

2023 NCEA Assessment Report

Subject:	Business Studies
Level:	Level 2
Achievement standard(s):	90843, 90844, 90845

General commentary

Candidates who demonstrated a clear understanding of the business concepts and terminology as outlined in the Teaching and Learning Guidelines performed well throughout the examination. An understanding of the Māori business concepts and how these can be applied to the case studies provided an advantage to candidates.

High-performing candidates directly linked their responses to the resource provided and considered other aspects of the business operations. Some candidates appeared to misread the question and / or resource information provided and produced answers that were not relevant to the question being asked. In justifying answers, candidates need to provide new information in their responses to comparing solutions and actions, or provide positives and negatives for the solutions. Candidates who gained Achievement responded well to all aspects of the question; in particular, when justifying a response, successful candidates discussed the impact of decisions, actions, or solutions.

Candidates need to be aware of a range of 'large business' case studies that can be specifically referred to in responding to questions relating to the internal operations of a business, and external factors that affect these businesses. Candidates who used their own case studies that met the context of a large business (20 or more employees, or with a regional or national significance) generally achieved well if they answered the question being asked. Candidates should be using businesses that specifically operate within New Zealand, rather than multi-national businesses that do not specifically operate within New Zealand.

Report on individual achievement standard(s)

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

Assessment

The assessment consisted of one question split into four parts. Candidates were required to respond to all parts. As per the 2023 assessment specifications, a business context was provided for the assessment. Where applicable, candidates were able to use a large business they had studied to answer any part of the question if they did not choose to use the business context provided in the examination. There was one part of the question where candidates were expected to refer to an 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 assessment covered the following business knowledge areas and concepts:

- advantages of using a variance analysis for a business, and how a business could correct an unfavourable variance in costs to ensure that it remains profitable
- appropriateness of adopting a laissez-faire leadership style to promote the personal growth of future leaders, and how a laissez-faire leadership style could lead to poor decision-making
- policies and procedures to maintain the health and safety of employees and customers, and how a business may be impacted if a procedure is not followed
- advantages and disadvantages of being socially responsible, and how a disadvantage of being socially responsible might impact the future of a business.

The assessment 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 one type of leadership style would be more effective than another, or whether it is important for the business to be both socially responsible and economically sustainable.

Commentary

Most responses were fully answered, suggesting that candidates who chose to complete this standard were well prepared. Overall, candidates performed strongly when explaining the advantages and disadvantages of a laissez-faire leadership style, but found the business concepts of social responsibility and variance analysis more challenging. A number of responses either lacked examples relating to the resources provided or copied the resource information provided without developing responses further.

Some candidates were able to provide specific reasons and examples of why being socially responsible could be a disadvantage, but did not provide examples of why it is in the best interests of a business to be socially responsible.

Unlike previous years, for the part of the question requiring candidates to use their chosen business, almost all of them correctly did so, rather than using Tohunga o waho.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and gave reasons
- gave specific examples as asked in the question
- did not include frequent definitions
- wrote generic responses that did not include context from their chosen business or the stimulus.

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

- showed business knowledge – for example brand reputation, brand image, and economic sustainability when explaining the long-term impact of internal operations on a business
- linked reducing costs or increasing revenue to improving profitability when correcting an unfavourable variance
- explained a specific example (action) to correct an unfavorable variance

- used their chosen business or the stimulus to provide context
- included definitions of key business concepts in responses.

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

- integrated relevant business terminology and business knowledge, using the context or their chosen business
- used new information to justify their responses
- compared two leadership styles in the context of the business, and justified which leadership style was more effective, using the definition of rangatiratanga
- linked social responsibility to improving economic sustainability in the long run, with reasons.

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

- did not give examples when specifically asked in the question
- did not give a reason for their statements
- did not provide examples of policies and procedures specifically relevant to maintaining the health and safety of employees and / or its customers
- did not attempt all four questions of the exam, or provided brief and incomplete responses
- did not explore business concepts of social responsibility or variance analysis.

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

Assessment

The assessment consisted of one question split into four parts. Candidates were required to respond to all parts. As per the 2023 assessment specifications, a business context was provided for the assessment. Where applicable, candidates were able to use a large business they had studied to answer any part of the question, if they did not choose to use the business context provided in the assessment. There was one part of the question where candidates were expected to refer to an 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 assessment covered the following business knowledge and concepts:

- Benefits to a business implementing new technology for its customers, and how this implementation could impact business profitability.
- Why a change in household spending would impact the profitability of a business and solutions to ensure that services are more affordable, while maintaining quality of service; awareness of the obligations of a business under the Privacy Act, and how the effect of the requirement to comply impacts a business.
- Benefits of employer associations and how they assist business operations, and whether it is important to belong to an employer association.
- Benefits to the community from businesses and employers' associations having a code of ethics, and how following the code could affect profitability.

The assessment 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 why one solution would be better than another in terms of making services more affordable for households while maintaining service quality, and whether it is important to belong to an employer association, referring to brand reputation and business growth.

Commentary

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. Some candidates appeared to struggle to successfully apply their studied 'businesses' to some questions, as their responses did not directly relate to the questions asked. It is vital that candidates refer to the business name and its operations within their answers, as opposed to providing generic responses throughout the paper.

Candidates should link business terminology and concepts to the impact on the business – for example, the impact of the new technology on the operating expenses, sales, and profits of the business.

