

Assessment Schedule – 2022

Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)

Assessment Criteria

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

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
<p>(a) (i) (ii) (iii) (iv)</p>	<p><i>Strategic response to reduced demand from an export market</i></p> <p><i>Seaking Bounty</i> should research new export markets which do not have tight restrictions on their population (Stated). This is a strategic response, as it will involve multiple departments within the company, including marketing, production, and sales. Managers will need to fully investigate the availability of potential new markets and understand the needs of those markets. This would be expensive, as it would increase the hours worked by these departments and would require a significant amount of time to carry out (Explained).</p> <p>It would give <i>Seaking Bounty</i> the potential for new revenue streams (Stated). This is because it would have diversified into new markets and therefore is no longer reliant on its existing markets, which are mainly concentrated in the Asia region (Explained). Once <i>Seaking Bounty</i> has established its position in a new market, sales will rise, resulting in an increase in profitability (Fully explained).</p> <p>The investigation into new markets may not result in an increase in sales (Stated). This is because the investigation into new markets may conclude that there is no demand for <i>Seaking Bounty’s</i> seafood products in these markets (Explained). The high cost involved in researching the new markets may then result in a further decrease in profitability for <i>Seaking Bounty</i> (Fully explained).</p> <p><i>Seaking Bounty</i> should research new export markets, because seafood is a very popular food and it is likely that the business will be able to find one or more viable markets. This is especially the case as <i>Seaking Bounty</i> currently has its export markets concentrated in the Asia region. The cost of researching new markets is a short-term disadvantage that is likely to be outweighed by the increase in revenue gained after becoming established in new markets.</p> <p>Establishing itself in new markets would help protect <i>Seaking Bounty</i> against further decreases in demand from one export market that may result from future global events such as the recent pandemic.</p>

<p>(b)</p>	<p><i>Business support</i> Named agency: <i>New Zealand Trade and Enterprise</i></p> <p>(i) <i>Seaking Bounty</i> will benefit by creating a product tailored for the Spanish market (Stated). This is because New Zealand Trade and Enterprise (NZTE) will be able to draw on their global network of expertise and contacts to provide knowledge of the Spanish market and understanding of Spanish consumers' tastes regarding squid, to ensure that the new squid products offered by <i>Seaking Bounty</i> meet the demands of that market (Explained).</p> <p>(ii) Creating a product that matches the tastes and preferences of Spanish consumers will help to ensure positive sales when the products are released in Spain, which will increase profits (Stated). From the support given by NZTE, <i>Seaking Bounty</i> will avoid making costly mistakes through trial and error, and the squid product will be released more quickly into the Spanish market (Explained). As the services provided by NZTE carry no cost, and as development costs will be minimised, sales gained from the squid products in Spain will increase <i>Seaking Bounty's</i> profits (Fully explained).</p>
<p>(c)</p>	<p><i>Cultural intelligence</i></p> <p>(i) The management of <i>Seaking Bounty</i> showing an understanding, respect, and acceptance of the differing cultural values and beliefs within the workforce would lead to happier employees (Stated). This is because the employees would feel more able to work in a manner that reflects their traditional customs and values, and they would have a greater sense of belonging to the business and have positive relationships with their managers (Explained).</p> <p>(ii) Workers who feel respected are more likely to work harder for their managers, which could increase profits (Stated). The management of <i>Seaking Bounty</i> respecting the cultural differences of their workforce would mean that employees have a greater sense of belonging to the company and be happier, as they are accepted. These workers are more likely to work harder for their managers (Explained). Productivity would be higher, meaning that more fish are able to be caught and processed without an increase in costs, resulting in an increase in profits (Fully explained).</p>

(d)	<p><i>Strategic response to meet society's expectations of environmental or social sustainability</i></p> <p>Named business: <i>icebreaker</i></p>
(i)	<p><i>icebreaker</i> has introduced the use of 10-year supply contracts with its wool growers (Stated). This is a strategic response to improve social sustainability, as it is a commitment for a period of 10 years and involves a significant change in the way <i>icebreaker</i> pays and relates to its growers. The creation of fair contracts for all parties would have involved the production, marketing, and legal departments of <i>icebreaker</i> (Explained).</p>
(ii)	<p>Using 10-year contracts with its wool growers ensures that <i>icebreaker</i> has a guaranteed supply of quality merino wool (Stated). This is because <i>icebreaker</i> has shown a commitment to paying these growers the price agreed to in their contracts for a 10-year period, giving these growers financial security. In return, <i>icebreaker</i> can expect loyalty from these growers and a desire from them to repay the trust shown in them in the form of high-quality merino wool (Explained). The impact of this is that <i>icebreaker</i> would be able to meet customers' expectations of high-quality merino clothing and continue to improve its brand reputation and market share (Fully explained).</p>
(iii)	<p><i>icebreaker</i> may pay more for the merino wool than it would have on the open market (Stated). This is because <i>icebreaker</i> is committed to paying its wool growers the agreed price in the contracts for a period of 10 years. This agreed price may be higher than the price being paid at auctions, which is the price <i>icebreaker</i> could have paid (Explained). The impact of this is that it may cost more than was necessary for <i>icebreaker</i> to produce its merino clothing. Assuming it keeps its prices at the same level, this higher cost may result in lower profits (Fully explained).</p>
(iv)	<p>The 10-year contracts that <i>icebreaker</i> has signed with its wool growers provide it with wool at an agreed price for a 10-year period. The security provided to the growers is likely to result in a gratitude shown in the continuous supply of high-quality wool. This assurance over a 10-year period is likely to outweigh any price fluctuations over the same period, resulting in <i>icebreaker</i> paying more for the wool than it could have on the open market in any given year. Having a secured income for a period of at least 10 years would give the growers the confidence to invest in capital goods and spend in their local communities. Also, knowledge of these contracts in the community helps to improve <i>icebreaker's</i> brand reputation and attract new customers, increasing its sales.</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • how a strategy that a business has or could implement in response to a decrease in demand from an export market is a strategic response • one positive impact of the strategic response • one negative impact of the strategic response • one likely benefit to the business of working with an agency to support the business to develop a new product for a particular market • how working with an agency to support the business to develop a new product for a particular market will affect profits • how the demonstration of cultural intelligence by management will affect employees • how the demonstration of cultural intelligence by management will affect the economic sustainability of the business • how a strategy that a business has or could implement to address societal expectations of EITHER environmental OR social sustainability is a strategic response • one positive impact of the strategic response • one negative impact of the strategic response. <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"> • one positive impact of the strategic response • one negative impact of the strategic response • how working with an agency to support the business to develop a new product for a particular market will affect profits • how the demonstration of cultural intelligence by management will affect the economic sustainability of the business • one positive impact of the strategic response • one negative impact of the strategic response. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concept(s) to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> • the likely success of a strategic response that a business has or could implement in response to a decrease in demand from an export market • the likely success of a strategic response that a business has or could implement to address societal expectations of EITHER environmental OR social sustainability. <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.	Excellence evidence. One part may be weaker.	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