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91379



Level 3 Business Studies, 2017

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

9.30 a.m. Friday 10 November 2017 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how internal factors interact within a business that operates in a global context.	Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context.	Demonstrate comprehensive understanding of how internal factors interact within a business that operates in a global context.

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

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

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 2–12 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.

TOTAL

Read the background information below and in the other boxes about *Kemu*. This is the business that you may use to answer parts (a), (b), and (c) of the task.

Kemu was formed in 2010 and specialises in the development of games to play on platforms such as PlayStation and Xbox. Kemu has a small niche market, however it can charge a premium price due to the consistent quality and innovation shown in its gaming software.

The head office is located in Lower Hutt and there is a design team in Silicon Valley, California. The designers have proved to be most effective when working together as a team.

Kemu's CEO convinced the shareholders that to remain competitive, the company needed to start developing games for virtual reality (VR) technology. The CEO's decision to convert to VR games was influenced by attending a technology conference in San Francisco, where VR games featured. This conference was attended by many of the market leaders in the gaming industry.

Image source: http://www.wareable.com/project-morpheus/sony-project-morpheus-release-date-price-games

You may choose to answer parts (a), (b), and (c) using *Kemu*, or a New Zealand-registered business(es) operating in a global context that you have studied in depth.

In part (d) you must use a New Zealand-registered business operating in a global context that you have studied in depth.

Name of New Zealand-	
registered business(es)	

TASK

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Fully explain ONE benefit the business may gain by introducing product innot the new VR games.					
In yo	our answer, refer to:				
•	staff motivation				
•	productivity.				

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For the move to VR games to be successful, the CEO needed the Silicon Valley designers to be fully supportive. The designers are a highly experienced and influential team. The CEO believed that an inclusive strategy for change, where the designers are consulted about how they believe the change should take place, would be the most effective strategy to transition *Kemu* to VR technology games.

	uate the likely success of an inclusive change management approach to convince loyees to use innovative new technology.
In yo	our answer:
•	fully explain ONE positive and ONE negative effect of the inclusive change management approach for the business
•	provide a justified conclusion, including any new information, as to the suitability of the inclusive change management approach for this business.

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Kemu is known in the industry for its consistent high quality and innovation. *Kemu* embraced the change and developed new VR games. However, since the introduction of the new VR games, there has been negative online feedback from unhappy customers finding faults and other problems with the quality of the new games.

c)	 Fully explain, with ONE reason, how negative online feedback may affect a business like <i>Kemu</i>, which is known for its consistent high quality and innovation. In your answer, refer to: the effect on the use of a premium pricing strategy the impact on long-term revenue and profitability.

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Kemu is currently investigating three possible quality management (QM) strategies to improve the quality of their games:

- Quality Control
- Total Quality Management
- Quality Circles.
- (d) For a New Zealand-registered business you have studied that is operating in a global context, choose a strategy from the above list, and evaluate its suitability to improve the quality of the products of the business.

In your answer:

- explain the chosen strategy in the context of the business
- fully explain ONE positive and ONE negative effect of this QM strategy for the business
- provide a justified conclusion, including any new information, as to the suitability of this QM strategy for this business.

Name of New Zealand- registered business	
Quality management strategy	

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