

Assessment Schedule – 2022**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) (i), (ii) (iii)	<p><i>Leadership</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)</p> <p>A skill that leaders should have is the ability to communicate effectively (Stated). At <i>WLB Furniture</i>, leaders need to demonstrate this skill so that employees are clear on what needs to be achieved, and customers are reassured that their product will be available for purchase (Explained).</p> <p>Effective communication skills are needed so that employees remain confident in their ability to complete their job tasks, and have trust in their leaders to ensure that resources will be available as and when they need them. Customers will need to be reassured when there are delays in production and they consider taking their business elsewhere, which would impact on <i>WLB Furniture's</i> revenue, and potentially on its business reputation (Fully explained).</p>
(b) (i) (ii) (iii)	<p><i>Organisational structures</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)</p> <p>Flat organisational structures allow for quick communication as there are fewer layers in the chain of command, so information gets through to departments more quickly / easily. This is important when processes may have to change to ensure that customers will have their orders completed by the time they were told they would be ready (Explained).</p> <p>Flat organisational structures can also be a disadvantage, as <i>WLB Furniture's</i> managers are having to cope with a relatively large number of employees in their span of control, which could make it difficult to manage them all effectively (Explained). This may lead to employees such as the factory workers becoming confused in what they are doing due to lack of supervision, or frustrated when their requests for clarification are not being heard, leading to production mistakes and / or delays in completing orders (Fully explained).</p> <p>A matrix structure may be more useful in these times of uncertainty, where employees form teams from various functions, such as sales and production, within the organisation. This could work better than a flat structure, as people from all levels in the chain can talk to each other quickly, rather than having to work across different managers in different departments. Delays in production then become quickly known, and they can be communicated to customers sooner (Reason 1).</p> <p>Secondly, flat organisational structures work well when employees are relatively skilled and autonomous workers. In a factory, workers may need more direction, and working in project teams dedicated to a particular project overseen by a leader will be more effective than a flat organisational structure</p>

	overseeing many workers across different products or geographical areas of the business, particularly when adjustments to production need to be made quickly (Reason 2).
(c)	<i>Capacity</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)
(i)	Capacity issues could create problems for creditors of <i>WLB Furniture</i> , because <i>WLB Furniture</i> may struggle to pay its invoices on time if it does not have a steady flow of cash from sales of workstations to customers, due to production delays (Explained).
(ii)	Creditors may put pressure on <i>WLB Furniture</i> by charging interest or tightening their terms of credit, which could strain the relationship if managers at <i>WLB Furniture</i> feel it is not their fault that surges in demand are happening. At the same time, creditors will be concerned if their invoices are not being paid on time, as this could affect their cash flow (Fully explained).
(d)	<i>Budgets</i> (N.B. Answers must relate to a large business chosen by the candidate.)
(i)	Budgets need to be produced so that the different departments at <i>Air New Zealand</i> know how much they need to earn in revenue or are allowed to spend within the time period. For example, the sales department will set air fares based on expected customer numbers and anticipated fuel prices (and other costs). Decisions, including those relating to air fares, can be revised later, according to profit or loss forecasts from the budgeting process (Explained).
(ii)	Budgets are estimates of what is expected to happen in the future, based on predicted or estimated sales revenue and costs. In an uncertain environment where prices are changing significantly (such as rising inflation in 2022), these figures are not going to be accurately predictable, and as such it can be hard to give assurances to decision-makers that the figures are reliable, especially over longer budget timeframes (Explained). Setting prices early in 2022 for air fares much later in the year, or making contractual commitments with catering suppliers or banks for longer than a year, can be dangerous in an inflationary environment when actual costs are likely to rise over that period of time, resulting in the real profit or value of an asset being significantly different to the budgeted figure. This could create shortages in cashflow or issues repaying debt, or refinancing loans as interest rates change, making the business more vulnerable to external shocks in the future. In the worst-case scenario, <i>Air New Zealand</i> may need to seek government assistance to ensure its survival (Fully explained).
(iii)	<i>Air New Zealand</i> had set a target in 2022 of keeping its predicted loss to \$800 million for the year. Preparing budgets helps the company to meet this objective. By setting detailed budgets for its different services (i.e. domestic and international travel – short and long haul) it is able to see where it is doing better or worse than expected, and adjust its operations accordingly to remain on track. Managers of each division can change air fares, reduce or increase numbers of flights, and refine costs as they analyse the actual values each month, and adjust for the remaining months of the year (Reason 1). Staff can be motivated by their measured progress, and encouraged by what they are doing to help meet the company's key financial objective. The results of their progress can be measured against the budget, and they know exactly what is being achieved (Reason 2).

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • why leaders or managers should demonstrate this skill • why using a flat organisational structure can be an advantage to the business • why using a flat organisational structure could be a disadvantage to the business • why capacity issues can create problems for an identified stakeholder • why using a budget aids a business in its short-term decision-making • why budgets can be of limited use. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concept(s).)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • why leaders or managers should demonstrate this skill, and how this leadership skill would improve the ability of the business to operate in times of uncertainty • why using a flat organisational structure could be a disadvantage to the business, and how it could restrict the business operating effectively • why capacity issues can create problems for an identified stakeholder, and how this will impact on their relationship with the business • why budgets can be of limited use, and how this limitation could create long-term problems for 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 using a flat organisational structure would be better than another organisational structure in dealing with uncertainty. <p><i>AND</i></p> <p>Fully explains part (d) and:</p> <ul style="list-style-type: none"> • justifies, with TWO reasons, whether preparing a budget will help the business achieve its objectives. <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