When explanations were expanded by including specific links, candidates were able to demonstrate a higher level of understanding and achieve more highly. 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 the requirement to comply with the Privacy Act may, or may not, impact the business. Candidates who misread the question or did not use the resource material produced answers that were not relevant to the question – for example, when discussing non-compliance. Additionally, some candidates related employer associations to trade unions, and therefore were not able to discuss how a membership may assist business operations.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- answered one part of a question, but not the subsequent second part required for Merit
- left out pertinent details from their answer, e.g. discussing expenses but not detailing which expenses were being referred to
- 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, e.g. understanding what the Privacy Act is and explaining why a business should be aware of its obligations under the Act
- explained why there is a benefit to implementing new technology, why a change in household spending habits would impact on business profitability and provide solutions to make experiences more affordable
- explained why it is a benefit to a business to belong to an employer association and why it is a benefit to the community that businesses have a code of ethics.

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

- were specific and deliberate about including a business in their answer
- 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
- expanded their answers to include the impacts on the business, making coherent links from the 'why' to effects / consequences – in particular, when addressing how to make services more affordable for households while maintaining service quality
- explained why it is a benefit to a business to belong to an employer association and how its membership may assist business operations
- explained why it is a benefit to the community for businesses and employer associations to have a code of ethics, and how following the code affects profitability
- explained how the requirement to comply with the Privacy Act may, or may not, impact the strategic objectives of a business
- were limited by not using new information to support their reasons when justifying their choice of solution, and / or repeated previous information – for example, when justifying whether it is important for a business to belong to an employer association.

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

- integrated relevant business knowledge to answer the question and applied it specifically to the business being discussed
- provided new information to further support their explanations from earlier parts of the question
- justified responses, by using new information and / or referring to other business concepts or ideas, and by discussing whether one solution would be better than the other for the business
- justified whether it is important for a business to belong to an employer association, referring to brand reputation and business growth.

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

- repeated the given information without adding their own insight
 - provided brief answers that showed little understanding of the business concepts and impacts being asked about
 - stated 'what' the answer is without expanding on the 'why' or creating further links
 - provided solutions that did not address the affordability of services for households
 - used an international business or the case study business provided in part (c), as opposed to using a large business operating in New Zealand
 - demonstrated little business knowledge, or appeared to misunderstand what complying with the Privacy Act is
 - did not attempt all parts of the questions, particularly part (c), and sometimes part (d).
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Achievement standard 90845: Apply business knowledge to a critical problem (s) in a given large business context

Assessment

The assessment 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.

The assessment covered the following critical problems and issues that threatened the continuation of the business:

- human resource issues due to ineffective leadership that has resulted in negative feedback being received from customers
- the impact of technological changes and the threat of emergence of a new competitor that utilises this technology as their unique selling point.

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.

Commentary

Candidates who performed well in this standard typically combined the resource material with their own business knowledge when providing solutions or recommendations to the issues presented. A number of candidates used general knowledge and language to answer their questions rather than using business-specific knowledge and terminology. For example, some candidates used generic solutions, such as firing personnel or creating a marketing campaign, that were not supported by the context or required further explanation and application.

Most candidates provided reasons why the ineffective leadership led to poor survey results, however, some candidates did not identify who the 'leader' was. Candidates who provided reasons for the ineffective leadership were mainly successful in providing solutions that addressed these issues.

Some candidates appeared to find it challenging to identify and then explain solutions that would address the ineffective leadership issue, focusing on the provision of food options and contact listing, as opposed to the leadership issue itself. In addition, some candidates suggested opportunities in part (c) (ii) that did not support their solutions in part (d).

Grade awarding

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and provided reasons when discussing causes, impacts, or solutions when discussing the issue of ineffective leadership and the emergence of a new competitor
- provided a valid reason for the issues leading to the poor survey results
- identified valid solutions that would deal with the issue of ineffective leadership

- identified valid solutions that would deal with the emergence of a new competitor
- referred to the given context in their responses
- stated some business terminology, business knowledge, and Māori business concepts where relevant.

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

- identified and discussed the correct leader and /or organisations
- provided an in-depth response to the issue of economic sustainability, and provided detailed solutions to address the ineffective leadership issue
- provided detailed responses as to how virtual reality technology could provide an opportunity for the business to further develop its mission statement, and provided solutions to address the emergence of a new competitor
- gave varied and insightful answers to each question, in order to provide as much evidence as possible
- referred to the given context when applying information from the resource material
- included correct business terminology and sound business knowledge in their answers
- included Māori business concepts to support explanations.

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

- provided comprehensive explanations in their response to the issue of economic sustainability, provided solutions to address the ineffective leadership issue, and justified the best solution
- provided comprehensive explanations in their response as to how virtual reality technology could provide an opportunity for the business to further develop its mission statement, provided in-depth solutions to address the emergence of a new competitor, and justified the best solution
- provided varied and insightful answers to each question, in order to provide as much evidence as possible
- referred to the given context when applying information from the resource material
- integrated correct business terminology and sound business knowledge in their answers
- integrated Māori business concepts to support explanations.

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

- provided limited or no responses
- did not provide causes, impacts, or solutions when discussing the issue of ineffective leadership
- did not provide causes, impacts, or solutions when referring to the emergence of a new competitor
- did not refer to the correct context, either by referring to the wrong business or incorrect leader in part (a) or (b)
- used general terminology instead of business terminology.