

**Assessment Schedule – 2022****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)	<p><i>Ethical behaviour</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)</p> <p>(i) Paying the living wage, as opposed to the minimum wage, would be considered ethical because <i>WLB Furniture</i> is paying beyond the legal requirements of the Employment Relations Act and the Minimum Wage Act. The living wage more closely reflects the actual cost of living for employees, and is therefore considered to be fair and ethical, and in line with community expectations (Explained).</p> <p>(ii) One example of how operating ethically would impact <i>WLB Furniture</i>'s profitability is through its use of sustainable materials, which would lead to improved reputation and revenues through increased patronage from 'ethical consumers' who wish to purchase workstations (desks) that are made from environmentally friendly and sustainable materials (Fully explained).</p> <p>Another example of how operating ethically would impact <i>WLB Furniture</i>'s profitability is through payment of the living wage, which means that staff are likely to have a higher morale and be more loyal to the business. This would lead to a more productive workforce and lower staff turnover, reducing the costs of recruitment and training for new staff, and therefore to consistent or improved profitability (Fully explained).</p>
(b)	<p><i>Impact of social networking websites</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)</p> <p>(i) One of the advantages of using social networking sites for <i>WLB Furniture</i> is that social media allows access to customers who are in their home environment, making it easier and more comfortable for customers to make purchasing decisions (Explained). This could generate a greater number of sales, particularly as the product is for the home environment, leading to improved profits for <i>WLB Furniture</i> (Fully explained).</p>

<p>(ii)</p> <p>(iii)</p>	<p>A disadvantage for <i>WLB Furniture</i> of using social networking sites is there is a potential for the site to be ‘trolled’ with negative customer reviews (Explained). This could damage <i>WLB Furniture</i>’s brand reputation, leading to potential new customers purchasing their workstations from a competitor, reducing potential sales and therefore profits for <i>WLB Furniture</i> (Fully explained).</p> <p>The use of social networking sites will have a positive impact on the long-term economic sustainability of <i>WLB Furniture</i>, because using social media to advertise its products can reach a wider audience by accessing friends and families of existing customers. This will lead to a potential increase in market share and new sales being generated as the brand develops and more potential customers are exposed to the <i>WLB Furniture</i> brand (Justified).</p> <p>Also, using social networking sites to advertise is relatively cheap in comparison to other marketing channels, leading to reduced advertising and marketing costs for <i>WLB Furniture</i>. The money saved could be used in other areas of the business that would have greater impact in generating long-term profits (Justified). (<b>Note:</b> Two fully explained reasons are required for ‘Justified’.)</p>
<p>(c)</p> <p>(i)</p> <p>(ii)</p>	<p><i>The Resource Management Act and its impact on a business</i> (N.B. Answers can relate to either <i>WLB Furniture</i> or a large business chosen by the candidate.)</p> <p>It is important for businesses like <i>WLB Furniture</i> to comply with the Resource Management Act when operating as a business, as if they chose not to operate within the law, they could be fined and/or ordered to stop operations, or the directors of the company may be personally fined. Any fine or stoppage of operations will increase costs of production, leading to a reduction in profits and a lack of sustainability for the business (Explained).</p> <p>As <i>WLB Furniture</i> is required to reduce its noise levels to comply with the Resource Management Act, the business will need to find new production machinery that generates less noise. This may take time to obtain, so the existing machinery will have to be operated at reduced noise levels and capacity (Explained), reducing productivity and impacting on the cost and number of desks produced, reducing short-term profits (Fully explained). Reduced production levels will lead to a reduction of stock available to fulfil orders for customers. This will have an impact on sales, particularly as delivery times may be slower for customers (Explained), leading to customer complaints of slow service or customers choosing a competitor’s product. This would result in reduced sales and short-term profits for <i>WLB Furniture</i>, even though its desks are currently in high demand (Fully explained).</p>
<p>(d)</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p>	<p><i>A change in government policy</i> (N.B. Answers <b>must</b> relate to a large business chosen by the candidate.)</p> <p>Selected business: <i>RealNZ</i> (tourism operator, including operating <i>TSS Earnslaw</i> in Queenstown)</p> <p>To reduce carbon emissions in line with the Paris Agreement, the government could introduce or increase a carbon tax on the use of fossil fuels – in particular, coal, which the <i>TSS Earnslaw</i> runs on.</p> <p>One action that <i>RealNZ</i> has begun to investigate is conversion of the <i>TSS Earnslaw</i> from coal fuel to other methods of powering the boat (Explained). The conversion of the <i>TSS Earnslaw</i> will reduce its carbon emissions, and should a carbon tax be introduced, there will be less impact on the <i>RealNZ</i>’s profitability in the long run, as the business will be using an alternative fuel that does not require payment of a carbon tax (Fully explained).</p> <p>Another action that <i>RealNZ</i> could take is to continue to operate the <i>TSS Earnslaw</i> as usual, and any increase in carbon tax that is incurred could either be passed on to customers through increased prices or borne by <i>RealNZ</i> (Explained). This could lead to a reduction in the number of customers or reduced profit margins on each customer, and hence reduced sales and profit for <i>RealNZ</i> (Fully explained).</p> <p>The conversion of the <i>TSS Earnslaw</i> into a more environmentally friendly boat would be a better course of action for <i>RealNZ</i>, as in the long run it is likely that the tax would continue to increase, and the cost of this could not be sustainably passed on to customers. <i>RealNZ</i> would then need to either stop operations or purchase another boat that would not have the same historical interest as the <i>TSS Earnslaw</i>, leading to a reduction in sales and profit (Justified).</p> <p>Another reason why converting the boat would be a better course of action than passing on the costs of the tax to customers or <i>RealNZ</i> bearing the cost of the tax, is that by doing this, <i>RealNZ</i> would be considered environmentally friendly, building their brand reputation and image as a tourism operator of choice, leading to sustained levels of sales and profit. In comparison, passing the costs on to customers may be considered unethical and negative for <i>RealNZ</i>’s brand reputation, as it would not be meeting the community’s expectations of reducing carbon emissions (Justified).</p> <p>(<b>Note:</b> Two fully explained reasons are required for ‘Justified’.)</p>

## Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• why paying the living wage, as opposed to the minimum wage, is considered ethical</li> <li>• why using social networking sites can be an advantage to a business</li> <li>• why using social networking sites can be a disadvantage to a business</li> <li>• why it is important for businesses to comply with the Resource Management Act when operating as a business</li> <li>• TWO possible courses of action that could be taken by a business in response to a change in government policy.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concept(s).)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• why paying the living wage, as opposed to the minimum wage, is considered ethical, <b>and</b> explains TWO examples of how operating ethically could impact business profitability</li> <li>• why using social networking sites can be an advantage to a business, <b>and</b> how it might impact the business in the future</li> <li>• why using social networking sites can be a disadvantage to a business, <b>and</b> how it might impact the business in the future</li> <li>• why it is important for businesses to comply with the Resource Management Act <b>and</b>, with reference to TWO business functions, explains how these requirements impact the short-term profitability of the business</li> <li>• TWO possible courses of action that could be taken by the named business in response to a change in government policy, <b>and</b> how these actions would affect the business.</li> </ul> <p>(Answers will typically <b>include</b> 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"> <li>• justifies, with TWO reasons, whether the use of social networking sites will have a positive impact on the long-term economic sustainability of the business.</li> </ul> <p>AND</p> <p>Fully explains part (d) and:</p> <ul style="list-style-type: none"> <li>• justifies, with TWO reasons, the course of action that would be better for the business.</li> </ul> <p>(Answers will typically <b>integrate</b> 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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most/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