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## Level 1 Business Studies, 2018

### 90839 Apply business knowledge to an operational problem(s) in a given small business context

2.00 p.m. Tuesday 27 November 2018  
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Apply business knowledge to an operational problem(s) in a given small business context.	Apply detailed business knowledge to an operational problem(s) in a given small business context.	Apply comprehensive business knowledge to an operational problem(s) in a given small business context.

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

**You should attempt ALL the questions in this booklet.**

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 2–11 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

ASSESSOR'S USE ONLY

Read ALL of the resources below before you begin answering the questions in this booklet.

## RESOURCE A: CASE STUDY

*J's Donut Truck* was an idea that Joanne stumbled across when travelling through the United States (US). She is a passionate home cook and was inspired by the food truck trend in the US.

When the demand for donuts increased in her local Wellington market, Joanne decided to set up a donut truck that positions itself in different locations around Wellington from Monday to Saturday each week.

Joanne sells donuts for prices ranging between \$4.50 and \$5.50. Donut popularity has grown amongst office workers who are looking for something to go with their morning tea or coffee, and / or to provide a sugar fix in the afternoon.

Joanne employs two people – Jamie-Lee (her niece) and Jessica. Jessica used to work with Joanne at a bakery, and has a very good understanding of food preparation. Jamie-Lee was taken on by Joanne as a favour to her brother (Jamie-Lee's father), but Joanne also used it as an opportunity to spread her passion for baking within the family. Jamie-Lee has never worked in this industry. Jamie-Lee's main tasks include taking orders, cash handling, cleaning work benches, and informing Jessica when stock is getting low.

## RESOURCE B: BACKGROUND INFORMATION

The working relationship between Jamie-Lee and Jessica is often strained. They are not talking to each other, and sometimes the atmosphere in the truck may make customers uncomfortable.

## RESOURCE C: ONLINE MAGAZINE ARTICLE

### Food truck, cafe turf war in Wellington may mean more regulation

COLLETTE DEVLIN

The mobile food trend is exploding in New Zealand, but a spat between businesses in

[REDACTED]

[REDACTED]

It is understood that so far, this perceived threat has not eventuated.

Source (adapted): <http://www.stuff.co.nz/business/small-business/77807983/wellington-city-council-guidelines-for-food-truck-operators-a-possibility>

Use the information in Resource A and your business knowledge to answer this question.

- In your answer:

- define the term ