

Assessment Schedule – 2017

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

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.

Justifying: Uses relevant evidence to justify the significance of the decision or the likelihood of success. 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.

| Part | Sample answers/Evidence |
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| (a) | <p><u>Fully explain TWO possible reasons why <i>Macca Builders</i>' growth strategy into Nelson has been unsuccessful.</u></p> <p><i>Sample answers:</i></p> <p><i>Macca Builders</i> did not research the Nelson market properly, and has built houses that a large portion of their target market cannot afford to buy (Stated) because their incomes are too low to support a large mortgage and/or they have to spend a lot on the land purchase and do not have enough for a luxury house (Explained). Consequently, <i>Macca Builders</i> is not making enough sales to cover the loans it has taken out to support its investment in building houses, making it difficult to find funds to build any more houses better suited to the market (Fully explained).</p> <p>A new competitor, <i>Sunshine Industries</i>, has taken market share from <i>Macca Builders</i> (Described). This is because <i>Sunshine Industries</i> is lower-cost than <i>Macca Builders</i> and has a unique selling point of being sustainable (Explained). Therefore many new home buyers are choosing <i>Sunshine Industries</i> to build their houses, rather than <i>Macca Builders</i> due to the high land costs and their inability to support large mortgages (Fully explained).</p> <p>Short cuts by workers are creating poor quality houses (Described) and prospective customers are unimpressed with the value for money (Explained). Therefore they are choosing to use competitors to build their houses instead of <i>Macca Builders</i> (Fully explained).</p> <p><i>Macca Builders</i> decided to build houses without having a buyer for them as the customers may have wanted to design their own house for that amount of money (Explained), which has meant they are short of cash due to the large capital investment required (Explained). Now the banks are wanting to have their money repaid and <i>Macca Builders</i> do not have the funds available (Fully explained).</p> <p>Jenny Peel, one of their three master builders, has left suddenly taking customers with her (Described) because she was unhappy with the ethics being shown at <i>Macca Builders</i> (Explained). Those prospective customers might have purchased the remaining houses, but will now buy a competitors' instead, further reducing the high-end market that <i>Macca Builders</i> want to operate in (Fully explained).</p> |
| (b) | <p><u>Discuss TWO solutions that <i>Macca Builders</i> could implement to enable them to operate successfully in the Nelson market.</u></p> <p><i>Sample answer:</i></p> <p><i>Macca Builders</i> could sell their recently built houses at a lower price to generate cashflow (Described) and then change the style of houses being built to better match the income requirements of the Nelson market (Explained). These new, more affordable houses would sell at lower prices which would allow it to compete on price against <i>Sunshine Industries</i>, as <i>Macca Builders</i> houses are of higher quality, as proven by the awards that they have won (Fully explained).</p> <p><i>Macca Builders</i> could change from building houses first and then hoping to find a buyer, to only building houses when a buyer has been confirmed and paid a deposit (Described). This would allow it to maintain the quality of house that it is known for and keep the premium (high) pricing (Explained). This would reduce the amount it needs to borrow and ensure that only houses that have a positive cash flow (Fully explained).</p> <p>The second solution would be more effective than the first for <i>Macca Builders</i>, as it would be operating in a niche market of higher-value houses and not</p> |

