

Assessment Schedule – 2014

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

Evidence Statement

Notes:

Explaining is giving reasons for the statement/description.

Fully explaining is developing the explanation with further expansion of how the situation contributes to a given **outcome**, or may impact on potential business or stakeholder goals.

Justifying a recommendation uses relevant **evidence** to fully explain the appropriateness of a particular course of **action** over an alternative solution, and may consider the significance of the chosen solution or the likelihood of success. It should bring in new information which has not already been established in earlier parts of the question.

Each question should be read as a whole before awarding a grade.

Q 1	Sample answers / evidence
(a)	<p>The TWO factors related to changes in buyer behaviour from Resource A are:</p> <ul style="list-style-type: none"> • increased awareness of the risks of consuming too much high-fat snack food • global trends indicating that buyers' behaviour is being influenced by whether a business is acting in a socially responsible way. <p>Failure to react to increased buyer awareness of the risks of consuming too much high-fat snack food will result in reduced sales revenue for <i>Chips2Go</i> and anger the shareholders, especially if other snack businesses make appropriate changes to their products and reduce fat content (Explained). <i>Chips2Go's</i> shareholders may sell their shares, and this will reduce the value of the company, thus limiting funds for Charles to create new chip flavours. <i>Chips2Go</i> will thus lose its competitive edge in this market, and trends in Resource B show that market share is already falling (Fully explained).</p> <p>The effect on <i>Chips2Go</i> of not being socially responsible will also impact on sales of existing and new snacks. Profits will fall, especially if competitors react more quickly (Explained). In the longer term, <i>Chips2Go</i> is at risk of not being economically sustainable if the market share trend shown in Resource B continues. If chip production at <i>Chips2Go</i> does not become more socially responsible, <i>Chips2Go</i> will have to think of other ways of demonstrating citizenship, even though the company is popular with the younger generation. Demonstrating citizenship will take time to convince buyers, and will require additional financial resources to make it happen (Fully explained).</p>
(b)	<p><i>Chips2Go</i> will have to adapt its marketing ideas, especially in packaging and promotion, if the change in global trends towards healthy eating has an increasing influence on consumer decision-making. Snack packets will have to be re-labelled, with more nutritional information available to help consumers decide on healthy eating snacks. This marketing change will be seen as a deeper commitment to citizenship (Explained).</p> <p>However, the changes to marketing and towards becoming a good corporate citizen will raise costs. If <i>Chips2Go</i> wishes to become more socially responsible, then this will also take time to implement and convince their customers that they really have changed. Prices of the new zero-fat snacks to consumers may have to be increased to ensure economic sustainability, given falling market share (Fully explained).</p> <p>A second solution is to invest more time and funds in research and development – which would be welcomed by the shareholders – to create new socially responsible snack products in keeping with the change in global awareness (Explained). This could be a longer-term move by <i>Chips2Go</i> to build greater brand loyalty in a competitive market, but it could also enable <i>Chips2Go</i> to appeal to a wider market (Fully explained).</p> <p>The research and development option is a longer-term solution. Immediately changing packaging, and a focus on social responsibility, are more short-term, and from the resource, action needs to happen quickly. Given the preferences of the shareholders, Charles should try to convince them now that the company is serious about being a good corporate citizen. This will give them time to develop new snacks. The first option would seem more appropriate than the longer-</p>

