

Assessment Schedule – 2016

Business Studies: Apply business knowledge to address a complex problem(s) in a given global business context (91381)

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.

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

Evidence Statement

Q 1	Sample answers / Evidence
(a)	<p><i>Causes</i></p> <p>The increase in customer dissatisfaction may be caused by mistakes made by the new staff (Stated). This is because many of the new staff are inexperienced, and there is a lack of training for them (Explained), resulting in inconsistent product quality (Fully explained).</p> <p><i>OR</i></p> <p>The increase in customer dissatisfaction may be caused by frequent machinery breakdowns (Stated), possibly due to poor maintenance of machinery (Explained). This may result in reduced factory output, or even closures, which would cause delays and problems with meeting orders (Fully explained).</p> <p>Note: Candidates may also bring in the supply chain issues, such as poor transport infrastructure, poor warehousing and storage, or lack of relationships with Chinese bureaucracy. Other possibilities could include unfamiliarity with the Chinese market and rapid growth, causing quality issues due to lack of quality control. If these causes are used, the solution will be different.</p> <p><i>Effects</i></p> <p>Employees at <i>KCC</i> may lose their jobs (Stated), because of the decrease in sales in the Beijing market (Explained). The impact of this is that <i>KCC</i> may face increased costs in the form of redundancy payments to employees (Fully explained).</p>
(b)	<p><i>Solution 1:</i> Buy new machinery.</p> <p><i>Solution 2:</i> Train staff.</p> <p>Note: Other possibilities include implementing Kaizen, and implementing quality control in China.</p>

(c)	<p><i>Positive effects</i></p> <p>Replacing the machinery should ensure more reliable delivery of the products (Stated). This is because breakdowns in the production process would be less likely to occur (Explained). The impact of this would be an improvement of the <i>KCC</i> brand's reputation and image amongst its customers (Fully explained).</p> <p>Training the new staff would reduce the likelihood of mistakes during cheese production (Stated). This is because staff would know exactly what their role is, and will be more skilled in operating the machinery (Explained). The impact of this is that there would be less wastage of damaged product and more consistent quality, leading to a decrease in costs and greater profit for <i>KCC</i> (Fully explained).</p> <p><i>Solution</i></p> <p>Training the new staff.</p> <p><i>Justification</i></p> <p><i>KCC</i> should commit to training the new staff, because it has already invested heavily in its entry into the Chinese market. Replacing outdated machinery would be a much more expensive option, at least in the short term.</p>
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Grade-score descriptors

Achievement		Achievement with Merit			Achievement with Excellence		
<p>Explains:</p> <ul style="list-style-type: none"> • cause(s) of the customer dissatisfaction • effect(s) of the dissatisfaction issue on other stakeholder(s) of the business, such as employees and investors, and consequently on the business • ONE positive effect of each solution. <p><i>AND</i></p> <p>States relevant information from the resource.</p> <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>		<p>Fully explains:</p> <ul style="list-style-type: none"> • cause(s) of the customer dissatisfaction • effect(s) of the dissatisfaction issue on other stakeholder(s) of the business, such as employees and investors, and consequently on the business • ONE positive effect of each solution. <p><i>AND</i></p> <p>The answer includes relevant information from the resource to support explanations.</p> <p>(Answers will typically include relevant business knowledge and Māori business concept(s) to support explanations.)</p>			<p>Evaluates how possible solutions would address the complex problem(s) by:</p> <ul style="list-style-type: none"> • fully explaining ONE positive effect of each solution • drawing a justified conclusion on the better solution (brings in new information). <p><i>AND</i></p> <p>The answer integrates relevant information from the resource to fully support explanations.</p> <p>(Answers will typically integrate relevant business knowledge and Māori business concept(s) into explanations.)</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.	Most Excellence evidence. Must include justification.	All Excellence evidence. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers / Evidence
(a)	<p><i>Causes</i></p> <p>The reason for late deliveries to retailers is that the distributor is often held up by roadworks or poor road surfaces, making transport slow (Stated). This is because the road infrastructure in Beijing is of poor quality and in constant need of repair (Explained). The impact of this is that retailers will frequently run out of cheese from <i>KCC</i> (Fully explained).</p> <p>The reason deliveries are mixed up is poor management within the distributor's warehouse (Stated). This is because workers at the warehouse are picking up only part of the order (Explained). The impact of this is that stock may sit at the warehouse and end up being disposed of when it goes past its use-by date (Fully explained).</p> <p><i>Effects</i></p> <p>Customers will stop buying <i>KCC</i> cheese (Stated), because it is often out of stock in retailers' fridges (Explained). The impact of this is that customers will buy more cheese from competitors instead. <i>KCC's</i> competitors will therefore have increased sales (Fully explained).</p> <p>Shareholders will receive lower returns / dividends from <i>KCC</i> (Stated), because the company is making fewer sales and less profit (Explained). The impact of this is that shareholders may sell their shares in <i>KCC</i> (Fully explained).</p>
(b)	<p><i>Positive effects</i></p> <p><i>Selling direct to retailers</i></p> <p>This would mean that <i>KCC</i> has complete control of delivery to the retailer (Stated). This is because <i>KCC</i> would have its own drivers, trucks, and warehouse looking after this part of the supply chain (Explained). The impact of this is that efficiency would be increased, and so deliveries to retailers would be on time and in full (Fully explained).</p> <p><i>Strategic alliance</i></p> <p>This would ensure an improvement in efficiency of delivery (Stated), because the strategic alliance partner would buy into the improved efficiency, due to having a profit incentive (Explained). This would mean that inefficiencies would be reduced, as the partner firm will make more profits if customers / retailers are kept happy with timely and full deliveries (Fully explained).</p> <p><i>Solution</i></p> <p>Strategic alliance.</p> <p><i>Justification</i></p> <p>A strategic alliance would mean using a local firm that already has a relationship with government officials. This means that <i>KCC</i> would not have to spend money and time cultivating these necessary relationships. This would reduce costs and lead to a quicker and more profitable solution to the delivery issues. <i>KCC</i> has little experience in China, and could make effective use of local expertise in this way.</p>

