

## Assessment Schedule – 2024

### Business Studies: Demonstrate understanding of how a large business responds to external factors (90844)

#### Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding</i> involves:</p> <ul style="list-style-type: none"> <li>explaining the nature and effects of external factors</li> <li>explaining how the business responds to those effects</li> <li>stating examples</li> <li>stating business knowledge relevant to business response</li> <li>stating a Māori business concept(s) where relevant to business response.</li> </ul> <p><i>Explaining</i> means providing the ‘what’ that addresses the question asked, then expands by giving the reason(s) <i>why</i> the ‘what’ occurs or linking ideas to provide a coherent rationale.</p>	<p><i>Demonstrate in-depth understanding</i> involves:</p> <ul style="list-style-type: none"> <li>fully explaining the nature and effects of external factors</li> <li>fully explaining how the business responds to those effects</li> <li>including examples to support explanations</li> <li>including business knowledge relevant to business response to support explanations</li> <li>including a Māori business concept(s) where relevant to business response to support explanations.</li> </ul> <p><i>Fully explaining</i> develops the explanation with further expansion of <i>how</i> the situation / action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.</p>	<p><i>Demonstrate comprehensive understanding</i> typically involves:</p> <ul style="list-style-type: none"> <li>fully explaining and justifying how the business responds to the effects of external factors</li> <li>integrating examples to fully support explanations</li> <li>integrating business knowledge relevant to business response to fully support explanations</li> <li>integrating a Māori business concept(s) where relevant to business response to fully support explanations.</li> </ul> <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:** A *large business* refers to any business operating in New Zealand with more than 20 employees and / or with a regional or national significance. The candidate should use only one context for each part, but may change context between parts. Each question should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><i>Increase in customs duties</i> (N.B. Answers can relate to either CeeGee's or a large business operating in New Zealand chosen by the candidate.)</p> <p>An increase in customs duties could lead to higher import costs for the suits, as they are made overseas (Explained). The marketing team for CeeGee's may need to increase the suit prices to maintain profit margins, which may impact demand for the suits (Fully explained).</p> <p>Higher customs duties could make the production managers consider alternative, cheaper, sources for their fabric and/or their suits (Explained), which might compromise quality and cause issues with ethical practices for producing these garments (Fully explained).</p> <p>Human resources – the extra cost of customs duties may require budget cuts in other areas, which could mean staff cuts.</p>
(b)	<p><i>Local manufacturing</i> (N.B. Answers can relate to either CeeGee's or a large business operating in New Zealand chosen by the candidate.)</p> <p>(i) If CeeGee's used local manufacturing, this would involve shorter supply chains, since they would not need to use overseas shipping, thus reducing the carbon footprint associated with transportation, which is an expectation that society currently has for businesses (Explained).</p> <p>OR</p> <p>If CeeGee's used local manufacturers, it would be subject to the environmental regulations and standards of New Zealand, which are tougher than in many other countries, demonstrating that CeeGee's has a commitment to environmental responsibility (Explained).</p> <p><b>Note:</b> Candidates could discuss the use of the local manufacturer in terms of their potential ability to use sustainable resources for their suits, which would enable them to meet societal expectations of environmental sustainability (Explained).</p> <p>(ii) Because CeeGee's is meeting societal expectations by using a local manufacturer, it could be justified in increasing the price of its clothing to customers (Explained). If there is a sustainability element, as well as using a 'local manufacturer' element, to the suits, customers may be willing to pay a higher price for the clothing. This might cover the increased costs of using a local manufacturer (Fully explained).</p> <p>CeeGee's could look to reduce the costs it has in other areas of the business, such as the rental of the shop or the wages for its staff (Explained), which would reduce the overheads of the business and help maintain the bottom line profit (Fully explained).</p> <p>(iii) If CeeGee's was to use a local manufacturer, there would be a positive impact on clothing workers within the local community, who would now have job opportunities that were not available before. This would extend to local suppliers of the materials needed to make the suits, shirts, and ties, thus expanding growth opportunities in the local economy (Justified).</p> <p>On the other hand, there would be potential negative effects on CeeGee's customers and staff, as the cost of the suits would be significantly higher than they were before. This could mean CeeGee's customers can no longer afford to buy the garments, and then Carl may need to make job cuts to reduce his business costs. He may even need to move into a cheaper store if the rent becomes too much of a burden (Justified).</p> <p>Overall, while it would be beneficial to the local community and would meet societal expectations in terms of environmental sustainability, the impact on many of CeeGee's stakeholders could be more negative than positive. With CeeGee's competitors continuing with their operations, it may be difficult for CeeGee's to remain competitive in a relatively small niche market (Decision).</p>

