

91381R



Level 3 Business Studies, 2012

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

2.00 pm Monday 3 December 2012
Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Business Studies, 91381.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE A: BACKGROUND INFORMATION**German Multinational LuftCom to Purchase Newmann Technology NZ**

LuftCom Corporation is a multinational electronics company headquartered in the German city of Berlin with over 35 000 employees and sales in more than 55 countries. In 2001 it was the world's third-largest manufacturer of consumer electronic products such as televisions, video cameras, and audio systems.

New Zealand-based *Newmann Technology NZ* was established in 1986 by Wayne Powers, as an electronics company manufacturing and selling radios and sailing instruments for the leisure marine industry. The main market for their products was Australasia, although they also had a small share of the European market. Wayne would have liked to expand further, but had found this difficult, due to financial constraints.

In 2001, *Newmann Technology NZ* developed highly effective and low-cost Global Positioning System (GPS) devices and software for cars and personal use, and looked for an overseas partner to fund further marketing and product development.

In 2004, *LuftCom* purchased *Newmann Technology NZ* to take advantage of their innovative GPS technology. The Kiwi firm became a wholly owned subsidiary of *LuftCom* called *LuftCom Newmann Technology (LNT)*.

While *LNT* was expected to make sales and be profitable, it was also expected that it would focus resources on research and development, especially in the area of GPS technology. It would be allowed to raise its own funds through borrowing from banks or private investors.

As part of the deal, it was agreed that most of the senior New Zealand staff would keep their positions, although some would be replaced by German managers. This immediately created conflict between the senior New Zealand staff and the new German managers.

RESOURCE B: EXCERPTS FROM INTERNET ARTICLES

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RESOURCE C: GLOBAL POSITIONING SYSTEM – DEFINITION

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RESOURCE D: GLOBAL POSITIONING SYSTEM – SALES IN THE USA

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RESOURCE E: GRAPH

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RESOURCE F: NEWSPAPER ARTICLE (1)

Banks Become Reluctant to Lend to Companies

10 November 2011

More companies are having to pay higher interest rates as banks become reluctant to lend to them.

“The higher interest rates are the result of tensions in the European banking system, which has led banks to be more reluctant in lending to businesses”, an unnamed CEO has stated.

RESOURCE G: NEWSPAPER ARTICLE (2)

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Sources (adapted):

Resource B, p 3: <http://www.kwintessential.co.uk/resources/global-etiquette/>

Resource C, p 3: <http://en.wikipedia.org/wiki/GPS>

Resource D, p 3 (text): <http://www.theglobeandmail.com/globe-drive/car-life/gizmos>
(image): http://www.tomtom.com/lib/img/misc/ONE-XL_Front_view.jpg

Resource E, p 4: <http://www.tradingeconomics.com>
<http://www.conference-board.org>

Resource G, p 4: <http://www.stuff.co.nz/nelson-mail/news/5359884/High-dollar-puts-Kiwi-exporters-at-risk>