

## Assessment Schedule – 2019

### Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)

#### Assessment Criteria

#### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** 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.

**Evaluating** examines in detail by comparing and contrasting or identifying relationships to explain the impacts, effects, and consequences of interacting factors in the business, plus strategic responses or solutions, and to provide a justified recommendation or draw justified conclusions on the significance or likely success of the factors/responses/solutions. This should include a 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, such as long-term impact or sustainability of the business.

All parts of the answer should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><u>Fully explain the impact of recessionary conditions in an export market that a multinational business operates in or decides to enter.</u></p> <p>One cause of the recessionary conditions that existed when <i>Stol</i> first considered setting up in New Zealand was the global financial crisis. This event severely weakened the market that <i>Stol</i> was trying to break into (Stated). Consumers would have been less inclined to purchase luxury products such as furniture in recessionary times, due to job insecurity (Explained). As a result, EITHER: <i>Stol</i> may not have been able to sell the quantities it would have needed to achieve the scale required to lower its costs enough to justify its entry into the New Zealand market (Fully explained), OR as <i>Stol</i> are selling a lower-end product (ready-assembled furniture), this offers a market opportunity, as consumers with tight budgets may prefer to purchase from <i>Stol</i> rather than traditional marketplace offerings, resulting in an increased demand for their product, and hence increased sales and potential profit (Fully Explained).</p> <p><b>Note:</b> <i>Either Stol or own context may be used.</i></p>

(b)	<p>Fully explain ONE opportunity <b>or</b> ONE threat of the entry of a multinational business for the New Zealand-registered business.</p> <p><b>Opportunity</b>          Selected business: <i>Rocket Lab</i>          If <i>SpaceX</i> was to set up its rocket-launching service in New Zealand, this could bring more customers to the New Zealand company <i>Rocket Lab</i> (Stated). This is because customers would see how good the conditions and facilities in New Zealand are from the <i>SpaceX</i> promotions (Explained). As a result, sales and potential profits for <i>Rocket Lab</i> would rise, which would help to make <i>Rocket Lab</i> more financially stable (Fully explained).  <b>OR</b>  <b>Threat</b>          Selected business: <i>Air New Zealand</i>          One threat that <i>Air New Zealand</i> could face to its domestic and trans-Tasman markets in the future is competition from <i>Tiger Air</i>, owned by <i>Virgin Australia</i> (Stated). This is because <i>Tiger Air</i> may look to enter a new regional market across the Tasman by offering flights to and within New Zealand to grow its market presence there (Explained). The impact of this action is that <i>Air New Zealand</i> may be forced to lower its prices on flights within the Australasian region to maintain its competitiveness in that market. This will reduce revenues and profits and may threaten the financial stability of <i>Air New Zealand</i> in the future (Fully explained).</p>
(c)	<p>Evaluate a strategic response that a business could implement to ensure that senior staff demonstrate cultural awareness when establishing a new business operation in New Zealand.</p> <p>An extensive and compulsory cultural training programme on New Zealand protocols, especially tikanga Māori, would be established for senior staff moving to New Zealand (Stated). This would be a suitable strategic response, as the training programme would be conducted over an extended timeframe and the effects of this decision would be felt for a long time (timeframe). It would involve significant financial resources, and therefore require a decision by senior management (Size), and would affect many areas of the business in the long term – production, marketing, finance, sales etc (Scope) (Explained).</p> <p>A positive impact of this is that staff would be able to build better relationships with local employees (Stated), because there would be fewer cultural misunderstandings (Explained). This would allow the entry into the market to run smoothly, increasing productivity and reducing staff turnover, as local staff would feel valued because their culture has been recognised by <i>Stol</i> (Fully explained).</p> <p>A negative impact would be the time required for the training (Stated). Senior staff would be away from their normal work (organising staff), which might reduce productivity (Explained). This may have a negative impact on costs, and therefore on the profitability of the venture (Fully explained).</p> <p>In conclusion, the benefits of the training would probably outweigh the costs, as the increase in productivity from happy workers would outweigh the costs of senior staff being involved in the training. Also, by senior staff showing awareness of the multi-cultured nature of New Zealand businesses, there would be faster integration of local production staff into the desired <i>Stol</i> systems around quality and customer service (New information). This would enable local production staff to contribute quickly to the sales volumes and operational scale required for <i>Stol</i> to be profitable in New Zealand.</p> <p><b>Note:</b> Either <i>Stol</i> or own context may be used.</p>

