

Assessment Schedule – 2012

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

Evidence Statement

Question	Expected coverage
ONE	A technology problem – mobile commerce
(a)	Mobile banking is preferred because it is easier and quicker, since customers can access services anytime, anywhere. It is a more convenient way of banking in busy times, as customers do not have to physically go to the bank.
(b)	<p>Two causes of the technology problem may include:</p> <ul style="list-style-type: none"> • Description: There are only three mobile networks available and there have also been issues with reliability (Explain). Therefore customer access for mobile banking is limited and this has impacted on customer service (Fully explain). • Description: The bank’s server is unable to cope at peak times, due to technical limitations (Explain). This leads to overloading and loss of customer service and frustration (Fully explain). • Description: Lack of spending by the bank during the recession means that software has not been upgraded (Explain). This results in delays, even during off-peak times, with additional impacts on customer service and the reputation of <i>Commerce Bank</i> (Fully explain).
(c)	<p>Provide two possible solutions to the problem.</p> <p>The better solution must relate to the specific causes discussed in (b). TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s), and a justification of why one solution is better than the other to solve the problem, is required.</p> <p>Examples:</p> <p>Solution 1 – <i>Commerce Bank</i> could look into ways to try and find a solution to the limited number of networks, by working with the government or other banks to see if a solution could be found to improve reliability (Explain) This would be a costly exercise and very long-term. <i>Commerce Bank</i> would be unable to solve this issue on its own. A government subsidy may be available, or a joint venture with a competitor could be considered, to see if there is a possibility of increasing the number of networks; but it must be remembered that <i>Commerce Bank</i> would be moving away from its core business – it is a bank, and not an Internet Service Provider (ISP).</p> <p>Solution 2 – <i>Commerce Bank</i> could upgrade its server (Identify solution). This would allow it to cope with the demands on it during peak times and ensure customers can always get access to the bank’s services (Explain). A new server may need to be purchased (Capital expenditure or ‘Hardware’) but could provide a longer term solution to the problem given <i>Commerce Bank</i>’s poor reputation (Fully explain).</p> <p>Solution 3 – <i>Commerce Bank</i> could seek investment funding or loans in order to upgrade its software (Identify solution). This would meet the standards expected by its customers or even allow <i>Commerce Bank</i> to improve its service (Explain).The new software could provide a point of difference between the bank and its competitors (Fully Explain).</p> <p><i>Justification:</i></p> <p>The better solution is for them to fix their own problems internally and ensure their server (hardware) and software meet or exceed customers’ requirements. Creating a reliable new phone network would be very expensive, so lobbying the government may be important in the long term, but <i>Commerce Bank</i> needs to fix its problems in the short run. Installing a new server may also be costly and take time. The network would have to shut down to install this new hardware, and customers may become increasingly irritated, as their mobile technology would not be useable during that time.</p>

	A software upgrade could be cheaper and, if upgraded regularly, would reassure customers that <i>Commerce Bank</i> intends to provide the best service possible in New Zealand and restore their reputation quickly.
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Not Achieved	N1	<p>Insufficient breadth by answering ONE of:</p> <ul style="list-style-type: none"> • A reason why customers may prefer to use mobile phones for banking is explained • A reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> • a reason why customers may prefer to use mobile phones for banking is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
Achievement	A3	<p>Answers THREE of:</p> <ul style="list-style-type: none"> • a reason why customers may prefer to use mobile phones for banking is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
	A4	<p>Answers THREE of:</p> <ul style="list-style-type: none"> • a reason why customers may prefer to use mobile phones for banking is explained • a reason for how EACH of the TWO factors contributed to the problem is explained • TWO appropriate solutions are identified • how EACH of the TWO solutions would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>

