

Assessment Schedule – 2011

Business Studies: Apply business knowledge to a critical problem(s) in a given large business context (90845)

Evidence Statement

Q	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
ONE				
<p>(a)</p> <p>(b)</p>	<p><u>Investment expenditure</u> Builds the fixed asset stock for the business – fixed assets earn income for the business. Ensures that the business has access to the latest technology / processes – this allows it to survive, compete / grow. Ensures the business has correct equipment – this ensures the services are safe.</p> <p><u>Causes of the investment decision problem for <i>ThrillINZseekers</i> include:</u></p> <ul style="list-style-type: none"> • Failed OSH audit threatens the survival of the business – do not have resources to meet OSH requirements and invest in Xtreme Sport Ltd. • 20% decrease in sales revenue – need to undertake new activities and make sure they are safe; cannot afford to do this and takeover Xtreme Sport Ltd. • Media coverage of the recent / poor reputation due to research study – need to reduce the number of accidents; cannot afford to do both investment projects. • Shareholders want to takeover equipment manufacturer, because they believe this can improve TNZS’s reputation; cannot afford to do this and purchase new equipment. 	<p>Answers TWO of:</p> <ul style="list-style-type: none"> • A reason why investment expenditure is important is explained. • ONE specific cause of the problem is explained. • TWO appropriate solutions are identified. <p>(Answers will typically state relevant examples, business knowledge or Māori business concepts.)</p>	<p>Answers ONE of:</p> <ul style="list-style-type: none"> • TWO specific causes of the problem are fully explained. • TWO solutions that would deal with the causes are fully explained. • A reason why one cause contributed to the problem is fully explained, and how one solution would deal with the cause is fully explained. <p>(Answers will typically include relevant examples, business knowledge or Māori business concepts.)</p>	<p>The issue is discussed by: Fully explaining how each solution (TWO) would deal with the causes. <i>AND</i> Explaining and justifying why it would be better to have BOTH solutions working together. <i>AND</i> The answer demonstrates coherent links between concepts.</p> <p>(Answers will typically integrate relevant examples, business knowledge or Māori business concepts into explanations.)</p>

<p>(c)</p>	<p>The best solution must relate to the specific causes discussed in (b). At least TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s), and a justification of why it would be better to have both solutions working together to solve the problem.</p> <p><i>Sample answers:</i></p> <p><u>Failed OSH audit – ThrillNZseekers</u> needs to undertake staff training and upgrading of equipment. This will reduce injuries, make their activities safer, and improve customer and staff confidence.</p> <p><u>20% decrease in sales revenue – ThrillNZseekers</u> needs to increase revenue through advertising, better-trained staff, and better-quality equipment. This will lead to improved financial performance and/or growth.</p> <p><u>Poor reputation due to research study</u> – better-trained staff, better quality equipment, CEO to engage with community and invest in some public relations to try to improve poor reputation.</p> <p><u>Media coverage of recent near-fatality</u> – counter the media article by fully disclosing improvements to address the injuries and near-fatality incidents, so that future media coverage is positive.</p> <p>All of these solutions will lead to increased sales and/or better reputation and growth in the future.</p> <p><u>Justification</u></p> <p>It would be better to have both solutions and solve immediate problems first by passing the audit and paying compensation, because the company will achieve full compliance and save further legal costs. In the short term the business would survive, and in the long term it would grow.</p>			
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	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
TWO				
(a)	<p><u>External audit</u></p> <p>This is an independent checking system for policies and procedures; it ensures the business is operating within the expected legal and financial framework.</p> <p>Looks to see if the business procedures meet legal requirements – a successful audit means a business can continue to operate.</p>	<p>Answers TWO of:</p> <ul style="list-style-type: none"> • How an external audit can be useful is explained. • ONE specific cause of the problem is explained. • TWO appropriate solutions are identified. 	<p>Answers ONE of:</p> <ul style="list-style-type: none"> • TWO specific causes of the problem are fully explained. • TWO solutions that would deal with the causes are fully explained. • A reason why one cause contributed to the problem is fully explained, and how one solution would deal with the cause is fully explained. 	<p>The issue is discussed by:</p> <p>Fully explaining how each solution (TWO) would deal with the causes.</p> <p><i>AND</i></p> <p>Explaining and justifying why it would be better to have BOTH solutions working together.</p> <p><i>AND</i></p> <p>The answer demonstrates coherent links between concepts.</p>
(b)	<p><u>Causes of the safety problem for ThrillINZseekers include:</u></p> <p>Poorly trained /inexperienced staff – lack of knowledge of equipment/ safety requirements means that staff cannot do their jobs satisfactorily to the expected standard/ may lead to an increase in accidents and injuries.</p> <p>Inefficient management /non-compliance with safety policies – employees are not being directed to do their jobs properly, and staff are being allowed to put consumers at risk, which impacts and threatens the continued operation of ThrillINZseekers.</p>	<p>(Answers will typically state relevant examples, business knowledge or Māori business concepts.)</p>	<p>(Answers will typically include relevant examples, business knowledge or Māori business concepts.)</p>	<p>(Answers will typically integrate relevant examples, business knowledge or Māori business concepts into explanations.)</p>