<p>term solution.</p> <p><i>Other solutions:</i></p> <p><i>Chips2Go</i> could focus on its promotion by supporting a community organisation that has a focus in line with healthy eating and the current global trends. This will show a deeper commitment to citizenship and improve the brand image of <i>Chips2Go</i> (Explained).</p> <p>In order for <i>Chips2Go</i> to react to consumer trends, they will need to invest in technology. This will enable them to respond to the global trends by enabling them to produce a product that is much lower in fat / zero fat.</p>
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Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none"> Describes TWO factors related to changes in buyer behaviour which have impacted on <i>Chips2Go</i>. Explains how each factor has affected <i>Chips2Go</i>. Explains TWO appropriate solutions. Explains how each solution would deal with the problem of changes in buyer behaviour. States relevant information from the resource. <p>(Answers will typically state relevant business knowledge and /or Māori business concepts.)</p>		<ul style="list-style-type: none"> Fully explains how each factor has affected <i>Chips2Go</i>. Fully explains how each solution would deal with the problem of changes in buyer behaviour. Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge, and /or Māori business concepts.)</p>			<ul style="list-style-type: none"> Fully explains how each solution would deal with the problem of changes in buyer behaviour. <p><i>AND</i></p> <ul style="list-style-type: none"> Justifies, with TWO reasons, why one solution would be more appropriate for <i>Chips2Go</i> to implement than the other. Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge, and /or Māori business concepts into explanations.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	Excellence evidence. All points covered. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers / evidence
(a)	<p>Two causes of the poorly executed merger which has affected <i>C2G-SuperSnax</i> are:</p> <ul style="list-style-type: none"> • Charles’s leadership style, which seems to be deficient, as he rarely consults with anyone • the organisational cultures of the two businesses appear to be vastly different. <p>Charles’s leadership style has led to delays and poor decision-making at <i>C2G-SuperSnax</i>. There is evidence of this in Resource A, where Charles does not consult or look at market research, while in Resource B the article from the industry magazine indicates that market share for <i>Chips2Go</i> is falling and asks whether <i>Chips2Go</i> has lost its way (Explained). Delays in decision-making may lead to poor performance and missed opportunities, especially given the global trends and changes in consumer behaviour outlined in the resource booklet. Resource C refers to one example of delays (Fully explained).</p> <p>The organisational cultures of the two businesses are vastly different. It would appear from the resource material that Charles Crisp is very much in charge, with little discussion over how <i>Chips2Go</i> should proceed, while <i>SuperSnax</i> prefers to conduct extensive market research and includes its managers in decision-making. These differences will affect the operations of the two firms (Explained), impacting on working relationships, communication, and decision-making. This “culture clash” will impact on the opportunities for the new, combined business to increase market share and could lead to mistakes being made. It could also lead to staff leaving, due to frustration (Fully explained).</p> <p><i>Other possible cause:</i></p> <p>Agreed to the merger too quickly without researching into whether or not the technology would actually address the purpose behind the merger. <i>Supersnax</i> has a very small market share, and this hasn’t changed much over the three years. The only advantage of <i>Chips2Go</i> merging with <i>Supersnax</i> would be for the technology, though this has yet to be proven. Employees may feel that this merger is not beneficial, which may lead to them becoming resentful and unmotivated workers.</p>
(b)	<p>An immediate solution is for both senior management groups to re-draw and/or restructure the organisational chart of the combined company <i>C2G-SuperSnax</i>. This will allow much greater clarity over management roles and responsibilities, and should reduce confusion (Explained). This redrawing of the organisational structure will impact on a large number of stakeholders and will require a good deal of discussion and planning. It will take time and financial resources to make it happen (Fully explained).</p> <p><i>Chips2Go’s</i> and <i>SuperSnax’s</i> management will need to develop a clear vision and plan for the new company – what happens when they create the zero-fat chip? Will the merger come to an end? Charles will need to speak more openly with his senior managers and those of <i>SuperSnax</i>, and admit that there are problems. He will need to be more open and consultative (Explained). Regular meetings and planning sessions will need to take place. The long-term economic sustainability of the company is dependent on there being some common culture formed between the two management teams (Fully explained).</p> <p>The short-term success of this merger will require quick action. For this reason, the restructuring and re-organisation need to take place. Without the first solution being adopted and the issues resolved, introducing a longer-term vision and plan for the combined company of <i>C2G-SuperSnax</i> would be very difficult to achieve.</p> <p><i>Other solutions:</i></p> <p>A change in leadership style, from an autocratic style to a more democratic one. This would mean that the decision-making process would involve the employees more, who would then feel empowered and therefore more motivated. This would increase productivity.</p>

Achievement			Achievement with Merit		Achievement with Excellence		
<ul style="list-style-type: none"> Describes TWO causes of the poorly executed merger. Explains how each cause has affected C2G-SuperSnax. Explains TWO appropriate solutions. Explains how each solution would deal with the effects of the poorly executed merger. States relevant information from the resource. <p>(Answers will typically state relevant business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> Fully explains how each cause has affected C2G-SuperSnax. Fully explains how each solution would deal with the effects of the poorly executed merger. Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge, and/or Māori business concepts.)</p>		<ul style="list-style-type: none"> Fully explains how each solution would deal with the effects of the poorly executed merger. <p>AND</p> <ul style="list-style-type: none"> Justifies, with TWO reasons, why one solution would be more appropriate for C2G-SuperSnax to implement than the other. Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge, and/or Māori business concepts into explanations.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	Excellence evidence. All points covered. One part may be weaker.

