

91381R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

Level 3 Business Studies, 2019

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

9.30 a.m. Friday 8 November 2019

Credits: Four

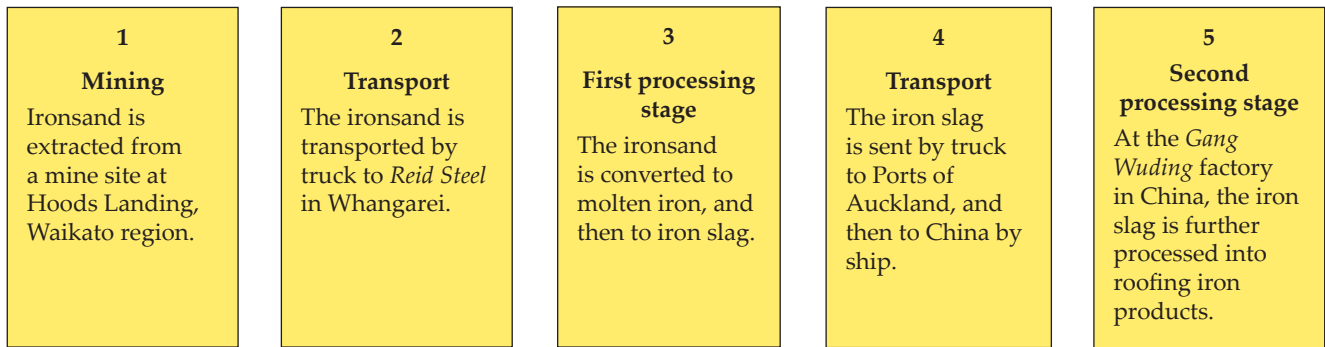
RESOURCE BOOKLET

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

Check that this booklet has pages 2–5 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: PRODUCTION PROCESS FOR ROOFING IRON AT GANG WUDING



RESOURCE B: WHAT IS A SUBSIDIARY COMPANY?

A subsidiary company is a company owned and controlled by another company. The owning

from Audible (recorded books) to Zappo's (online shoe sales).

Source (adapted): <https://www.thebalancesmb.com/what-is-a-subsidiary-company-4098839>.

RESOURCE C: INCREASE IN EFFICIENCY AT PORT OF TAURANGA

A year of records for the Port of Tauranga – financial results for the year to 30 June 2017

container units for the year, due to expansion of the port facilities.

Source (adapted): <https://www.port-tauranga.co.nz/year-records-port-tauranga>.

RESOURCE D: DISTANCES FROM MINE SITE TO PORTS

Old route: Hoods Landing to Whangarei to Ports of Auckland (Distance = 392 km; journey time = 5 hrs 11 mins)



New route: Hoods Landing to Whatawhata to Port of Tauranga (Distance = 240 km; journey time = 3 hrs 14 mins)

Source: Google Maps

RESOURCE E: TRANSPORTING IRONSAND TO WHATAWHATA



Reid Steel is concerned that the building of the underground pipeline will be a massive capital cost. The alternative is to use trucks, but this option will be rejected, due to concerns raised by environmentalists and the local community. Fully laden trucks would have to travel between the mine site and Whatawhata every 3 minutes 24/7 to transport the required volumes of ironsand.

Image source: https://www.saws.org/your_water/waterresources/projects/vistaridge/article.cfm?news_id=3382.

RESOURCE F: COMPARISON OF OVENS

	Oven A (Germany)	Oven B (South Korea)
Net Present Value*	+\$280,300	+\$145,600
Annual maintenance days (av.)**	30 days	14 days

* Net Present Value is defined as the present value of the expected cash inflows from an investment asset, less the cost of acquiring that asset.

** Annual maintenance days are the average number of days for which a machine is not able to be used due to maintenance (e.g. repairs).

RESOURCE G: DISTANCE FOR TRANSPORT OF OVENS TO PORT OF TAURANGA

Port of origin	Distance (by sea)

Source: <https://www.championfreight.co.nz/distance.pdf>.

RESOURCE H: THE ENVIRONMENTAL IMPACT OF SHIPPING

The environmental impact of shipping includes many sources of pollution – air, water,



taken.

Source (adapted): https://en.wikipedia.org/wiki/Environmental_impact_of_shipping.

RESOURCE I: WHAT IS A TARIFF?

Source: https://www.google.com/search?q=tariff&rlz=1C1CHBF_enNZ805NZ805&oq=tariff&aqs=chrome..69i57j69i61j69i59j0l3.4898j0j9&sourceid=chrome&ie=UTF-8.

RESOURCE J: TRANS-SHIPPING

Multinationals consider adding Vietnam 'detour' to avoid tariffs

pretty high."

Source (adapted): <https://www.scmp.com/economy/china-economy/article/2179378/vietnam-tested-multinationals-seeking-trade-war-detour-avoid>.

RESOURCE K: ESTABLISHING A FACTORY IN THE UNITED STATES

The most obvious way to avoid tariffs is to shift the supply chain. The US Government is

for large companies that have a significant market share in the target country.

Source (adapted): <https://www.managementstudyguide.com/companies-are-avoiding-tariffs.htm>.

