

2024 NCEA Assessment Report

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

General commentary

Candidates are encouraged to develop a range of business case studies in preparation for this examination. Those candidates who had a thorough understanding of their own case studies performed particularly well, as they were able to readily apply their knowledge to the questions. Some candidates, however, struggled to successfully apply their studied 'businesses' to some questions, as they did not directly relate to the questions being asked. It is also vital for all candidates to refer to the business name and its operations within their responses, as opposed to providing generic responses.

Candidates who made specific reference in their responses to the resource material provided, and considered other aspects of the business operations, performed well. Providing insights and developing responses further is necessary to achieve at this level. A number of candidates used general knowledge and language to answer their questions, rather than business-specific knowledge and terminology. For example, some students used generic solutions, such as firing employees or to create an advertising campaign, that were not supported by the context or required further explanation and application.

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 2024 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, 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.

The assessment covered the following business knowledge areas and concepts:

- the impact of freight charges on the economies of scale, and how a business may respond to this while remaining profitable
- advantages and disadvantages of production processes, and how a disadvantage might negatively impact employees
- advantages of preparing monthly revenue and cost reports in a competitive market, and how leaders may change the direction of a business after analysing these reports

- advantages and disadvantages of a shamrock organisational structure, and how a disadvantage could impact the ability of a business to maintain customer service standards.

Commentary

Candidates were mainly able to relate to the case study material in this assessment, and therefore able to make appropriate links to the material in their responses. Most candidates performed strongly when discussing flow, batch, and job production processes, providing credible responses. In addition, candidates provided well-written responses when explaining the impact of a shamrock organisational structure, in particular the use of part-time workers to maintain high levels of customer service. However, some candidates were not able to distinguish the difference between economic sustainability and environmental sustainability, and found the economies of scale question more challenging.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- wrote generic responses that did not include context from their chosen business or the stimulus
- explained the 'what' and gave reasons
- explained 'unrealistic impacts' on the business
- explained how a business may respond to increases in freight charges without referring to the impact on profits

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

- used their chosen business or the stimulus to provide context
- included business knowledge, for example profit margin, brand loyalty, productivity, and economic sustainability
- linked an increase in revenue (by increasing the selling price) or decreasing costs (by finding a cheaper supplier) to remain profitable
- fully explained a specific action that a business could take after analysing revenue and cost reports.

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
- justified the appropriateness of one production process over another, in context,
- understood the difference between economic sustainability and environmental sustainability
- compared shamrock organisational structures with tall, flat, and matrix structures, and justified whether the shamrock organisational structure was the most effective.

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

- used the given case study instead of their chosen business for the part asking students to use their own business studied
- could not identify a suitable production process (job, batch, flow)
- did not attempt all four questions of the exam or provided brief and incomplete responses
- did not give a reason for their statements (gave the 'what' but not the 'why').

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 2024 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, if they did not choose to use the business context provided in the examination.

The assessment covered the following business knowledge areas and concepts:

- how an increase in custom duties could impact business functions
- advantages of using a local manufacturer rather than importing products from overseas when meeting societal expectations, and solutions to manage the increased costs of using a local manufacturer
- importance for business owners of ensuring that all employees have an employment contract, and how creating a contract in consultation with an employee provides an opportunity for the business to practice tikanga
- impact on sales from a demographic change, and actions that businesses could implement to ensure economic sustainability while addressing this change.

Commentary

Most candidates appropriately chose a 'large business' with 20 or more employees and/or that have a national or regional significance. It is clear that Air New Zealand and the Warehouse have been studied in depth by many schools.

For candidates to develop their responses from 'Explained' to 'Fully Explained', they need to use and link business terminology and concepts to the impact on the business. This is required to achieve highly – for example, the impact of customs duties on operating expenses, sales, and profits of the business.

