

Assessment Schedule – 2021**Business Studies: Demonstrate understanding of the internal operations of a large business (90843)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<i>Explaining</i> 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.	<i>Fully explaining</i> develops the explanation with further expansion of how the situation / action could impact potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.	<i>Justifying</i> 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.

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

Part	Sample Evidence
(a)	<p><i>Policies and procedures</i></p> <p>(i) Policies and procedures ensure that employees have a system to follow, so that they do things correctly each time (Explained). Sales would be less likely to remain unpaid if the procedures were followed correctly. Also, having policies to cover the sales process would enable retail customers to know when payment is required, and other terms and conditions of purchase, and what discounts may be available for early payment (Fully explained).</p> <p>(ii) <i>Nuku Cycles</i> might be impacted by its salespeople making their own decisions on what price a bike should be sold for, and on what terms. For example, retailers may be given 30 days rather than 7 days to pay for bikes ordered, or proper credit checks may not be made. This could lead to reduced cash flow and lower profit margins, and possibly payment defaults by some retailers (Fully explained).</p>
(b)	<p><i>Focus of pūtake on social responsibility or profitability</i></p> <p>(i) <i>Nuku Cycles</i> could practice corporate social responsibility (CSR) by donating some bikes to local community groups, such as schools or care homes, which may not otherwise have access to such bikes (Explained). It is important to <i>Nuku Cycles</i> because they are furthering their objective of ensuring that more people have access to / are able to ride one of their bikes (Explained). This would be seen by the community as a positive initiative, which will enhance <i>Nuku Cycles</i>' brand reputation and lead to increased sales in its local bike shops (Fully explained).</p> <p>(ii) A disadvantage is that many of these bikes are expensive, and each one given away reduces the overall profitability of <i>Nuku Cycles</i> (Explained), meaning they would have less money available to grow the business or contribute to other community needs in line with their pūtake (Fully explained).</p> <p>(iii) Overall, there needs to be a balance between profitability and CSR as a pūtake. Both are required if <i>Nuku Cycles</i> is to be successful. Profitability gives <i>Nuku Cycles</i> options as to how available funds are spent, including continuing to pay employees well, growing the business, and ensuring the owners remain incentivised to invest in the business (reason 1). On the other hand, practising CSR enhances the reputation / standing of <i>Nuku Cycles</i> in the local community, enables it to practice tikanga (which is important to local iwi), and ultimately achieve its goal of getting people healthier through bike-riding (reason 2). Social responsibility and profitability must go hand in hand in order for a business to achieve long-term sustainability (Justified).</p>

<p>(c)</p> <p>(i)</p> <p>(ii)</p>	<p><i>Revenue and cost reports</i></p> <p><i>AJ Hackett</i> receives revenue from its adventure tourism sites in Queenstown and Auckland, but also incurs costs, such as marketing expenses, labour, and gear maintenance, that reduce profitability. There is also capital expenditure on new equipment that will occur on a regular basis (Explained). Monthly reports on how much revenue the business is earning and what costs it is incurring at each site would enable management to work out the profitability of its different adventure products, such as bungee, flying fox, and adventure tours, and determine whether the pricing structure is appropriate for each of these. Prices may need to be adjusted in the coming months to ensure these products remain profitable (Fully explained).</p> <p><i>AJ Hackett</i> could see where its money is being spent, and identify any unusual expenditure trends from month to month, such as wages or transport costs (Explained). Those expenses could then be analysed to determine why they are changing, and decisions made about how to reduce these, using economies of scale or lean production techniques (Fully explained).</p>
<p>(d)</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p> <p>(iv)</p>	<p><i>The best production process for the business</i></p> <p><i>Nuku Cycles</i> should use a batch production process to assemble its bikes.</p> <p>The batch process is best suited to <i>Nuku Cycles</i>, as it needs to adjust its assembly line for different types of bike (Explained). Employees would each work on a specific part of the process that they know best to ensure that each type of bike is produced in the most efficient way (Fully explained). This affects the human resources function, as those staff will need to ensure that the assembly line workers are trained and skilled to complete the jobs on different types of bike.</p> <p>A disadvantage is that only one type or model of bike is manufactured at a time, and retail stores may sometimes order a wide range of models (Explained). It would be difficult for <i>Nuku Cycles</i> to fill such orders quickly, as bikes would not be sent to retailers until all the different models are assembled, causing delays in delivery, leading to customer dissatisfaction and a loss of reputation as a reliable supplier (Fully explained).</p> <p>The batch process is still a better option than using the job process, where each bike is worked on until complete and then another bike is begun (Contrast). The skills required to assemble the bikes are likely to be similar between different models, with just some specific expertise required for the more complex models (Compare). Assembling different models as separate jobs would slow down production for <i>Nuku Cycles</i> even more than the batch process, and would also mean less efficient use of resources, as only a few employees would be working on each bike at any one time (Contrast). Further, the job process works best when there is uniqueness and complexity to each job that require employees with expertise across a range of production issues (Compare). As similar models of bike are assembled at the same time, there is no need for broadly skilled employees. Using the batch process, each person can become an expert in their own area, speeding up production while maintaining high quality in the finished product (Justified).</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • why policies and procedures are needed for sales • why social responsibility is important to the business, with an example • why practising social responsibility might be a financial disadvantage to the business • why monthly revenue and cost reports are prepared for different product or service lines • a production process, and why this process is best suited to the product being manufactured or assembled • why the production process might be a disadvantage for the business. <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"> • why policies and procedures are needed for sales, and how a business is impacted if they are not in place • why social responsibility is important to the business, and how it impacts the brand • how practising social responsibility might be a financial disadvantage for the business • why monthly revenue and cost reports are prepared for different product lines, and how they aid in decision-making • why the production process is best suited to the product being manufactured or assembled, and how it might impact other functions • why the production process might be a disadvantage for the business, and how this might have a future consequence for the business. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concept(s), to support explanations.)</p>	<p>All of fully explain for part (b) and: justifies whether the business should concentrate on social responsibility or profitability for their pūtake, providing TWO reasons for the decision.</p> <p><i>AND</i></p> <p>All of fully explain for part (d) and: justifies the use of a production process in terms of how it is better than another production process the business could have used.</p> <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concept(s), to support 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.	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