<p>(c)</p>	<p>The best solution must relate to the specific causes discussed in (b). At least TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s) and a justification of why it would be better to have both solutions working together to solve the problem.</p> <p><i>Sample answers:</i></p> <p><u>Poorly trained staff, inexperienced staff, lack of knowledge of equipment and the extra safety requirements of extreme sports activities</u> – Hire new staff who have the necessary qualifications / train staff to meet the safety standards required, and recruit staff with the necessary experience.</p> <p><u>Inefficient management of safety policies, poor monitoring of safety policies, poor checking of equipment</u></p> <p>– Mark to appoint a specific staff member who reports directly to him to be in charge of updating, meeting and monitoring safety policies and checking of equipment.</p> <p><u>Justification</u></p> <p>It would be better to have both staff training and a delegated staff member for safety monitoring – the business will then pass the OSH audit and there will be fewer safety problems in the future.</p>			
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Q	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
THREE				
(a)	<p><u>Global trends</u></p> <p>A business may increase the number of tourists, which may improve sales / profitability.</p> <p>A global trend makes a firm's production unviable, which will increase expenses.</p> <p>A global trend may reduce revenue / profitability, reducing funds available for expansion.</p>	<p>Answers TWO of:</p> <ul style="list-style-type: none"> • How global trends impact on a company's success is explained. • ONE specific cause of the problem is explained. 	<p>Answers ONE of:</p> <ul style="list-style-type: none"> • TWO specific causes of the problem are fully explained. • TWO solutions that would deal with the causes are fully explained. • A reason why one cause contributed to the problem is fully explained, and how one solution would deal with the cause is fully explained. 	<p>The issue is discussed by:</p> <p>Fully explaining how each solution (TWO) would deal with the causes.</p> <p>AND</p> <p>Explaining and justifying why it would be better to have BOTH solutions working together.</p> <p>AND</p> <p>The answer demonstrates coherent links between concepts.</p>
(b)	<p><u>Causes of the tourism problem that ThrillNZseekers faces include:</u></p> <p>Economic recession – decreases tourist numbers, due to lack of affordability / job insecurity, resulting in people travelling less.</p> <p>Poor findings from recent research study – makes New Zealand less attractive as a destination. This reduces buyer confidence in adventure tourism / tourists choose to go elsewhere.</p>	<ul style="list-style-type: none"> • TWO appropriate solutions are identified. <p>(Answers will typically state relevant examples, business knowledge or Māori business concepts.)</p>	<p>(Answers will typically include relevant examples, business knowledge or Māori business concepts.)</p>	<p>(Answers will typically integrate relevant examples, business knowledge or Māori business concepts into explanations.)</p>

(c)	<p>The best solution must relate to the specific causes discussed in (b). At least TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s), and a justification of why it would be better to have both solutions working together to solve the problem.</p> <p><i>Sample answers:</i></p> <p><u>Economic recession</u> – focus on the local market by offering regular corporate and school packages. This will increase revenue in a new market.</p> <p><u>Poor findings of recent research study</u> – focus on compliance with OSH safety standards; marketing to publicise improvements as the industry upgrades equipment and safety policies; this will improve reputation and therefore sales.</p> <p><u>Justification</u></p> <p>It would be better to respond to negative media coverage from the research study by quickly improving equipment and safety policies, and then publicising those improvements. This initiative, plus seeking government support for the industry, will help to ensure that the industry gains a more positive reputation worldwide. It should also address the cause of the problem by substantially reducing the frequency of accidents within the industry.</p>			
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Marking Codes

U = Evidence of Achievement

I = Evidence of Merit

C = Evidence of Excellence

Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
2 A	2 M	2 E