

Assessment Schedule – 2025

Business Studies: Apply business knowledge to a critical problem(s) in a given large business context (90845)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Applying knowledge</i> involves:</p> <ul style="list-style-type: none"> • explaining causes and effects of the critical problems • using business knowledge to identify a range of possible solutions • stating business knowledge and evidence relevant to the critical problem(s) • stating a Māori business concept(s) where relevant to the critical problem(s). <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>Applying in-depth knowledge</i> involves:</p> <ul style="list-style-type: none"> • fully explaining the causes and effects of the critical problems • applying business knowledge to explore how relevant solutions would address the critical problems, with an awareness of impact • including detailed and relevant evidence to support explanations • including a Māori business concept(s) where relevant to the critical problem(s) to support explanations. <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>Applying comprehensive knowledge</i> involves:</p> <ul style="list-style-type: none"> • justifying a recommendation on the best solution to the critical problems • applying and integrating relevant business knowledge • integrating detailed and relevant evidence to fully support explanations • integrating a Māori business concept(s) where relevant to the critical problem(s) to fully support explanations. <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: Each answer should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)(i)	<p><i>Explain a factor that might influence a new competitor's decision to enter the avocado and citrus fruits markets.</i></p> <p>One factor that might influence a new competitor's decision to enter the avocado and citrus fruits market is the expected increase in demand for avocados, in particular, as consumers look for healthy food choices that enhance their well-being. This means there is potential for sustainable sales and profits for new competitors (Explained).</p> <p>Another factor that might influence a new competitor's decision is unpredictable weather patterns that could make sustainable production of crops difficult. As stated in Resource B, the last two years have seen difficult growing conditions, leading to an over-supply of lower-grade crops to the market. If new competitors are likely to receive lower profits and returns for their investment into an orchard, they may choose not to enter the market (Explained).</p> <p>Note: <i>Other factors that might influence entry into the market could include orchard maintenance costs, and regulations limiting land and water use that may make it difficult to achieve sufficient profitability to justify investment in the avocado and citrus fruit markets. Hence, overall, there are both positive and negative factors for a potential new competitor to consider.</i></p>
(ii)	<p><i>Explain how the emergence of a new competitor could threaten Kōwhai Grove's future sales and profitability.</i></p> <p>The emergence of a new competitor could threaten Kōwhai Grove's future sales and profitability by creating a greater supply of avocados and citrus fruit in the market, making it more competitive to generate sales (Explained). Kōwhai Grove may find that it is less financially viable to operate, with rising costs and reduced sales, in a more competitive market to make consistent profits, due to Kōwhai Grove having to reduce its retail prices to compete, in turn potentially reducing sales and profit margins (Fully explained).</p> <p>Note: <i>Candidates could discuss having to compromise on quality (organic status), as sales will be more competitive, reducing Kōwhai Grove's market share and ability to control pricing.</i></p>

<p>(b)(i)</p> <p>(ii)</p> <p>(iii)</p>	<p><i>Identify and describe TWO strategies that Kōwhai Grove could implement in response to the emergence of a new competitor in the avocado and citrus fruits markets.</i></p> <p>One strategy would be for <i>Kōwhai Grove</i> to differentiate its brand on the basis of being an established and well-respected organic grower (Identified). This might include advertising and promotion as an organic grower, with a focus on the benefits of its products over regular crops (Described).</p> <p>A second strategy that <i>Kōwhai Grove</i> could implement is to lower its price to be competitive with the other business, while keeping its organic quality (Identified). This means that potential consumers will identify a greater perceived value for their consumer dollar in comparison to the new competitor (Described).</p> <p><i>Explain how EACH strategy could address the emergence of a new competitor in these markets.</i></p> <p>For the first strategy, the perceived high quality of its products will give <i>Kōwhai Grove</i> a competitive advantage, at least in the short term, as it will take time for any new competitor to become sufficiently established for customers to feel justified in paying premium prices for their products (Fully explained).</p> <p>For the second strategy, <i>Kōwhai Grove</i> has a competitive advantage in being an established orchard, and therefore it could potentially operate on lower profit margins in the short term more easily than a new competitor (Fully explained).</p> <p><i>Justify, with TWO reasons, which strategy would be more successful.</i></p> <p>Developing <i>Kōwhai Grove</i>'s brand as an established and well-respected, accredited organic grower would be more effective than competing on price, as <i>Kōwhai Grove</i> already has a brand presence and customer base that values its premium organic quality. If <i>Kōwhai Grove</i> reduced its prices to be competitive, customers could become less price-sensitive and may perceive that the crop is of lower quality, and therefore choose to buy from other organic avocado and citrus fruit growers (Justified). As the costs of being an accredited organic grower are significantly greater than those for non-organic growers, profit margins would be lower for <i>Kōwhai Grove</i> if it was to compete on price, so this would not be a financially viable strategy for <i>Kōwhai Grove</i> in the longer term. Also, <i>Kōwhai Grove</i> may have to compromise on its quality, affecting its ability to remain as an accredited grower, which would conflict with its established tikanga (Justified).</p> <p>Note: Candidates could also discuss a focused approach by <i>Kōwhai Grove</i> to the production of avocados or citrus fruits, and/or raising prices for their crops to create a perceived premium value for its products.</p>
<p>(c)(i)</p> <p>(ii)</p>	<p><i>Explain why offering performance-based bonuses to workers at Kōwhai Grove who pick avocados and citrus fruits in greater quantities could lead to unethical practices by those workers.</i></p> <p>Given that performance-based bonuses at <i>Kōwhai Grove</i> would be related to picking crops in greater quantities, employees may be tempted to put their own financial needs first, particularly as their wages are low and they will be motivated to earn more money where they can. This may lead to them being unethical in terms of taking shortcuts to increase their picking speed and pick unripe and/or damaged fruit, at the expense of the required standards for organic accreditation, or may involve taking risks that could endanger the health and safety of themselves and their co-workers (Explained).</p> <p><i>Explain a consequence of unethical practices by the workers in terms of how it will impact Kōwhai Grove's brand reputation.</i></p> <p>A consequence of employees picking crops at faster rates to receive performance-based bonuses, at the expense of lower quality, may lead to customers believing that the produce sold at <i>Kōwhai Grove</i> is falling below organic quality standards, potentially reducing sales (Explained). Customers seeking to purchase certified organic crops are willing to pay a premium price, and if they believe that <i>Kōwhai Grove</i>'s products are below the expected standard, <i>Kōwhai Grove</i> could get a reputation for producing lower-grade products, leading to the business owners having to reduce prices to sell their produce, thus reducing profits (Fully explained).</p> <p>Note: Other consequences could include negative publicity for <i>Kōwhai Grove</i> arising from potentially unsafe working practices, and losing its organic accreditation due to unethical harvesting methods.</p>