Some candidates identified a demographic, but not an appropriate demographic change and why it may have an impact on sales.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and gave reasons
- attempted to incorporate case study information or their chosen business in their responses
- 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 why it is important for a business owner to ensure that all employees have an employment contract and why an increase in customs duties could impact a specific function of a business.

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

- provided linked examples from the case study or from their own chosen business
- demonstrated business knowledge and included appropriate business terminology and/or Māori business concepts, such as societal expectations, demographic change, economic sustainability, and tikanga
- expanded their answers to include the impacts on the business, making coherent links from the 'why' to 'effects and consequences', particularly when addressing how an increase in customs

duties could impact the business and explaining solutions to address increased costs of using a local manufacturer

- were limited, as they did not use new information to support their reasons when justifying their choice of action to address demographic change, and/or when justifying whether changing to a local manufacturer aligns with societal expectations of responsible business practice by considering the impact on different stakeholders.

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

- integrated the relevant business knowledge to answer the question, and applied it specifically to the business being discussed
- justified, by using new information and/or referring to other business concepts/ideas, whether changing to a local manufacturer aligns with societal expectations of responsible business practice by considering the impact on two different stakeholders of the business
- compared and justified, by using new information and/or referring to other business concepts/ideas, why one action was better than another.

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

- used an international business or case study business provided in question (d), as opposed to using a large business operating in New Zealand
- did not attempt all parts of the questions particularly in (a) and (d)
- identified a demographic in part (d), but not a demographic change and why it may impact sales
- provided solutions and societal actions that did not address the issue presented in the question – for example, a solution that did not manage increased costs of using a local manufacturer over an overseas manufacturer
- demonstrated limited business knowledge, for example the misunderstanding of what a function of business is or the importance for the business owner of ensuring that all employees have an employment contract.

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 2024 Assessment Specifications, a business context was provided for the assessment, 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 their causes and effects, and apply their business knowledge to provide a range of possible solutions and recommendations for the problems or issues presented.

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

- changes in consumer behaviour and the opportunities these changes provide for a business to develop its brand
- the reasons why opening a new store could be an unsuccessful growth strategy, and how an ineffective growth strategy could impact a business' economic sustainability.

Commentary

Candidates who performed well in this standard read the resource material thoroughly, and combined this material with their own business knowledge when providing solutions to the issues presented.

Those candidates who utilised the explanation of 'showrooming' in the resource material were able to explain how the business could take advantage of this consumer behaviour to develop its brand. There was common misconception, however, relating to the 30–50-year-old target market being unable to navigate online shopping due to their age, which had a negative impact on responses to changes in consumer behaviour.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- explained the 'what' and provided reasons when discussing causes, impacts, or solutions when discussing threats and opportunities for a change in consumer behaviour and reasons for ineffective growth strategies
- provided valid solutions to respond to the change in consumer behaviour
- provided valid solutions to successfully expand business operations in a new location
- referred to the given context in their responses
- stated some business knowledge, terminology and concepts where relevant.

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

- provided an in-depth response to the issue of changing consumer behaviour AND provided in-depth solutions to address this change
- provided a detailed response as to how an ineffective growth strategy could impact the economic sustainability of the business AND provided solutions to ensure the successful expansion of business operations in a new location
- provided varied and insightful answers to each question, in order to provide as much evidence as possible
- included correct business terminology and sound business knowledge in their answers.

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

- provided comprehensive explanations in their response to the issue of changing consumer behaviour AND in-depth solutions to address the issue, AND justified the best solution
- provided a comprehensive response as to how an ineffective growth strategy could impact the economic sustainability of the business AND provided solutions to ensure the successful expansion of business operations in a new location, AND justified the most effective solution
- referred to the given context when applying information from the resource material
- integrated correct business terminology and sound business knowledge into their answers.

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

- provided limited or no responses
- incorrectly interpreted the provided resource material, or did not refer to it in their responses
- did not provide causes, impacts, or solutions when referring to the change in consumer behaviour
- did not provide causes, impacts, or solutions when referring to ineffective growth strategies.