

Assessment Schedule – 2018

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.

All parts of the answer should be read as a whole before awarding a grade.

Evidence

Part	Sample answers / Evidence
(a)	<p><u>Evidence using the case study of <i>Whenua Farms (WF)</i></u></p> <p>The pūtake of <i>WF</i> is to manage a collectively owned resource for the benefit of the whole iwi. Therefore, they would choose not to sell the land to a foreign company (Explained). This would allow <i>WF</i> to employ members of their iwi in various roles, and would allow greater income for their people in the longer term (Fully explained).</p> <p><u>Evidence using own business context (<i>Fonterra</i>)</u></p> <p><i>Fonterra</i> is a dairy co-operative owned by New Zealand farmers, whose origin or purpose (pūtake) is to benefit these farmers. Therefore, it might choose to sell land if it was profitable for farmers to do so (Explained). This would benefit farmers, because these funds could be reinvested to empower greater growth in new markets in the long term (Fully explained).</p>
(b)	<p><u>Evidence using own business context: <i>Rocket Lab</i></u></p> <p>Callaghan Innovation is a government agency whose role is to support high-tech businesses in New Zealand (Explained). Callaghan provided <i>Rocket Lab</i> with grants to develop its satellite launch vehicle, which has allowed it to grow to be a global launch service provider. This will increase revenue and allow the firm to be sustainable in the long term (Fully explained).</p>

(c)	<p><u>Evidence using case study (<i>WF</i>)</u></p> <p><i>WF</i> should take the immediate decision (time) to not undertake intensive farming, and involve the marketing department in getting this message out to consumers (scope).</p> <p>A positive impact of this decision is that <i>WF</i> would be able to establish a clear point of difference between itself and competitors who are involved in intensive farming, because New Zealanders like the fact that their dairy products are more natural (Explained). This unique selling point (USP) could bring them increased sales, and therefore profitability (Fully explained).</p> <p>A negative impact is that the business would be less productive, because it does not use the new technology (Explained). This could mean that their prices would be higher, potentially reducing sales and profitability (Fully explained).</p> <p>In conclusion, because <i>WF</i> is a Māori corporation (New information), it will take greater care of the land as a form of kaitiakitanga. This will mean that they may be willing to sacrifice profitability to ensure the land is protected.</p> <p><u>Evidence using own business context (<i>Air NZ</i>)</u></p> <p><i>Air NZ</i> has decided to introduce faster automated scanning baggage checks at airport check-ins. It has started a trial with four systems at Auckland Airport and, if successful, will expand to other airports. This is a strategic response, because they have started with a trial in the short term, with plans to expand (time). Departments across the business will be involved, such as HR for training, and Operations for implementation (scope).</p> <p>A positive impact of the strategy is that customers will queue less, because the new technology speeds up the check-in process (Explained). This will improve customer satisfaction, and therefore increase the number of return customers (Fully explained).</p> <p>A negative impact is that <i>Air NZ</i> may have to make some staff redundant as their jobs are replaced by the automated machinery (Explained). The business would then incur HR expenses that will have a direct effect on profitability (Fully explained).</p> <p><i>Air NZ</i> works in a highly competitive industry (New information), therefore the company is very focused on customer satisfaction. Thus, it is very important to introduce technology that improves the customer experience.</p>
(d)	<p><u>Evidence using case study (<i>WF</i>)</u></p> <p><i>WF</i> could research and introduce measures that limit the amount of pollution entering into rivers and lakes. This would be a long-term investment (time) and involve various departments across the business (scope).</p> <p>A positive impact is that pollution will be reduced, and this will have a positive impact on their corporate reputation (Explained). An improved reputation will allow customers to feel happier purchasing from them, increasing sales and profitability (Fully explained).</p> <p>A negative impact will be the costs involved in producing the new technology. This will require investment (Explained), and will use funds that will no longer be available to use elsewhere for the growth of the business (Fully explained).</p> <p>In conclusion, many of <i>WF</i>'s workers are members of the iwi that own the business (New information). Therefore, <i>WF</i> will be committed to reducing pollution, so that its workers can use the rivers and streams that may have been affected.</p> <p><u>Evidence using own business context (<i>Fletcher Building</i> and economic sustainability)</u></p> <p><i>Fletcher Building</i> incurred a massive loss in its construction department. The strategic response was for the chairman to resign immediately (time,) and for the business to restructure out of large-scale construction in the longer term (scope and time).</p>

A positive impact of the chairman resigning is that shareholders could feel more secure, because the business is under new leadership (Explained). This may prevent them from selling their shares and leaving the business open to a takeover (Fully explained).

A negative impact of the strategy is that the restructuring will take considerable time, because the company is committed to contracts already in progress (Explained). This will involve large expenses and workers being made redundant, having a negative impact on profit.

In conclusion, *Fletcher Building* is a high-profile New Zealand company (New information), and therefore must be seen to be making drastic changes following the announcement.

Grade-score descriptors

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • an impact that pūtake will have on an important decision in the business • an agency that might support the development of new products • why the strategic response to the availability of new technology is a business-wide reaction at multiple levels • ONE positive impact of a strategic response to the availability of new technology • ONE negative impact of a strategic response to the availability of new technology • why the strategic response to increasing societal concerns about sustainability is a business-wide reaction at multiple levels • ONE positive impact of a strategic response to increasing societal concerns about sustainability • ONE negative impact of a strategic response to increasing societal concerns about sustainability. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • an impact that pūtake will have on an important decision in the business • an agency that might support the development of new products • ONE positive impact of a strategic response to the availability of new technology • ONE negative impact of a strategic response to the availability of new technology • ONE positive impact of a strategic response to increasing societal concerns about sustainability • ONE negative impact of a strategic response to increasing societal concerns about sustainability. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> • a strategic response to the availability of new technology • a strategic response to increasing societal concerns about sustainability. <p>(Answers will typically integrate 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

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