<p>(c)</p> <p>(i)</p> <p>(ii)</p>	<p><i>Employment contracts</i> – (N.B. Answers can relate to either <i>CeeGee’s</i> or a large business operating in New Zealand chosen by the candidate.)</p> <p>It is a legal requirement for <i>CeeGee’s</i> to have an employment contract for every employee, even if they are only casual, as it sets out the terms of their employment, such as hours, pay, and rights and responsibilities (Explained) that become binding between the employer and the employee should there ever be a dispute (Fully explained).</p> <p>Tikanga refers to the way in which Carl runs his business, and in this case concerns relationships. Because Carl sits with his employees and makes sure they understand all parts of the contract, as well as giving them an opportunity to put clauses into the contract (such as childcare provisions, for example), he is showing a willingness to be open and fair with them, which is an essential part of practicing tikanga (Explained). By having open and fair relationships with his employees, Carl would hope that disputes around the contracts will be minimised, and where there may be issues, that these can be resolved quickly, because a trusting relationship has been established (Fully explained).</p>
<p>(d)</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p>	<p><i>Demographic changes</i> (N.B. Answers <b>must</b> relate to a large business operating in New Zealand chosen by the candidate, <b>not</b> <i>CeeGee’s</i>.)</p> <p><i>Golden Homes</i> is a building company operating across New Zealand with a large presence in Queenstown. It has recently seen an increase in investors wanting to build in Queenstown to take advantage of the population growth there. These investors are a different type of market from the traditional homebuyer that <i>Golden Homes</i> has been selling to in recent years. They want to build houses they can live in, but that also allow for additional income to be generated through a portion of the house being able to be rented out or listed on <i>Airbnb</i> (Explained).</p> <p><i>Golden Homes</i> will need to develop a series of new builds that will cater for this new type of demand (Explained), where a house could be divided into two parts, each as a separate unit so one could be lived in and the other rented out to cater for the home and income needs of the new investors (Fully explained).</p> <p><i>Golden Homes</i> could also diversify into building apartment blocks which investors could purchase different units in (Explained) where each apartment has different configurations (i.e. 1 bed, 3 bed) and several different dwellings could be built in a smaller area than is normal for Queenstown (Fully explained).</p> <p>Because Queenstown is an affluent area with many competing building companies, it would be useful to <i>Golden Homes</i> to focus on this growing market for investors. There is a well-publicised shortage of affordable homes for lower income people in Queenstown, and there is an urgent need for smaller, more affordable houses for them to rent. As such, <i>Golden Homes</i> should concentrate on the apartment living complexes which have multiple uses for investors who could live in one themselves and rent or <i>Airbnb</i> the others that they own. Because the units are all different, they could purchase specific ones that meet their needs (Justified).</p> <p>On the other hand, the two-part houses fit the nature of the other buildings in Queenstown and would be more appealing to people who would want to live there or go there for a holiday and rent them out. <i>Golden Homes</i> knows how to build these types of houses and it would not be difficult for them to change their ‘off the plan’ model (Justified).</p> <p>However, these houses are very expensive (with prices rising fast), and it would be socially responsible for <i>Golden Homes</i> to build more housing that everyone can live in (even if they have to rent). As such, building the apartments would be the better option for them, and their customers, to take (Decision).</p>

**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• why an increase in customs duties impacts TWO business functions</li> <li>• why using a local manufacturer, rather than importing their products from overseas, would be an advantage for the business in meeting societal expectations for the environment</li> <li>• why TWO solutions could manage the increased costs of using a local manufacturer</li> <li>• why it is important for the business owner to ensure that all employees have an employment contract</li> <li>• why consultation with employees over their contracts shows tikanga</li> <li>• identifies a demographic change and explains why it may have an impact on sales</li> <li>• TWO possible actions that a business could take to ensure economic sustainability when dealing with the demographic change.</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>• how an increase in customs duties impacts TWO business functions</li> <li>• how TWO solutions could manage the increased costs of using a local manufacturer</li> <li>• how consultation with employees over their contracts shows tikanga</li> <li>• TWO possible actions that a business could take to ensure economic sustainability when dealing with the demographic change.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concept(s), to support explanations.)</p>	<ul style="list-style-type: none"> <li>• All of ‘Fully explain’ for part (b) AND justifies whether changing to a local manufacturer aligns with societal expectations for responsible business practice, by considering the impact on at least TWO different stakeholders of the business.</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• All of ‘Fully explains’ for part (d) AND justifies, with TWO reasons, why one action would be better for the business to implement than the other.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concept(s), to support explanations.)</p>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
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, one part may be weaker.	All Excellence evidence points covered.

**N0** = No response; no relevant evidence.

### Cut Scores

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0–2	3–4	5–6	7–8