

91379



913790



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

## Level 3 Business Studies, 2012

### 91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

2.00 pm Monday 3 December 2012  
Credits: Four

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

**You should attempt ALL the questions in this booklet.**

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–15 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

ASSESSOR'S USE ONLY		Achievement Criteria	
Achievement		Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how internal factors interact within a business that operates in a global context.	<input type="checkbox"/>	Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context.	<input type="checkbox"/>
Overall level of performance (all criteria within a column are met)			<input type="checkbox"/>

You are advised to spend 60 minutes answering the questions in this booklet.

## QUESTION ONE: CHANGE MANAGEMENT AND LEADERSHIP

Use the information in the boxes and your business knowledge to answer the following questions.

In 1997 Sarah Pomare, a descendent of Te Ati Awa, started a new company in Wellington, New Zealand. Initially, the company produced high-quality wool clothing, mainly for the high fashion market, under the brand name *Winter's Dawn*. By 2007 sales had expanded into Europe and North America, and while pressures existed to shift production offshore to China, Sarah, in consultation with whānau, hapū, and iwi of Te Ati Awa, made the decision to keep production in New Zealand.

It soon became apparent that *Winter's Dawn* was finding it a challenge to keep costs low, while maintaining production in New Zealand. Other domestic and European designers were having their products made offshore, at lower cost, and using their profits to finance extensive marketing campaigns. Sarah had to find a new product line.

Sarah and her husband had always been active, and enjoyed adventure sports, tramping, canoeing, rock climbing, and skiing in winter. *Winter's Blast* was the obvious next step. Sarah would create a new product line of fashionable, rugged, and colourful wool clothing that featured contemporised Māori motifs for the recreational outdoor sports market.

This idea was obviously a big step, and Sarah decided to hire Hayley Love – an experienced, local Māori designer also of Te Ati Awa descent – to lead the team and work on the new product line. Hayley would need to work very closely with some of the in-house designers, who would be moved from the *Winter's Dawn* fashion range to the new recreational outdoor sports range. This would require careful change management.

- (a) Explain why the ability to respond to change is an important characteristic of all modern business.

---

---

---

---

---

---

---

---

---

---

(b) Fully explain how demonstrating rangatiratanga would allow the changes required. In your answer, you should refer to:

(c) Evaluate the strategies Sarah and Hayley could employ to overcome the resistance to change.

- explain TWO change management strategies that could be implemented in the design department
- fully explain the possible impacts of these strategies on the performance of the department by explaining ONE positive and ONE negative outcome of each strategy
- provide a justified conclusion as to which would be the more effective strategy.



**QUESTION TWO: INNOVATION**ASSESSOR'S  
USE ONLY

Use the information in the boxes and your business knowledge to answer the following questions.

In 2009 Sarah was contacted by Bill Taylor, a professor in industrial design at a local university. His faculty had been developing a Computer Aided Design process for the wool clothing industry, and he wanted to discuss this potential innovation with Sarah.

- (a) Explain how innovation in **production processes** can allow firms to compete more successfully in an international market.

---

---

---

---

---

---

---

(b) Fully explain the possible negative impacts of introducing an untested production process to *Winter's Dawn* and *Winter's Blast*.

- a short-term challenge that it might involve
- a long-term problem that would arise for the business if the production process is unsuccessful.

(c) Evaluate the strategies that Sarah could introduce to make the design side of her company more innovative.

- explain TWO strategies she could implement that would encourage workers to develop new ideas
- fully explain the impact of these strategies on the company by explaining ONE positive and ONE negative impact of each strategy on the performance of the business
- draw a justified conclusion as to which strategy would be the more effective.





**QUESTION THREE: QUALITY**ASSESSOR'S  
USE ONLY

Use the information in the box and your business knowledge to answer the following questions.

- (a) Explain why Quality Management is important to the performance of a business.

---

---

---

---

---

---

---



- In your answer, you should:

- Name of business: \_\_\_\_\_



**Extra space if required.**  
**Write the question number(s) if applicable.**

ASSESSOR'S  
USE ONLY

QUESTION  
NUMBER

**Extra space if required.**  
**Write the question number(s) if applicable.**

ASSESSOR'S  
USE ONLY

QUESTION  
NUMBER

