

**Assessment Schedule – 2020**

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

**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.

Part	Sample Evidence
(a)	<p><u>Using Resources A and B, evaluate BOTH possible solutions to determine the better city for <i>Metro Drive</i> to launch in Australia.</u></p> <p><b>Solution 1 (Melbourne)</b>                      If <i>Metro Drive</i> launches its Australian expansion in the city of Melbourne, the charging firm <i>Charge Boss</i> will have greater access to EV charging facilities (Stated). This is because Melbourne has the greatest number of charging facilities in Australia (Explained). The impact of this is that <i>Charge Boss</i> will cover shorter distances to find a charging facility. This will mean <i>Metro Drive</i> vehicles can be serviced and have the battery replaced faster and be out on the road in a shorter time. This will result in satisfied customers and a potential increase in sales, as customers will provide repeat business for <i>Metro Drive</i> (Fully explained).</p> <p><b>Solution 2 (Sydney)</b>                      If <i>Metro Drive</i> launches its Australian expansion in Sydney, it is likely to have a bigger potential market (Stated). This is because Sydney has a higher percentage of its population who are not car owners. Sydney has a 6.4% lower car ownership rate than Melbourne, meaning a greater proportion of a larger urban population is using public transport (Explained). The impact is that <i>Metro Drive</i> would have access to a larger potential market of residents looking for EV rental options, and could therefore earn more revenue from greater sales (Fully explained).</p> <p><b>Justified recommendation</b>  <i>Metro Drive</i> should launch in Sydney, as the company would also have a more positive impact on reducing pollution due to the larger potential size of the market. The vehicles use electricity, rather than traditional fuels, as their power source. Launching first in Sydney, which has a higher population, would mean potentially more commuter journeys in <i>Metro Drive</i>'s EVs than in Melbourne. The impact of launching in Sydney first would be that <i>Metro Drive</i> could more quickly attain one of its key values – to reduce the negative impact on the environment from inner-city commuting.</p> <p><b>New information</b>                      If <i>Metro Drive</i> was launched in Sydney, there is a bigger potential EV rental market that don't own their own vehicle which would make it easier to become established there. The time to service / re-charge the vehicles might be reduced if <i>Metro Drive</i> was to impose tighter turn-around times on <i>Charge Boss</i> for its work.</p> <p><b>Note:</b> A recommendation for Melbourne is acceptable if correctly justified.</p>

<p>(b)</p>	<p><u>Using Resources B and C, fully explain ONE possible cause of the negative feedback experienced by <i>Metro Drive</i> on social media about the quality of its customer service, including the impact on customers.</u></p> <p>The poor state of cleanliness in the vehicles (e.g. food scraps and wrappers) when customers pick them up is causing negative feedback on the Facebook page (Stated). This is because customers feel that <i>Metro Drive</i> does not care about the experience they have when using its vehicles (Explained). The impact of this is that customers may not feel valued by the company, and could leave <i>Metro Drive</i> and look for alternative providers of EV rental cars whose vehicles are clean and tidy, or return to public transport use (Fully explained).</p> <p>The fact that customers are finding the vehicles uncharged is causing negative feedback on the Facebook page (Stated). This is because customers feel that <i>Metro Drive</i> is not fit for its intended purpose – e.g. to deliver a person to a job interview in a reasonable time (Explained). The impact of this is that customers may give negative recommendations by word of mouth to their friends and colleagues, thus damaging <i>Metro Drive</i>'s brand and reputation, and discouraging potential future customers from using its vehicles (Fully explained).</p>
<p>(c)</p>	<p><u>Using Resources B, D and E, evaluate BOTH possible battery replacement solutions.</u></p> <p><b>Solution 1</b></p> <p><i>Metro Drive</i> should use Solution A for the battery replacement, as it costs less per unit (Stated). This is because Solution A is \$40 per unit cheaper than Option B (Explained). If <i>Metro Drive</i> purchased the replacement batteries in bulk, they would make significant savings on expenses, which may lead to higher profits (Fully explained).</p> <p><b>Solution 2</b></p> <p><i>Metro Drive</i> should use Solution B, because the battery lasts longer before needing to be recharged (Stated). Solution A lasts 4 hours, compared to Solution B which lasts 6 hours; therefore two additional hours of battery life are available from the Solution B battery (Explained).</p> <p>The impact of this is that the battery would not need replacing as often each day, meaning that <i>Charge Boss</i> would not need to charge batteries as many times each day. This would reduce costs and increase productivity for <i>Metro Drive</i> (Explained). This cost reduction would help to increase profits for <i>Metro Drive</i> (Fully explained).</p> <p><b>Justified recommendation</b></p> <p><i>Metro Drive</i> should use Solution B as its choice of replacement battery. This is because the productivity gains from longer battery life would be worth more to <i>Metro Drive</i> than the \$40 cost-saving for the battery from choosing Solution A. The \$40 saving would be a one-off benefit, whereas the productivity gains from a longer-life battery (Solution B) would provide an ongoing advantage. <i>Metro Drive</i> would increase its reliability and brand reputation in the market, eliminating (or at least reducing) the frustration currently experienced by its customers as a result of the batteries running out of charge.</p> <p><b>New information</b></p> <p>Also, Solution B has a higher sustainability index rating of 155, compared to 135 for Solution A. With Solution B, <i>Metro Drive</i> would be more likely to achieve environmental sustainability, which is one of its most important corporate values.</p>