Merit	M5	<p>Answers ONE of:</p> <ul style="list-style-type: none"> • a reason for how EACH of the TWO factors contributed to the problem is fully explained • how EACH of the TWO solutions would deal with the causes is fully explained • a reason for how ONE factor contributed to the problem is fully explained <i>AND</i> how ONE solution would deal with the cause is fully explained. <p><i>(Answers will include detailed evidence from the given context and relevant business knowledge OR Māori business concepts)</i></p>
	M6	<p>Answers BOTH of:</p> <ul style="list-style-type: none"> • a reason for how EACH of the TWO factors contributed to the problem is fully explained • how EACH of the TWO solutions would deal with the causes is fully explained. <p><i>(Answers will include detailed evidence from the given context and relevant business knowledge OR Māori business concepts)</i></p>
Excellence	E7	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p><i>AND</i></p> <ul style="list-style-type: none"> • providing a justification, with ONE reason, why one solution is better than the other. <p><i>(Answers will typically integrate detailed evidence from the given context and relevant business knowledge OR Māori business concepts into explanations)</i></p>
	E8	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p><i>AND</i></p> <ul style="list-style-type: none"> • providing a justification, with TWO reasons, why one solution is better than the other <p><i>AND</i></p> <ul style="list-style-type: none"> • answers integrate detailed evidence from the given context and relevant business knowledge <i>OR</i> Māori business concepts into explanations.

N0 = No response; no relevant evidence.

Question	Expected coverage
TWO	Fraud and dishonesty
(a)	<p>Why it is important for a company to have strict policies and procedures:</p> <ul style="list-style-type: none"> • It is important because it ensures that staff cannot take advantage of the business, eg through fraudulent behaviour, and that staff are held accountable for all actions taken and follow all legal obligations to do what is right. Penalties for not following the policies and procedures should be clearly stated. • It reduces the temptation to commit fraud, puts checks in place to ensure honesty, and could allow for consistency with employee decision-making. • To make it clear what is expected, what is allowed and not allowed, for control purposes. Allows for clear accountability and could be used as a means to judge employee performance.
(b)	<p>Two causes of the fraud and dishonesty problem could include:</p> <ul style="list-style-type: none"> • Mr Davis had access to customers' personal information and account details to allow him to perform his management role. As there was a lack of internal controls, it became easy for him to commit the fraud and dishonesty that took place (Explain). As he had this knowledge, and trust from customers and the bank's management team, he was able to carry out the fraud without being immediately caught (Fully explain). • <i>Commerce Bank</i> did not have a code of conduct for employees to follow, and have been considering using a code developed by a rival (Explain). This means staff did not have clear direction about the expectations of the business with regard to their behaviour, which may have contributed to the possibilities of fraud and misinformation to customers taking place (Fully explain). • Employees did not follow or did not know correct practice and procedures in the daily operations of the bank (Explain). They did not let customers know promptly if there were any unexpected withdrawals from, or deposits to, their account, and this further damaged the bank's reputation (Fully explain). • There was no clear separation of duties at <i>Commerce Bank</i>, which allowed the manager, Mr Davis, to action the transfers alone (Explain). If the manager's role was clearly defined with systems in place that involved more accountability – with, for example, dual signatures required for large transactions – then the occurrence of this problem would have been much less likely (Fully explain).
(c)	<p>Provides TWO possible solutions to the problem.</p> <p>The better solution must relate to the specific causes discussed in (b). TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s), and a justification of why one solution is better than the other to solve the problem.</p> <p><i>Examples:</i></p> <p>Solution 1 – <i>Commerce Bank</i> should ensure their current practices and procedures for employees are robust, monitored more closely in the daily operations of the bank, and updated as and when necessary (Identify solution). Employees will then not take shortcuts or make errors with customer accounts and other bank practices, and customer confidence can be regained (Fully explain).</p> <p>Solution 2 – <i>Commerce Bank</i> needs to introduce a code of conduct for its employees in order to set out clear expectations for employee behavior and standardise work practices (Explain). The introduction of the code of conduct would require communication and retraining of all staff to ensure that this new system is fully understood to ensure consistency (Fully explain).</p> <p>Solution 3 – The bank should increase its internal control measures by introducing separation of duties (Identify solution). This would mean that more than one person would be required to complete a task, and counter signatures could be used to ensure that more than one person has agreed to a transaction (Explain). This system of separation by task-sharing helps to prevent fraud and error from happening, as it makes it more difficult for employees to use customers' private information for their own personal gain (Fully explain).</p>