<p>(d)(i)</p>	<p><i>Identify and describe TWO solutions that management could implement to avoid unethical practices by the workers at Kōwhai Grove.</i></p> <p>The first solution that management at <i>Kōwhai Grove</i> could implement is to incentivise not only the picking rate, but also quality work, by rewarding the number of high-quality crops picked (Identified). This would encourage employees to focus both on picking rate and also quality in order to earn their bonus (Described).</p> <p>A second solution could be for management to have internal controls that look for shortcuts being taken by employees (Identified), so that the standard of picking is guaranteed (Described).</p> <p>Note: Other solutions could include replacing individual bonuses with group rewards that are linked to the standard of crops picked; staff training that teaches employees how to pick correctly.</p>
<p>(ii)</p>	<p><i>Explain how EACH solution could ensure that unethical practices by the workers are not carried out at Kōwhai Grove.</i></p> <p>The first solution would ensure that the employees are not encouraged to take short cuts in their picking to receive their bonus payments, enabling <i>Kōwhai Grove</i> to maintain its organic status, and therefore premium pricing for its produce (Fully explained).</p> <p>The second solution would discourage employees from adopting unethical practices, as there would be a real risk of getting caught and losing their bonus for picking incorrectly. They may even get into trouble with management for being unethical and potentially damaging the organic growing certification that <i>Kōwhai Grove</i> currently has (Fully explained).</p>
<p>(iii)</p>	<p><i>Justify, with TWO reasons, which solution is likely to be more effective to implement than the other to ensure that Kōwhai Grove upholds its tikanga.</i></p> <p>With <i>Kōwhai Grove</i>'s tikanga focusing on being an accredited organic grower and its whanaungatanga being about collective responsibility and working as a team towards its desired objectives, the first solution would be more effective in upholding its tikanga than the second, as the workers would be motivated to produce quality work, so they could be rewarded for their skill. This would ensure that <i>Kōwhai Grove</i>'s reputation remains positive and that crops will sell at premium prices – offsetting the cost of the bonuses that are paid (Justified).</p> <p>The second solution may create a culture of mistrust between workers and management if close supervision makes the workers feel that they are not trusted to work ethically. This would conflict with <i>Kōwhai Grove</i>'s whanaungatanga of working as a team towards, and maintaining, its organic accreditation. This would make <i>Kōwhai Grove</i> an unhappy place to work, and could lead to increased staff turnover, particularly as there are other orchards in the area that already have performance-based bonus systems in place (Justified).</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • ONE factor that might influence a new competitor’s decision to enter the avocado and citrus fruits markets • why the emergence of a new competitor could threaten <i>Kōwhai Grove’s</i> future sales and profitability • (identifies and describes) TWO strategies that <i>Kōwhai Grove</i> could implement in response to the emergence of a new competitor in the avocado and citrus fruits markets • why offering performance-based bonuses to workers at <i>Kōwhai Grove</i> who pick avocados and citrus fruits in greater quantities could lead to unethical practices by those workers • a consequence of unethical practices by the workers • (identifies and describes) TWO solutions that management could implement to avoid unethical practices by the workers at <i>Kōwhai Grove</i>. <p>Note: Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • how the emergence of a new competitor could threaten <i>Kōwhai Grove’s</i> future sales and profitability • how EACH strategy could address the emergence of a new competitor in the avocado and citrus fruits markets • a consequence of unethical practices by employees in terms of how it will impact <i>Kōwhai Grove’s</i> brand reputation • how EACH solution could ensure that unethical practices by employees are not carried out at <i>Kōwhai Grove</i>. <p>Note: Answers will typically include relevant examples, business knowledge, and/or Māori business concepts to support explanations.</p>	<ul style="list-style-type: none"> • Fully explains TWO strategies that could address the emergence of a new competitor in the avocado and citrus fruits markets <p><i>AND</i></p> <ul style="list-style-type: none"> • Justifies, with TWO reasons, which strategy would be more successful than the other. <ul style="list-style-type: none"> • Fully explains TWO solutions that could be implemented to ensure that unethical practices by employees are not carried out at <i>Kōwhai Grove</i> <p><i>AND</i></p> <ul style="list-style-type: none"> • Justifies, with TWO reasons, which solution is likely to be more effective to implement than the other to ensure that <i>Kōwhai Grove</i> upholds its tikanga. <p>Note: Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts 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. One part may be weaker.	All Excellence evidence points covered.

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