

## Assessment Schedule – 2025

### Business Studies: Demonstrate understanding of the internal operations of a large business (90843)

#### 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 internal operations</li> <li>• stating examples</li> <li>• stating business knowledge relevant to the internal operations</li> <li>• stating a Māori business concept(s) where relevant to the internal operations.</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 by 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 internal operations</li> <li>• including examples to support explanations</li> <li>• including business knowledge relevant to the internal operations to support explanations</li> <li>• including a Māori business concept(s) where relevant to the internal operations to support explanations.</li> </ul> <p><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.</p>	<p><i>Demonstrate comprehensive understanding</i> involves:</p> <ul style="list-style-type: none"> <li>• fully explaining and justifying the internal operations</li> <li>• integrating examples to fully support explanations</li> <li>• integrating business knowledge relevant to the internal operations to fully support explanations</li> <li>• integrating a Māori business concept(s) where relevant to the internal operations 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 task.</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 answer should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)(i)	<p><i>Using an example, explain the difference between policies and procedures.</i></p> <p>Policies are business-wide guidelines that provide a framework for decision-making – for example, <i>Kōwhai Grove</i> has a policy to inform its neighbours about its drone usage. Procedures are detailed, step-by-step instructions on how managers and workers complete tasks to implement a policy. They outline the 'how', specifying the actions needed to comply with the policy. <i>Kōwhai Grove</i> has a procedure around promptly deleting non-orchard data that has been captured by the drones (Explained).</p>
(ii)	<p><i>Using an example, explain why it is important to implement policies and procedures, and how this could positively impact a business.</i></p> <p>It is important for <i>Kōwhai Grove</i> to implement policies and procedures, such as those relating to the use of drone technology to manage its crops, to set expectations and clear guidelines that could minimise the impact of perceived unethical behaviour which could damage its brand reputation (Explained).</p> <p>A positive consequence of <i>Kōwhai Grove</i> having strict policies and procedures, such as those for drone use, is that it could be perceived that <i>Kōwhai Grove</i> is breaching its neighbour's privacy, which could damage the business's brand reputation by not being socially responsible. If customers are aware that <i>Kōwhai Grove</i> has policies and procedures for drone use that protects its neighbours' privacy, they may choose to purchase <i>Kōwhai Grove</i>'s products. This would increase potential sales and profits, and help to ensure that <i>Kōwhai Grove</i> can continue to operate as a viable business (Fully explained).</p> <p><b>Note:</b> Answers can relate to either <i>Kōwhai Grove</i> or a large business operating in New Zealand chosen by the candidate.</p>
(b)(i)	<p><i>Identify a leadership style and explain why it could be an advantage to a business.</i></p> <p>Identified leadership style: Autocratic</p> <p>It could be an advantage for <i>Kōwhai Grove</i> to model a more autocratic/ authoritarian leadership (Identified) when managing seasonal workers, as the workers are likely to be new and unskilled. The workers will need closer supervision and be provided more direction, to ensure that the picking of crops is to the required standard (Explained), and to maintain operational efficiency to minimise damaged and wasted crops that would reduce potential sales and profit.</p>
(ii)	<p><i>Why could this leadership style be a disadvantage to a business, and how might this have an impact on employee motivation?</i></p> <p>Using an autocratic/ authoritarian leadership style might be a disadvantage in terms of maintaining employee motivation, as returning seasonable workers who are experienced and require less supervision may feel that they are undervalued and not trusted to complete their work to a high standard (Explained). This may create a level of resentment, dissatisfaction, and demotivation among its workers that may lead to workers not returning to <i>Kōwhai Grove</i> for the next season (Fully explained).</p>
(iii)	<p><i>Referring to brand reputation and maintaining standards, justify whether the leadership style identified above would be more appropriate for the business than another leadership style.</i></p> <p>The appropriateness of leadership styles depends on the business situation. Protection of <i>Kōwhai Grove</i>'s brand reputation is vital for its financial success, as it needs to use certain biological growing practices and standards. Having an autocratic leadership style encourages clear expectations of all its seasonal workers to meet the business's goals, as opposed to a laissez-faire approach that provides little or no direction, which may lead to the business looking as if it has few, if any, expectations. This could lead to a decrease in the quality of seasonal workers, as there would be a perception that expectations are not high (Justified).</p> <p>In terms of maintaining certain standards, an autocratic leadership style is more likely to be appropriate than using a more 'hands off' laissez-faire approach, where the employees are likely to determine their own expectations of how the work is completed. This may lead to seasonal workers not picking crops to the acceptable standard that is required to be an organic grower of avocados and citrus fruits, leading to <i>Kōwhai Grove</i> having to reduce its prices, as the products are no longer of a premium standard (Justified).</p> <p><b>Note:</b> Answers can relate to either <i>Kōwhai Grove</i> or a large business operating in New Zealand chosen by the candidate.</p>