	<p><i>Justification:</i></p> <p>It would be better for <i>Commerce Bank</i> to ensure that its current procedures are robust and regularly updated, because this would take less time and the bank's reputation for honesty and trust needs to be repaired quickly. A code of conduct could take longer for employees to follow and will take longer to absorb and be acted upon. It would also mean extra costs associated with implementation. Increasing control/security measures could require a significant investment in hardware/technology and training, and may still be unreliable and thus ineffective, given the problems outlined earlier about the inadequate server and older software. Again, the time factor to make the change could be considerable, and <i>Commerce Bank's</i> brand image (reputation) is at risk. <i>Commerce Bank</i> will need increased custom and revenue to finance some of these proposed changes to combat fraud.</p>
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Not Achieved	N1	<p>Insufficient breadth by answering ONE of:</p> <ul style="list-style-type: none"> • a reason why it is important to have strict policies and procedures is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> • a reason why it is important to have strict policies and procedures is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
Achievement	A3	<p>Answers THREE of:</p> <ul style="list-style-type: none"> • a reason why it is important to have strict policies and procedures is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
	A4	<p>Answers THREE of:</p> <ul style="list-style-type: none"> • a reason why it is important to have strict policies and procedures is explained • a reason for how EACH of the TWO factors contributed to the problem is explained • TWO appropriate solutions are identified • how EACH of the TWO solutions would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>

Merit	M5	<p>Answers ONE of:</p> <ul style="list-style-type: none"> • a reason for how EACH of the TWO factors contributed to the problem is fully explained • how EACH of the TWO solutions would deal with the causes is fully explained • a reason how ONE factor contributed to the problem is fully explained AND how ONE solution would deal with the cause is fully explained. <p><i>(Answers will include detailed evidence from the given context and relevant business knowledge OR Māori business concepts)</i></p>
	M6	<p>Answers BOTH of:</p> <ul style="list-style-type: none"> • a reason for how EACH of the TWO factors contributed to the problem is fully explained • how EACH of the TWO solutions would deal with the causes is fully explained. <p><i>(Answers will include detailed evidence from the given context and relevant business knowledge OR Māori business concepts)</i></p>
Excellence	E7	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p>AND</p> <ul style="list-style-type: none"> • providing a justification, with ONE reason, why one solution is better than the other. <p><i>(Answers will typically integrate detailed evidence from the given context and relevant business knowledge OR Māori business concepts into explanations)</i></p>
	E8	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p>AND</p> <ul style="list-style-type: none"> • providing a justification, with TWO reasons, why one solution is better than the other <p>AND</p> <ul style="list-style-type: none"> • answers integrate detailed evidence from the given context and relevant business knowledge OR Māori business concepts into explanations.

N0 = No response; no relevant evidence.

