reasons (the why) when discussing strategies, problems, or consequences
- provided a valid reason for the internal stock control and supply errors
- identified two valid solutions that would reduce the issues of order fulfilment
- explained factors that led to the loss of key personnel
- explained why the provided recruitment options would minimise the impact of losing a key staff member
- referred to the case study in their responses
- used some business terminology and business knowledge.

Candidates who were awarded **Not Achieved** commonly:

- wrote limited or no responses, or repeated their answers across questions
- repeated the question in their answer, with no additional insight
- could not provide a reason why the business was experiencing internal stock control and supply errors
- could not identify valid solutions that would reduce the issues of order fulfilment
- could not explain why the provided recruitment options would minimise the impact of losing a key staff member
- used general terminology.

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

- provided in-depth detail in their answers, considering the short-term consequences of each issue and solution
- gave different and thoughtful answers to each question, in order to provide as much evidence as possible
- applied information from the resource material throughout their responses, in particular when making reference to the change in tikanga and issues surrounding internal stock control and supply errors
- included correct business terminology and sound business knowledge in their answers

- identified and explained solutions to the internal stock control issue, but did not explain why one would be a better solution than the other
- explained the effectiveness of recruitment options when managing the impact of a loss of personnel and implementing the change in tikanga, but did not explain why one would be a better option than the other.

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

- gave insightful and detailed evidence that was relevant to the case study, both for explaining solutions and justifying the most appropriate one
- justified their recommendations, using evidence that had not been previously used
- demonstrated a clear understanding of sustainability and tikanga, and how it related to the provided case study.