(d)	<p><u>Evaluate a strategic response that could be implemented to ensure that the business meets societal expectations with respect to producing environmentally sustainable products.</u></p> <p><i>Stol</i> needs to immediately investigate all of its suppliers to ensure its supplies of wood come only from sustainable sources (Stated). This would be a strategic response, because any necessary change of suppliers would need to happen immediately and have long term effects on the business (Timeframe) and would involve the operations department making the furniture and the communications department notifying any change in suppliers on the <i>Stol</i> website (Scope) (Explained).</p> <p>A positive impact of the change to only sustainable sources would be that potential employees who are passionate about the environment would want to work for <i>Stol</i> (Stated). This is because these potential employees would feel that <i>Stol</i>'s values align with their own values about the environment (Explained). The impact of this is that staff motivation would rise. This would lead to an increase in outputs and hence productivity, leading to greater profits for <i>Stol</i> (Fully explained).</p> <p>A negative impact might be that the changes being made to the supply chain may force <i>Stol</i> to lose existing suppliers that it trusts and has good relationships with (Stated). This would be the case with suppliers who do not source their supplies sustainably, e.g. suppliers who are not careful and may damage ecosystems as a result of their operations (Explained). The impact of this is that <i>Stol</i> may not be able to find sustainable wood producers quickly, and consequently may have difficulty meeting orders from its customers. <i>Stol</i> may lose market share as a result (Fully explained).</p> <p>In conclusion, the benefits of a highly motivated staff would be longer-lasting than the short-term impacts of trying to find trusted, sustainable suppliers. Also, due to <i>Stol</i>'s customers being likely to engage with environmental issues that are on social media, it seems likely that these customers would be impressed with <i>Stol</i>'s change of suppliers and hence more likely to support this change, despite the short-term loss of certainty around supply (Fully explained).</p> <p><b>Note:</b> <i>Either Stol or own context may be used.</i></p>
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## Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• how the recessionary conditions might affect the export market</li> <li>• how the recessionary conditions might impact on the success of the business</li> <li>• the opportunity or threat of the entry of the multinational business</li> <li>• the impact on the long-term financial stability of the New Zealand-registered business</li> <li>• why the strategic response that a business could implement to ensure the senior staff demonstrate cultural awareness is a business-wide reaction at multiple levels</li> <li>• ONE positive impact of the strategic response to ensure senior staff demonstrate cultural awareness</li> <li>• ONE negative impact of the strategic response to ensure senior staff demonstrate cultural awareness</li> <li>• why the strategic response that a business could implement to ensure the business meets societal expectations with respect to producing environmentally sustainable products is a business-wide reaction at multiple levels</li> <li>• ONE positive impact of the strategic response to ensure that the business meets societal expectations for environmentally sustainable products</li> <li>• ONE negative impact of the strategic response to ensure that the business meets societal expectations for environmentally sustainable products.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• the impact of recessionary conditions</li> <li>• the impact on the long-term financial stability of the New Zealand-registered business</li> <li>• ONE positive impact of the strategic response to ensure senior staff demonstrate cultural awareness</li> <li>• ONE negative impact of the strategic response to ensure senior staff demonstrate cultural awareness</li> <li>• ONE positive impact of the strategic response to ensure that the business meets societal expectations for environmentally sustainable products</li> <li>• ONE negative impact of the strategic response to ensure that the business meets societal expectations for environmentally sustainable products.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• the likely success of a strategic response to ensure senior staff demonstrate cultural awareness.</li> </ul> <p><i>AND</i></p> <ul style="list-style-type: none"> <li>• the likely success of a strategic response to ensure that the business meets societal expectations for environmental sustainability.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>

## Grade-score descriptors

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.	All Excellence evidence.

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