<p>(c)(i)</p> <p>(ii)</p>	<p><i>Select a financial report (budgets, variance analysis, or monthly revenue and cost reports) and explain why it will aid managers in their decision-making.</i></p> <p>A budget is a financial report that allows a business, such as <i>Air New Zealand</i>, to predict planned revenue and expenditure for a period of time. <i>Air New Zealand's</i> management would use a budget when considering investments in technology, as it allows management to determine the costs involved in buying the new technology, such as the purchase of more fuel-efficient aircraft, and the timing of planned expenditure for this investment and any corresponding future revenue generated from this technology. This allows <i>Air New Zealand</i> to determine whether the investment in new technology is affordable and will enable the company to continue to operate as a successful business (Explained).</p> <p><i>When investing in technology, explain what might cause a business to experience an unfavourable variance and how a business could correct this to ensure that it remains profitable.</i></p> <p>When investing in technology, such as the purchase of new fuel-efficient aircraft, <i>Air New Zealand</i> may experience an unfavourable variance in terms of sales and repair costs, if there is a delay in delivery of spare parts for aircraft. This would reduce its capacity to meet its planned flight schedules, and therefore <i>Air New Zealand</i> may have to make changes to its customer services, which could include refunds (Explained). To reduce the impact of potential breakdowns with the new aircraft or delays in delivery of parts for repairs, <i>Air New Zealand</i> could maintain a number of older aircraft that could be utilised when necessary to maintain planned flight schedules, therefore protecting its customer services and sales, and reducing a potential unfavourable variance in sales (Fully explained).</p> <p><b>Note: Answers must relate to a large business operating in New Zealand chosen by the candidate, not Kōwhai Grove.</b></p>
<p>(d)(i)</p> <p>(ii)</p> <p>(iii)</p>	<p><i>Using a specific example, explain an advantage of using parts of a business that are under-used.</i></p> <p>By renovating a vacant building that is onsite into a small retail store and information centre, <i>Kōwhai Grove</i> would be taking advantage of the possibility of an additional revenue stream through product sales, and enhancing its brand awareness by providing an experience for customers to understand the business (Explained).</p> <p><i>Explain why operating at capacity could be a disadvantage and how this could negatively impact the business.</i></p> <p>A disadvantage for <i>Kōwhai Grove</i> of operating at capacity is that the business may produce crops in quantities beyond the current level of demand, leading to an over-supply of avocados and citrus fruits to market (Explained). This may lead to either stock wastage (crops being damaged or expiring), additional storage costs, or <i>Kōwhai Grove</i> having to reduce its prices in an effort to sell the excess supply. This will either increase the cost of production for <i>Kōwhai Grove</i> or reduce sales, leading to decreased profits for the business going forward (Fully explained). Operating at capacity would limit <i>Kōwhai Grove's</i> ability to respond to unexpected increases in demand for its products (Explained). This could result in missed sales opportunities and dissatisfied customers, leading to a decrease in sales and customer loyalty (Fully explained).</p> <p><i>Referring to competitiveness and profits, justify the importance of efficiency for the long-term financial viability of a business.</i></p> <p>It is important that <i>Kōwhai Grove</i> runs efficiently, as this will help to reduce wastage from spoiled crops and the number of seasonal workers hired, and maximise the quantity of crops produced for sale, thus increasing revenue and profit. <i>Kōwhai Grove</i> could pass some of its efficiency savings on to its customers through reduced prices, which would result in increased competitiveness in the market, generating sustainable sales, leading to long-term financial viability (Justified). With maximised profits, <i>Kōwhai Grove</i> could invest in new drone technology and crop-picking equipment, to further increase capacity and generate future sales that will help to ensure long-term viability for the business (Justified).</p> <p><b>Note: Answers can relate to either Kōwhai Grove or a large business operating in New Zealand chosen by the candidate.</b></p>

**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• the difference between policies and procedures, using an example</li> <li>• why it is important to implement policies and procedures, using an example</li> <li>• why the identified leadership style could be an advantage to a business</li> <li>• why the identified leadership style could be a disadvantage to a business</li> <li>• why the selected financial report will aid managers in their decision-making</li> <li>• when investing in technology, what might cause a business to experience an unfavourable variance</li> <li>• an advantage of using parts of a business that are under-used, with a specific example</li> <li>• why operating at capacity could be a disadvantage.</li> </ul> <p><b>Note:</b> 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 it is important to implement policies and procedures and how this could positively impact a business, using an example</li> <li>• why the identified leadership style could be a disadvantage to a business, and how this might have an impact on employee motivation</li> <li>• when investing in technology, what might cause a business to experience an unfavourable variance, and how the business could correct this to ensure that it remains profitable</li> <li>• why operating at capacity could be a disadvantage, and how this could negatively impact the business.</li> </ul> <p><b>Note:</b> 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 explains’ for part (b) <b>and</b> justifies whether the leadership style identified would be more appropriate for the business than another leadership style, with reference to brand reputation and maintaining standards.</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• All of ‘Fully explains’ for part (d) <b>and</b> justifies the importance of efficiency for the long-term financial viability of a business, with reference to competitiveness and profits.</li> </ul> <p><b>Note:</b> 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