(d)	<p><u>Using Resources F, G and H, fully explain ONE possible negative effect resulting from one of the unexpected events that <i>Metro Drive</i> experienced, including the impact on TWO stakeholders.</u></p> <p><b>Charging firm closes down</b></p> <p>Profits during 2020 at <i>Metro Drive</i> fell from \$16,000 in February to \$7,000 in March and \$6,000 in April (Stated). This occurred because <i>Charge Boss</i>, which was servicing the vehicles for <i>Metro Drive</i>, closed down in February. This put the only remaining supplier, <i>Langdon's Chargers</i>, in a monopoly position, enabling it to charge a higher price for its service, leading to rising expenses for <i>Metro Drive</i> (Explained). The impact of this is that <i>Metro Drive's</i> management will feel under pressure to find an alternative company to compete with <i>Langdon's Chargers</i>. Staff may also be anxious about their job security in light of falling profits (Fully explained).</p> <p><b>A competitor enters the market</b></p> <p>Profits during 2020 fell for <i>Metro Drive</i> from \$11,000 in August to \$4,000 in September (Stated). This occurred because an Italian competitor, <i>Lucciola</i>, entered the market with a lower price option for its service. <i>Metro Drive</i> charges 50 cents per minute, whereas <i>Lucciola</i> charges only 38 cents per minute. As a result, <i>Metro Drive's</i> customers may decide to leave and use <i>Lucciola</i> instead (Explained). The impact of falling profits is that investors in <i>Metro Drive</i> may not get favourable returns, and may decide to withdraw their funds to invest in more profitable businesses. Also, staff at <i>Metro Drive</i> may lose their jobs as the business tries to reduce costs (Fully explained).</p>
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**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• a positive effect that EACH solution to the choice of city to launch in would have on <i>Metro Drive</i></li> <li>• ONE possible cause of <i>Metro Drive's</i> quality issues</li> <li>• ONE positive effect that EACH solution to the choice of battery replacement would have on <i>Metro Drive</i></li> <li>• ONE possible negative effect of the unexpected events on <i>Metro Drive</i>.</li> </ul> <p>AND</p> <p>States relevant information from the resource.</p> <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>• a positive effect that EACH solution to the choice of city to launch in would have on <i>Metro Drive</i></li> <li>• ONE possible cause of <i>Metro Drive's</i> quality issues, including the impact on customers</li> <li>• ONE positive effect that EACH solution to the choice of battery replacement would have on <i>Metro Drive</i></li> <li>• ONE possible negative effect of the unexpected events on <i>Metro Drive</i>, including the impact on TWO stakeholders.</li> </ul> <p>AND</p> <p>The answer includes relevant information from the resource to support explanations.</p> <p>(Answers will typically <b>include</b> Māori business concept(s), where relevant, to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• the best city for <i>Metro Drive</i> to launch in Australia</li> <li>• the best battery replacement solution for <i>Metro Drive</i>.</li> </ul> <p>AND</p> <p>New information is used to support the conclusion / recommendation.</p> <p>AND</p> <p>The answer integrates relevant information from the resource to fully support explanations.</p> <p>(Answers will typically <b>integrate</b> Māori business concept(s), where relevant, to support explanations.)</p>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

**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