Grade-score descriptors

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Explains: <ul style="list-style-type: none"> • cause(s) of the delivery issues • effect(s) of the delivery issues on stakeholders of the business, such as customers, competitors, and shareholders • ONE positive effect of each solution. AND States relevant information from the resource. (Answers will typically state relevant business knowledge and/or Māori business concepts.)			Fully explains: <ul style="list-style-type: none"> • cause(s) of the delivery issues • effect(s) of the delivery issues on stakeholders of the business, such as customers, competitors, and shareholders • ONE positive effect of each solution. AND The answer includes relevant information from the resource to support explanations. (Answers will typically include relevant business knowledge and Māori business concept(s) to support explanations.)			Evaluates how possible solutions would address the complex problem(s) by: <ul style="list-style-type: none"> • fully explaining ONE positive effect of each solution • drawing a justified conclusion on the better solution (brings in new information). AND The answer integrates relevant information from the resource to fully support explanations. (Answers will typically integrate relevant business knowledge and Māori business concept(s) into explanations.)	
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.	Most Excellence evidence. Must include justification.	All Excellence evidence. One part may be weaker.

N0 = No response; no relevant evidence.

Q 3	Sample answers / Evidence
(a)	<p><i>Causes</i></p> <p>A reason for the slow growth in demand for cheese in the Chinese market is the slower growth in income of customers in this market (Stated), as a result of the decrease in GDP growth experienced in China (Explained). The impact of this is that Chinese households will spend less when buying food items like cheese, which is a luxury good in China (Fully explained).</p> <p>A reason for the slow growth in demand for cheese in the Chinese market is the bad publicity about fat content in cheese in the <i>Beijing Courier</i> (Stated). This is because Chinese consumers will not want to suffer heart disease (Explained). The impact of this is that consumers will buy low-fat options instead, or stop eating cheese altogether (Fully explained).</p> <p><i>Effects</i></p> <p>KCC may have to make some staff redundant (Stated), because Chinese customers are purchasing less cheese and demand is down (Explained). The impact of this is that these redundant employees will have to find jobs elsewhere, which may be difficult, depending on whether their skills are in demand (Fully explained).</p> <p>KCC will demand less milk (Stated), because it is producing less cheese as a result of the decline in demand from Chinese customers (Explained). The impact of this is that dairy farmers may need to find new customers, or sell some of their cows if they are not needed for milk production (Fully explained).</p>
(b)	<p><i>Solution 1:</i> Create a campaign promoting the health benefits of KCC cheese for children.</p> <p><i>Solution 2:</i> Develop a new, low-fat cheese product.</p>
(c)	<p><i>Positive effects</i></p> <p>Promoting the health benefits of KCC cheese for children may cause customers to increase their demand for this product (Stated). This is because customers will want to increase the health of their children's bones and teeth from the calcium in cheese (Explained). The impact of this is that sales will increase for KCC, as will profits for shareholders (Fully explained).</p> <p>Developing a new, low-fat cheese product would reduce any negative impact on the brand (Stated). This is because it would give health-conscious Chinese customers a low-fat option that may not lead to health issues (Explained). The impact of this is that KCC would need to promote this new product, so that customers become fully aware of it and how it meets their needs (Fully explained).</p> <p><i>Solution</i></p> <p>Promote the health benefits of KCC cheese for children.</p> <p><i>Justification</i></p> <p>Promoting the health benefits for children would be the better solution, because it would fit with one of the values of KCC, which is "Family". Publicising the health benefits of KCC products amongst children meets KCC's desire to be seen as a family-friendly company.</p>

Grade-score descriptors

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Explains: <ul style="list-style-type: none"> • cause(s) of the slow growth in demand • effect(s) of the slow growth in demand on the business and stakeholder(s) such as employees, suppliers, and investors • ONE positive effect of each solution. AND States relevant information from the resource. (Answers will typically state relevant business knowledge and/or Māori business concepts.)			Fully explains: <ul style="list-style-type: none"> • cause(s) of the slow growth in demand • effect(s) of the slow growth in demand on the business and stakeholder(s) such as employees, suppliers, and investors • ONE positive effect of each solution. AND The answer includes relevant information from the resource to support explanations. (Answers will typically include relevant business knowledge and Māori business concept(s) to support explanations.)			Evaluates how possible solutions would address the complex problem(s) by: <ul style="list-style-type: none"> • fully explaining ONE positive effect of each solution • drawing a justified conclusion on the better solution (brings in new information). AND The answer integrates relevant information from the resource to fully support explanations. (Answers will typically integrate relevant business knowledge and Māori business concept(s) into explanations.)	
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Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 19	20 – 24