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Q 3	Sample answers /evidence
(a)	<p>The first cause of the ethical concern is that some of the new “zero-fat” chips tested by <i>Chip Away</i> were claimed not to be zero-fat. Stakeholder complaints will increase.</p> <p>The second cause of the ethical concern is that the technology used to create the zero-fat chips had not been fully tested, and given the culture clashes and differences in management style between the two firms, this issue was not fully addressed and investigated, leading to a poorly finished product.</p> <p>The first effect on <i>C2G-SuperSnax</i> is that the business will be viewed as unethical and socially irresponsible, which is likely to lead to a fall in sales and demotivation of the workers in <i>C2G-SuperSnax</i> (Explained). Charles would be in danger of not being able to fulfil his long-term aim, and the value of his company will fall (Fully explained).</p> <p>The second impact is that failing to test the new technology could lead to longer-term issues for <i>C2G-SuperSnax</i>, such as a consumer boycott of both businesses, as consumer trust is lost (Explained). From the resource material, both growing consumer awareness and changes in buyer behaviour will impact heavily on any business which is not viewed as being socially responsible. This technology issue threatens <i>C2G-SuperSnax</i>'s economic sustainability, despite Charles's popularity with the younger target market (Fully explained).</p>
(b)	<p>Charles will need to go on the offensive and use his media profile, especially towards the younger generation, to assure them that this accusation of unethical behaviour is false, and by using some scientific research, convince stakeholders that the zero-fat chip is genuine. A new test to provide reassurance that the technology <i>C2G-SuperSnax</i> is using is able to produce large batches of zero-fat chips will need to be carried out (Explained). However, if Charles is no longer trusted, this approach will force <i>C2G-SuperSnax</i> to withdraw the new chips from the market, wasting valuable resources and leaving the resulting market gap open to a potential new entrant. Enterprising opportunities for <i>C2G-SuperSnax</i> will be lost (Fully explained).</p> <p>A second solution is to review their current marketing mix, especially on creating a presence on social media sites to counter the ethical concerns raised by the competitor. Charles may need to ask for greater control of the marketing message that <i>C2G-SuperSnax</i> is trying to send, given his popularity. Sponsoring a healthy eating campaign on national television might be a solution to win back public support (Explained). This will need to be handled carefully, as it is unlikely that the market or competitors will forgive <i>C2G-SuperSnax</i> for any repeated false claims about zero-fat products. Given Charles's popularity with the younger generation, <i>C2G-SuperSnax</i> could offer some free samples from the testing process indicated above, and ask for online feedback in a bid to convince that section of the market that the “unethical” claims of the competitor are false (Fully explained).</p> <p>Charles and <i>C2G-SuperSnax</i> will need to decide how the response to the ethical concern is to be handled – in person or online. Assuming that the claims of the competitor are correct, <i>C2G-SuperSnax</i> will have to move quickly, but carefully. Option 1 may be the more sensible immediate course of action, because reviewing their current marketing mix will take too much time and discussion. Some of Charles's younger loyal customers may be sceptical of the free samples as a form of bribe, and again take to social media forums to vent their displeasure. Option 1 is faster, and the experience of businesses that have made mistakes and caused concern is that they need to react quickly and decisively – to reassure customers that their product claims are genuine, and that mistakes are openly acknowledged and quickly remedied.</p> <p><i>Other solutions:</i></p> <p>Product recall. This will show customers their commitment to being honest and truthful about their claims, which will restore consumer trust in the brand. This will give them time to fully test the technology, to ensure that when they next distribute a product it is of a high quality and is true to their claims.</p>

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<ul style="list-style-type: none"> Describes TWO causes of the ethical concern which have impacted on <i>C2G-SuperSnax</i>. Explains how each cause could affect <i>C2G-SuperSnax</i>. Explains TWO appropriate solutions. Explains how each solution would deal with the ethical concerns raised by <i>Chip Away</i>. States relevant information from the resource. <p>(Answers will typically state relevant business knowledge, and/or Māori business concepts.)</p>		<ul style="list-style-type: none"> Fully explains how each cause of the ethical concern could affect <i>C2G-SuperSnax</i>. Fully explains how each solution would deal with the ethical concerns raised by <i>Chip Away</i>. Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> Fully explains how each solution would deal with the ethical concerns raised by <i>Chip Away</i>. <p><i>AND</i></p> <ul style="list-style-type: none"> Justifies, with TWO reasons, why one solution would be more appropriate for <i>C2G-SuperSnax</i> to implement than the other. Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge, and/or Māori business concepts into explanations.)</p>		
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Cut Scores

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 6	7 – 12	13 – 18	19 – 24