

## Assessment Schedule – 2019

### Business Studies: Demonstrate understanding of how a large business responds to external factors (90844)

#### 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.

The candidate should use only one context for each part, but may change contexts between parts. The task should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><u>Fully explain TWO benefits to the business of belonging to an employer association.</u></p> <p>Employer associations provide businesses with a place to go for legal assistance (Described), e.g. in relation to disputes with clients or when having problems with employees (Explained), and providing advice on strategies to adopt in response to changes in laws or regulations such as the road user charges (Fully explained).</p> <p>Employer associations also provide training (Stated), which can cover anything from computers and technology to the fundamentals of human resources and employee management (Explained). Training through employer associations would benefit the business, as they provide whanaungatanga (kinship or relationship through shared experiences); the business would be able to gain expertise and advice from experts in its industry, as well as collaboration with other moving companies to identify best practice as part of a wider community of businesses (Fully explained).</p>
(b)	<p><u>Discuss TWO responses the business could make to reduce the impact that a rise in fuel costs is likely to have on its profitability.</u></p> <p><i>Explain how a rise in fuel costs would impact on business profitability.</i></p> <p>Fuel is an essential expense that moving companies must incur in order to operate (Described). As the cost of supplying fuel increases, the cost to <i>Magical Movers</i> of providing their moving service will also increase. As it operates in a competitive industry where there is price sensitivity, it may not be able to recover these rising costs by increasing its prices to the customer, and therefore profitability will fall (Explained).</p> <p><i>Fully explain TWO responses the business could make to reduce this impact while operating in a competitive market.</i></p> <p>One solution to reduce the impact of rising fuel costs would be to use an alternative fuel source, such as electric vehicles or bio-fuels (Stated). While there would be significant expense in the short term, due to the need to buy new vehicles or convert existing ones, in the long term the cost of operating the vehicle fleet would be considerably reduced (Explained), as fuel cost increases resulting from the added government tax could be avoided (Fully explained).</p> <p>A second solution could be for <i>Magical Movers</i> to move its operations out of Auckland to another part of the country where the fuel tax does not exist (Explained). By moving to a nearby city, such as Hamilton, it would still be able to service south Auckland, but would have other markets open to it as well (Fully explained).</p>

	<p><i>Justify, with TWO reasons, why one response would be better than the other.</i></p> <p>Investing in new fuel sources such as electric vehicles or bio-fuels would be a better solution than relocating. Moving out of Auckland would be tempting, but would involve many risks, particularly the possibility of the government’s policy being applied beyond Auckland – which is likely, considering the global push to reduce fossil fuel consumption. If this happens, relocating from Auckland will not solve the problem in the long term (Reason 1).</p> <p>Secondly, <i>Magical Movers</i> could use the switch to a more environmentally friendly fuel source as a unique selling point that could become a key part of its pūtake (reason for being). Showing a clear commitment to kaitiakitanga (guardianship or management) would appeal to a broad range of customers who may be willing to pay a premium price, improving profitability in the long term (Reason 2). Therefore, an alternative fuel would be the better long-term solution.</p> <p>Another possible response could relate to cutting costs in other areas of the business to maintain profitability.</p>
(c)	<p><u>Fully explain TWO reasons why the business needs to make ethical decisions regarding how it operates.</u></p> <p>New Zealanders have an expectation of New Zealand businesses operating in a way that is fair and reasonable (Described). They will meet society’s expectations when it comes to paying a fair price for hours worked and receiving a quality service for that price (Explained). As a result, <i>Magical Movers</i> would be able to maintain its reputation, increase customer loyalty, and attract customers through word of mouth as a business which charges an agreed fee and no more (Fully explained).</p> <p><i>Magical Movers</i> would be ensuring that it meets its obligations as a good employer (Described) by looking after the health and well-being of its employees and ensuring they are able to take more breaks than the law provides, in line with the physical work that the movers have to do (Explained). This would make employees feel more physically ready to work the long, hard hours required, and would help them to be more effective and efficient, and to remain motivated, increasing productivity of <i>Magical Movers</i>, allowing more jobs to be completed (Fully explained).</p>
(d)	<p><u>Discuss how a large business you have studied affects its relationship with a key stakeholder by complying with the law.</u></p> <p><i>Identify the law that you will discuss and, using a specific example, explain how your chosen business has ensured that it complies with the law.</i></p> <p>Privacy Act – customer, employee, or supplier information (manaakitanga). Idea of keeping employee and customer information safe and using for internal purposes only. Systems needed to be set up and law followed correctly.</p> <p>Employment Relations Act – employee (tikanga). Main idea is the need for an employment contract, but specific parts of Act can be discussed.</p> <p>Resource Management Act – local government, community, suppliers (kaitiakitanga). The Act refers to the business using resources sustainably, and applying for consents when constructing or renovating. The key aspects of the law are the disposal of waste, containment of pollution, impact on surrounding stakeholders, and use of water.</p> <p><u>Sample answer:</u></p> <p>Chosen law: Employment Relations Act 2000</p> <p><i>Explain, with an example, how the business has complied with the law</i></p> <p><i>Jucy Car Rentals</i> ensures that all of its employees have written employment agreements that describe what each staff member’s responsibilities are and what the minimum conditions are, such as breaks and holiday pay (Explained).</p> <p><i>Fully explain ONE advantage and ONE disadvantage to the business of complying with your chosen law.</i></p> <p>As employees are an important tikanga (operational resource) of <i>Jucy</i>, an advantage of complying with the law by having an employment agreement for staff is that management are aware of employee rights and responsibilities, and have acknowledged their rights under law (Explained). In the event of disputes, the employment agreement provides a point of reference that will help resolve these disputes quickly (Fully explained).</p>