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| | <p>having to compete against <i>Sunshine Industries</i> who already have a large market share of lower priced houses (Described), <i>Macca Builders</i>' point of difference in the quality and innovation it provides will attract the higher end buyers (Explained). While there would be fewer customers, the profitability per house would make up for this (new information), as there would still be a few in the market able to afford this style of house (Fully explained).</p> <p>Also, the second option means it would not need to borrow as much money (Described), thus reducing the amount of interest it has to pay (new information) and therefore increasing profitability (Explained). This would make its cash flow more manageable, consequently reducing the risk of its business failing in Nelson (Fully explained).</p> |
| (c) | <p><u>Fully explain ONE possible reason why offering bonuses for finishing ahead of schedule might lead to unethical practices by <i>Macca Builders</i>.</u></p> <p><i>Sample answers:</i></p> <p><i>Macca Builders</i>' employees may be tempted to put their own financial needs – due to low wages in Nelson - ahead of the reputation of <i>Macca Builders</i> (Described), which may lead to them taking shortcuts that could make the houses unsafe, or below the required quality standards (Explained). This may result in upset customers or poor building inspector reports both of whom are expecting high quality houses for the premium prices being paid. This will harm the reputation of <i>Macca Builders</i>.</p> <p>Workers – who are paid low wages – will be motivated to earn more money where they can (Described). They will therefore be more willing to take risks and endanger the health and safety of themselves and their co-workers by taking short cuts (Explained). <i>Macca Builders</i> is encouraging this behaviour with the bonus for finishing early, which is unethical in its treatment of workers if they do not put in place policies to keep workers safe (Fully explained).</p> |
| (d) | <p><u>Discuss TWO solutions that James could implement to avoid unethical practices.</u></p> <p><i>Sample answer:</i></p> <p>The first solution is to change the way employees are paid, so they are not incentivised to finish quickly, but to do quality work (Described); this would encourage them to be ethical in order to earn their bonus (Explained). This means the building will be of high quality, to match the reputation of <i>Macca Builders</i> (Fully explained).</p> <p>A second solution would be to get the master builder to inspect the houses at certain checkpoints looking for shortcuts (Described), so that the quality of the house can be guaranteed (Explained). This would discourage employees from adopting unethical practices, as there would be a real risk of getting caught and losing their bonus for finishing early. They may even get into trouble with James for being unethical (Fully explained).</p> <p>The first solution is better than the second, as the builders are highly skilled at what they do (new information), and would be motivated to produce quality work, so they could be rewarded for their skill (Explained). This would ensure that their reputation remains positive and houses will sell at premium prices due to their high quality – offsetting the cost of the bonus that is paid (Fully explained).</p> <p>The second solution may create a culture of mistrust between workers and management (new information), because they would feel that no one trusts them to work ethically (Explained). This would make <i>Macca Builders</i> an unhappy place to work, and could lead to increased staff turnover (Fully explained).</p> |
| (e) | <p><u>Fully explain ONE possible cause of Jenny Peel, the lead builder in Nelson, leaving <i>Macca Builders</i> for a rival firm, and ONE likely effect that losing Jenny will have on <i>Macca Builders</i> as they attempt to remain viable in the Nelson market.</u></p> <p><i>Sample answers:</i></p> <p><i>Causes:</i></p> <p>A rival firm may have offered Jenny more pay (Described), because they want her skills as a builder and are willing to pay for them at a higher rate (Explained). Since it is a tight labour market, Jenny would look for the job offer which pays the most (Fully explained).</p> <p>Jenny may have been unhappy with James' response to her memo on the workers shortcuts (Described), and decided to leave for a more ethical employer (Explained) with whom she would not have to compromise her standards/ethics (Fully explained).</p> <p><i>Effects:</i></p> <p>As James is having trouble replacing Jenny, the remaining master builders will have to take on her load (Described), which is likely to make them far busier</p> |

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| <p>than before and may increase the level of stress on them (Explained). This may mean that mistakes are made that are not picked up, or that further unethical practices occur to save time. Customers will not be wanting to pay high prices for their low quality houses further reducing their sales (Fully explained).</p> <p>As the labour market is tight, a less than suitable replacement for Jenny may be hired (Described), which would result in poor leadership and skill (Explained). This would further reduce the quality of the work that <i>Macca Builders</i> is providing, and customers will not want to pay high prices for their low-quality houses, further reducing their sales (Fully explained).</p> |
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Grade-score descriptors

| Achievement | | Achievement with Merit | | | Achievement with Excellence | | |
|--|--|--|----------------------------------|----------------------|--|---------------------------|-------------------------------|
| <ul style="list-style-type: none"> Explains why the growth strategy into Nelson has been unsuccessful. Identifies and explains how EACH solution will help <i>Macca Builders</i> operate successfully in the Nelson market. Explains why offering bonuses might lead to unethical practices. Identifies and explains how EACH solution would help ensure that unethical practices are not used. Explains a cause of Jenny Peel leaving <i>Macca Builders</i>. Explains a likely effect of Jenny Peel leaving <i>Macca Builders</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 why the growth strategy into Nelson has been unsuccessful. Identifies and fully explains how EACH solution will help <i>Macca Builders</i> operate successfully in the Nelson market. Fully explains why offering bonuses might lead to unethical practices. Identifies and fully explains how EACH solution would help ensure that unethical practices are not used. Fully explains a cause and/or an effect of Jenny Peel leaving <i>Macca Builders</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> | | | <p>Identifies TWO solutions and fully explains how EACH will help <i>Macca Builders</i> operate successfully in the Nelson market.</p> <p><i>AND</i></p> <p>Justifies, with TWO reasons, why one solution would be more effective than the other.</p> <p><i>AND</i></p> <p>Identifies TWO solutions and fully explains how EACH will help ensure that unethical practices are not used.</p> <p><i>AND</i></p> <p>Justifies, with TWO reasons, why one solution would be more effective than the other.</p> <p><i>AND</i></p> <p>Answers integrate relevant information from the resource to support explanations.</p> <p>(Answers will typically integrate relevant 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. | Most/all Excellence evidence. |

N0 = No response; no relevant evidence.

Cut Scores

| Not Achieved | Achievement | Achievement with Merit | Achievement with Excellence |
|--------------|-------------|------------------------|-----------------------------|
| 0 – 2 | 3 – 4 | 5 – 6 | 7 – 8 |