

Assessment Schedule – 2017

Business Studies: Apply business knowledge to address a complex problem(s) in a given global business context (91381)

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 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.

Evidence Statement

Part	Sample answers / Evidence
(a)	<p><i>Kete Kai</i> has grown because of improved customer feedback (Stated). This is because customers who are very happy with <i>Kete Kai</i>'s products have risen from 60% to 80% (Explained). The impact of this is greater sales, due to an improvement in brand reputation at <i>Kete Kai</i> (Fully explained).</p> <p><i>Kete Kai</i> has grown as a result of improved consumer confidence in the economy, as stated in the consumer confidence forecast (Stated). This is because customers feel more assured about their financial future (Explained). Thus, there is a corresponding rise in consumer spending on items like speciality food, which will increase sales at <i>Kete Kai</i> (Fully explained).</p>
(b)	<p>One impact of the move to Sydney is a problem with sourcing of raw materials (Stated). This is because some of the key New Zealand ingredients cannot be sourced in Australia (Explained). As a result, <i>Kete Kai</i>'s costs may rise through importing these products from New Zealand rather than sourcing local Australian products, and thus profits would fall (Fully explained).</p> <p>Australian customers have not been attracted to buying <i>Kete Kai</i> products (Stated), because the branding is too Māori for Australian customers, e.g. <i>Kete Kai</i> (Explained). The impact of this is that Mike Tamati, CEO, may have to look at rebranding to a more Australian-acceptable brand. This will raise costs and impact on profitability (Fully explained).</p>
(c)	<p><i>Option 1 – Military Road</i></p> <p>A positive effect of <i>Kete Kai</i> choosing the Military Road location is that it would reduce the cost of transporting raw ingredients to make up the boxes, e.g. lettuce and other vegetables, to the <i>Kete Kai</i> premises (Stated). This is because it is close to the market gardens which supply <i>Kete Kai</i> with vegetables (Explained). The lower transport costs for ingredients would reduce costs, and thus profits would rise (Fully explained).</p> <p>OR</p> <p>A positive effect of <i>Kete Kai</i> choosing the Military Road premises is that it costs less than the alternative site (Stated) – \$1.7m, compared with \$2.5m for Birrell Street (Explained). The impact of this is that <i>Kete Kai</i> would spend less on the premises and so have more cash to buy other assets – for example, the refrigeration unit (Fully explained).</p>

<p>(c) cont'd</p>	<p><i>OR</i></p> <p>A positive effect of <i>Kete Kai</i> choosing the Military Road premises is that it has a larger factory space (Stated) – 60 m² more than Birrell Street (Explained). The impact of this is that <i>Kete Kai</i> would have more room for expansion in the future (Fully explained).</p> <p><i>Option 2 – Birrell Street</i></p> <p>A positive effect of <i>Kete Kai</i> choosing the Birrell Street location is that it is near to Bondi (Stated), meaning <i>Kete Kai</i> would be close to its potential target market, since there is a large ex-pat Kiwi contingent living in that area (Explained). The impact of this is that revenue may rise, leading to increased profits for <i>Kete Kai</i> (Fully explained).</p> <p><i>OR</i></p> <p>A positive effect of <i>Kete Kai</i> choosing the Birrell Street location is that administration and marketing departments would have more space (Stated). This is because the site has office space that is larger by 20 m² than that at Military Road (Explained). The impact of this is that <i>Kete Kai</i> would have more room for expansion in the future (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Kete Kai</i> should choose the Birrell Street site, because it is close to the Bondi Beach area that has a large Kiwi expat population, meaning reduced delivery costs to many customers of <i>Kete Kai</i>. It is also close to the gym and shopping facilities at Bondi. This would benefit the staff, and means that <i>Kete Kai</i> would be more likely to achieve its social sustainability objectives.</p> <p>Note: Accept a valid conclusion for Military Road if a good business case is provided.</p>
<p>(d)</p>	<p><i>Solution A</i></p> <p>Solution A has a shorter payback period of 4 years and 6 months (Stated). This is important because <i>Kete Kai</i> would recoup its investment more quickly, and would experience a shorter impact on cashflow by 2 years and 6 months (Explained). Subsequently, the business would have investment funds available to put into new projects (Fully explained).</p> <p><i>Solution B</i></p> <p>Solution B has a higher average rate of return (ARR) by 2.7% (Stated), meaning it would offer a higher net return for the business (Explained). This means the business would be more profitable, which would benefit shareholders (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Kete Kai</i> should choose Solution B. This is because the ARR is higher, meaning a greater financial return for <i>Kete Kai</i>. Also, the dimensions of the refrigeration unit are larger, making it easier for <i>Kete Kai</i> to expand in the future.</p> <p>Note: Accept a valid conclusion for Solution A if a good business case is provided.</p>

Grade-score descriptors

Achievement			Achievement with Merit			Achievement with Excellence	
<p>Explains:</p> <ul style="list-style-type: none"> • cause(s) of <i>Kete Kai's</i> rapid growth • effect(s) of <i>Kete Kai</i> expanding into Sydney • a positive effect that EACH location would have on <i>Kete Kai</i> • a positive effect that EACH refrigeration solution would have on <i>Kete Kai</i>. <p>AND</p> <p>States relevant information from the resource.</p> <p>(Answers will typically state relevant business knowledge and/or Māori business concepts.)</p>			<p>Fully explains:</p> <ul style="list-style-type: none"> • cause(s) of <i>Kete Kai's</i> rapid growth • effect(s) of <i>Kete Kai</i> expanding into Sydney • a positive effect that EACH location would have on <i>Kete Kai</i> • a positive effect that EACH refrigeration solution would have on <i>Kete Kai</i>. <p>AND</p> <p>The answer includes relevant information from the resource to support explanations.</p> <p>(Answers will typically include relevant business knowledge and Māori business concept(s) to support explanations.)</p>			<p>Evaluates how possible solutions would address the complex problem(s) by:</p> <ul style="list-style-type: none"> • the location solutions for <i>Kete Kai</i> in Sydney • the solutions for the refrigeration unit. <p>AND</p> <p>The answer integrates relevant information from the resource to fully support explanations.</p> <p>(Answers will typically integrate relevant business knowledge and Māori business concept(s) into 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.	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