

Assessment Schedule – 2021**Business Studies: Demonstrate understanding of how a large business responds to external factors (90844)****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)	<i>Demographics and their impact on the business</i>
(i)	<i>Nuku Cycles</i> needs to be aware of demographic changes, as these help to identify the people most likely to buy their bikes, and they may be different from their current market segment (Explained).
(ii)	An impact in relation to sales for <i>Nuku Cycles</i> from the change in demographics to middle-aged professional workers could be that these customers are likely to buy more expensive models that are commuter-friendly and can be easily used around town (Explained). This might mean that <i>Nuku Cycles</i> would need to order more raw materials and components from overseas to keep up with demand, which will cost it more money and reduce its cash surplus until the bikes can be sold to the stores (Fully explained). Following on from this, how the bikes will be marketed to consumers, and therefore the retail bike shops, will need to be revisited to ensure that this demographic are aware of the range of commuter bikes that <i>Nuku Cycles</i> can offer them, and where to go to buy one (Explained). This will ensure they maintain sales and do not disrupt their supply chain (Fully explained).
(b)	<i>Impact of technological change</i>
	A recent technological change for <i>AJ Hackett</i> has been the introduction of the virtual bungee app, so that those who cannot make it physically to the jump sites can still experience the thrill of the jump, in a virtual way. By buying an online product, customers can experience ‘first hand’ what they would see and hear if they were there themselves. The jump master customises what they say to the demographics of the person who buys the product.
(i)	The virtual bungee could offer an advantage to prospective customers who cannot get to the physical jump sites, or can’t afford them, but still want to experience a thrill (Explained). They could experience this without the risk or fear of injury, and may be more likely to want to try it for real if they have an opportunity to do so in the future (Fully explained).

<p>(ii)</p> <p>(iii)</p>	<p>The virtual bungee might be a disadvantage to the various community businesses that rely on <i>AJ Hackett's</i> tourist customers for sales, such as café owners and transport providers in Queenstown, as fewer tourists will be physically going to the jump sites (Explained). This could reduce the number of customers they would get themselves, reducing their profit margins and potentially their economic viability (Fully explained).</p> <p>The implementation of the virtual bungy app required some capital investment to develop the app, including construction of a movie set for the jump, and trialling of the video to ensure that it looks realistic (Explained). Several experienced movie-makers were required to get the right feel for the event to be captured, but with a large number of overseas visitors taking up the offer, development costs were covered within a few months (Fully explained).</p> <p>It is unlikely that the new technology would have a significant impact on profitability. Tourists to Queenstown and Auckland would still want to do the real thing, and the virtual bungy seems unlikely to replace it as a viable option (Explained). It could even be expected that the virtual bungy would become less popular within a couple of years, once normal travel returns. It could, however, act as a great marketing tool with which to attract more customers to the physical jump sites (Fully explained). (Note: Two fully explained reasons for 'Justified'.)</p>
<p>(c)</p>	<p><i>Relationships with trade unions</i></p> <p>Trade unions can act as a buffer between employees and owners. So when specialist mechanics have issues with <i>Nuku Cycles'</i> managers that cannot be resolved easily, trade union representatives can step in and help negotiate, so that a way forward can be found (Explained). Therefore, they can help to minimise disruptions arising from employment-related disputes, maintaining productivity and customer service (Fully explained).</p> <p>A second reason is that trade unions can influence the thinking and actions of their members (Explained). By working to maintain a positive relationship with its employees' union(s), <i>Nuku Cycles</i> can help to ensure open communication between all three parties, which will reduce the likelihood of industrial action or other disruptive practices, thus maintaining work output and the good reputation of the business (Fully explained).</p>
<p>(d)</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p>	<p><i>Influence of the Employment Relations Act (ERA) on a business practising rangatiratanga</i></p> <p>It is best for <i>Nuku Cycles</i> to comply with the ERA because there is always media and public interest in those businesses that are not complying with the law (Explained). With <i>Nuku Cycles'</i> close relationship with its community a key priority, poor treatment of its employees would risk reputational damage and compromise to its pūtake (Fully explained).</p> <p>A cost that could arise for <i>Nuku Cycles</i> with the ERA is that even minor disputes could take time to resolve, and require the use of lawyers (Explained). This would be a distraction from its core business and could have high costs, even if/when cases were resolved in its favour. There are also constant amendments, and parts to the law that need detailed knowledge that also require lawyers to be involved (Fully explained).</p> <p>Rangatiratanga is about relationship development, problem-solving, conflict resolution, and peace-making, and the ERA would provide <i>Nuku Cycles</i> with a framework to allow this to happen (Explained). <i>Nuku Cycles</i> would be able to show its other stakeholders and the wider community how it takes the lead in looking after its employees and being exemplary in following the requirements of the ERA. Following the ERA would minimise disputes and allow a pathway to conflict resolution, as mediation is the first step in the process (Fully explained).</p> <p>Secondly, the ERA promotes the concepts of good faith and a fair process, and rangatiratanga is the exercise of leadership, with a focus on management of current and future requirements. If <i>Nuku Cycles</i> follows ERA requirements, it would ensure that its employees are happy and motivated, leading to reduced staff turnover and maintenance of high productivity (Explained). There would be trust between employer and employees, enabling the business to plan ahead and make decisions, knowing it has a stable work force and that there will be minimal conflict with its employees (Fully explained).</p> <p>So overall, complying with the ERA would mean <i>Nuku Cycles</i> is able to practice elements of rangatiratanga as it relates to its employees. (Note: Two fully explained reasons for 'Justified'.)</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> reasons why a business needs to be aware of demographic changes why technological change can be a disadvantage to a stakeholder why a recent technological change could be an advantage to a stakeholder TWO reasons why the business should maintain positive relationships with trade unions why it is in the best interests of the business to comply with the ERA why there could be a cost in complying with the ERA. <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"> reasons why a business needs to be aware of demographic changes, and how these changes impact TWO business functions why a recent technological change could be a disadvantage, and how it might impact a stakeholder in the future (not the business) why the technological change could be an advantage, and how it might impact a stakeholder in the future TWO reasons why the business should maintain positive relationships with trade unions, and how this would impact the business why it is in the best interests of the business to comply with the ERA, and how this would impact on the reputation of the business why there could be a cost in complying with the ERA, and how this would impact the business. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concept(s), to support explanations.)</p>	<p>Fully explains part (b) and:</p> <ul style="list-style-type: none"> justifies, with TWO reasons, whether the technological change has a positive impact on profitability. <p>AND</p> <p>Fully explains part (d) and:</p> <ul style="list-style-type: none"> justifies whether complying with the ERA means the business is practising rangatiratanga, with reference to TWO elements of the definition of rangatiratanga. <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.

NØ = No response; no relevant evidence.

Cut Scores

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