	<p>A disadvantage is that often jobs change quickly, and different clauses need to be amended, deleted, or added (Explained), which is costly and time-consuming, usually requiring new agreements to be set up. If the agreement becomes out of date, then there is a chance that further legal issues could arise when there is disagreement about what the agreement contains (Fully explained).</p> <p><i>Justify, with TWO reasons, whether complying with your chosen law improves the relationship of the business with a key stakeholder group.</i></p> <p>Having an employment agreement under the Employment Relations Act improves <i>Jucy's</i> relationship with its employees, because the agreement is a legal document that reassures both parties that what they agreed on when employment started remains in place. Specifically, the agreement provides clear direction as to what work is required and how much the position pays (Reason 1) at the outset ensuring no misunderstandings.</p> <p>Employees at <i>Jucy</i> will know that they are receiving at least the minimum requirements, and any issues will be able to be sorted with certainty based on this document, and not subject to management intimidation or manipulation, or employees shirking responsibilities. There should be less reason for the interjection of unions if the employment contract is being honoured (Reason 2).</p>
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### Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• TWO benefits of the business belonging to an employer association</li> <li>• how a rise in fuel costs will impact on business profitability</li> <li>• TWO responses the business could make to reduce this impact while operating in a competitive market</li> <li>• TWO reasons why the business needs to make ethical decisions regarding how it operates</li> <li>• how the business has applied an aspect of a law to its operations to ensure it complies with the law</li> <li>• ONE advantage and ONE disadvantage to the business of complying with your chosen law.</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>• TWO benefits of the business belonging to an employer association</li> <li>• TWO responses the business could make to reduce the impact of a rise in fuel costs while operating in a competitive market</li> <li>• TWO reasons why the business needs to make ethical decisions regarding how it operates</li> <li>• ONE advantage and ONE disadvantage to the business of complying with the candidate's chosen law.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and / or Māori business concept(s), to support explanations.)</p>	<ul style="list-style-type: none"> <li>• Fully explains TWO responses the business could make to reduce the impact of a rise in fuel costs while operating in a competitive market.</li> </ul> <p style="text-align: center;"><i>AND</i></p> <ul style="list-style-type: none"> <li>• Justifies, with TWO reasons, why one response would be better than the other.</li> </ul> <p style="text-align: center;"><i>AND/OR</i></p> <ul style="list-style-type: none"> <li>• Fully explains ONE advantage and ONE disadvantage to the business of complying with the candidate's chosen law.</li> </ul> <p style="text-align: center;"><i>AND</i></p> <ul style="list-style-type: none"> <li>• Justifies, with TWO reasons, whether complying with the candidate's chosen law improves the relationship of the business with a key stakeholder group.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and / or Māori business concept(s), to support explanations.)</p>

### Grade Score Descriptors

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