Question	Expected coverage
THREE	A human resource problem – loss of key personnel
(a)	<p>Importance of key personnel may include:</p> <ul style="list-style-type: none"> • Key personnel in any organisation are responsible for carrying out the vision, goals, and objectives that are important for a business's survival, success and growth. They often have the skills, expertise, and reputation within the business. • Key personnel help to maintain an organisation's reputation by the high level of quality work they do, the positive impact they have on customer service, and by attracting other skilled and highly productive workers to the organisation. This leads to loyal and increased numbers of customers in the long term.
(b)	<p>Two causes of the human resource problem may include:</p> <ul style="list-style-type: none"> • Low staff morale following the fraud case with Mr Davis, because it resulted in everybody's work processes and performance coming under increased scrutiny (Explain), which could lead to job demotivation at a difficult time. There was a deterioration of brand image for the bank and a negative impact on customer satisfaction, which the customers then passed on to employees, increasing the unease (Fully explain). • Other banks were more attractive to key personnel, as they were considered more reputable and offered a better salary package (Explain). This would have made the decision to leave easier for dissatisfied and demotivated key personnel at <i>Commerce Bank</i>, which would have been unfortunate, given that these key personnel would be the very same people who could have pulled <i>Commerce Bank</i> out of its difficulties (Fully explain).
(c)	<p>Provides TWO solutions to the human resource problem.</p> <p>The better solution must relate to the specific causes discussed in (b). TWO appropriate solutions must be explained. A full explanation of how each solution would deal with the cause(s) and a justification of why one solution is better than the other to solve the problem.</p> <p><i>Examples:</i></p> <p>Solution 1 – Recruit and replace key personnel by offering an improved salary package to attract external candidates from other rival banks (Identify solution). This could solve the immediate vacancies problem (Explain). It would also give opportunities for new staff to bring in fresh ideas and / or existing staff to apply for different roles. This could boost staff morale and increase job satisfaction, but it would be costly and would require a period of adjustment, as the new staff induct themselves into the current policies and practices of <i>Commerce Bank</i> (Fully explain).</p> <p>Solution 2 – Promote existing personnel into higher positions, and pay them accordingly. This would allow for key changes in personnel by recognising existing quality staff (Explain). This could encourage other dissatisfied staff to stay and aspire to growth and promotion opportunities (Fully explain). The company may wish to re-organise itself and promote staff from within the business who may have been overlooked.</p> <p>Solution 3 – To address the issue of the poor reputation, <i>Commerce Bank</i> could try to reassure their intended target market by conducting a marketing campaign or create social responsibility opportunities (Citizenship) to convince key personnel that the bank is trying to change. This could also address some of the motivation issues inside the bank which might encourage key personnel retention and act as a way to stop competitor banks recruiting these staff.</p> <p><i>Justification:</i></p> <p>Recruiting externally may be the better option than the other solutions, because it takes a new and fresh approach to the key personnel issue, and better conditions. It may discourage further key personnel from leaving and taking customers with them. This, in turn, might encourage other</p>

	<p>employees to also stay and aspire to gain these positions one day.</p> <p>Recruiting internally could be quicker and be very motivating to current employees who see an opportunity for personal growth and development.</p> <p>All solutions will take time and resources to complete. The bank will need to restructure if a large number of new external key personnel are recruited. New teams and departments will be created. Customers will need to be communicated with to ensure that these changes will lead to improved customer service. The marketing campaign or corporate social responsibility activities (Citizenship) will need to be able to convince stakeholders that the bank wishes to change for the better. This may be difficult, given the poor reputation <i>Commerce Bank</i> already has.</p>
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	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> • the importance of key personnel is explained • a reason for how ONE factor contributed to the problem is explained • TWO appropriate solutions are identified • how ONE solution would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>
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	A4	<p>Answers THREE of:</p> <ul style="list-style-type: none"> • the importance of key personnel is explained • a reason for how EACH of the TWO factors contributed to the problem is explained • TWO appropriate solutions are identified • how EACH of the TWO solutions would deal with the cause(s) is explained. <p><i>(Answers will state evidence from the given context and include relevant business knowledge OR Māori business concepts)</i></p>

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Excellence	E7	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p><i>AND</i></p> <ul style="list-style-type: none"> • providing a justification, with ONE reason, why one solution is better than the other. <p><i>(Answers will typically integrate detailed evidence from the given context and relevant business knowledge OR Māori business concepts into explanations)</i></p>
	E8	<p>An issue is discussed by:</p> <ul style="list-style-type: none"> • fully explaining how EACH of the TWO solutions would deal with the causes <p><i>AND</i></p> <ul style="list-style-type: none"> • providing a justification, with TWO reasons, why one solution is better than the other <p><i>AND</i></p> <ul style="list-style-type: none"> • answers integrate detailed evidence from the given context and relevant business knowledge <i>OR</i> Māori business concepts into explanations.

N0 = No response; no relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 7	8 – 13	14 – 18	19 – 24