

## Assessment Schedule – 2016

### Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)

#### Assessment Criteria

##### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** the situation/action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and/or consequences.

**Evaluating** examines in detail by comparing and contrasting or identifying relationships to explain the impacts, effects and consequences of interacting factors in the business, plus strategic responses or solutions, and to provide a justified recommendation or draw justified conclusions on the significance or likely success of the factors/responses/solutions. This should include reference to alternative courses of action or new information to further support the decision that has not already been established in earlier parts of the question, such as long-term impact or sustainability of the business.

#### Evidence Statement

Part	Sample answers / Evidence
(a)	<p><i>Toroa Air</i> should implement a marketing audit as soon as possible, followed by rationalisation of unprofitable areas in the short to medium term. This strategic response would thus be applied across two timeframes, and the rationalisation would impact on specific areas rather than on the whole business.</p> <p>The marketing audit would involve a comprehensive examination of the marketing activities of the business. This would enable <i>Toroa Air</i> to determine whether they are using effective marketing strategies to connect with their target market (Explained). They would then be able to determine how to change their strategies to ensure that the entry of <i>Flying Koala Airways</i> would not impact on their revenue too severely (Fully explained).</p> <p>Selling off or closing down some parts of the operation as a cost-cutting measure can involve laying off employees. Rationalisation may have a negative impact on motivation of employees, as they may worry about their jobs (Explained). This might reduce productivity, raising costs and reducing profitability (Fully explained).</p> <p><i>Conclusion</i></p> <p>Because <i>Toroa Air</i> is already a “no frills” airline and works to keep costs low, there may be few opportunities for further cost-cutting. Therefore, any gains made may be outweighed by the potential for reduced productivity due to demotivated staff.</p> <p><b>Note:</b> <i>Alternative answers may discuss price wars and changes in marketing strategies, such as promotions, direct marketing, and loyalty schemes.</i></p>
(b)	<p>New Zealand Trade and Enterprise (NZTE) is a government agency for trade promotion. It offers strategic advice, access to networks, research and market intelligence, and financial support.</p> <p>India is a new market for <i>Toroa Air</i>. Access to networks and market intelligence may increase cultural intelligence, and therefore allow the business easier access to the market (Explained). This may reduce costs and increase revenue if fewer errors are made in the early stages. This could accelerate profitability in the new market (Fully explained).</p>
(c)	<p>Management can demonstrate rangatiratanga by developing a strategy that will reduce the waste problem. This could focus on resource production, utilisation, and management. They will be trying to ensure that all stakeholders have their viewpoints represented. As they are leading the efforts to reduce waste, stakeholders will look to them for the best solutions, and success in this area will reinforce the relationships between them (Fully explained).</p>

(d)	<p><i>Toroa Air</i> should put in place a contingency plan. This is a strategy put in place just in case an event occurs, like a rise in the price of fuel, which would have serious outcomes for the business. It is strategic because the planning would involve senior and middle managers, and will involve planning for the short term and long term if the event occurs.</p> <p>A positive impact of the contingency plan is that a more rational response is likely, because all possible eventualities will be investigated during the contingency planning process (Explained). This strategy should therefore ensure that employees still feel confident with the business, which will maintain production during difficult times (Fully explained).</p> <p>The major concern would be that contingency planning can use a great deal of human resource time for an event that might never happen, as management and staff are used to work through each eventuality (Explained). This may increase labour costs, and therefore reduce profitability and performance (Fully explained).</p> <p><i>Conclusion</i></p> <p>It is important that <i>Toroa Air</i> puts in place a strong contingency plan. One of the drivers of the company's growth has been the strong leadership. If an event occurred where the business was seen to be poorly led, this might further undermine the company in difficult times.</p>
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**Grade-score descriptors**

<b>Achievement</b>		<b>Achievement with Merit</b>			<b>Achievement with Excellence</b>		
<p>Explains:</p> <ul style="list-style-type: none"> <li>• why the strategic response to the entry of <i>Flying Koala Airways</i> is a business-wide reaction at multiple levels</li> <li>• ONE positive impact of the strategic response</li> <li>• ONE negative impact of the strategic response</li> <li>• how ONE example of business support might benefit <i>Toroa Air's</i> plans to expand to India</li> <li>• why senior managers demonstrating rangatiratanga is important in tackling the waste issue</li> <li>• why the strategic response to rising fuel prices is a business-wide reaction at multiple levels</li> <li>• ONE positive impact of the strategic response</li> <li>• ONE negative impact of the strategic response.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• ONE positive impact of the strategic response to the entry of <i>Flying Koala Airways</i></li> <li>• ONE negative impact of the strategic response to the entry of <i>Flying Koala Airways</i></li> <li>• how ONE example of business support might benefit <i>Toroa Air's</i> plans to expand to India</li> <li>• why senior managers demonstrating rangatiratanga is important in tackling the waste issue</li> <li>• ONE positive impact of the strategic response to the possibility of rising fuel prices</li> <li>• ONE negative impact of the strategic response to the possibility of rising fuel prices.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>			<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• a strategic response to the entry of <i>Flying Koala Airways</i></li> <li>• a strategic response to rising fuel prices.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	All Excellence evidence.

**N0** = No response; no relevant evidence.

**Cut Scores**

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 2	3 – 4	5 – 6	7 – 8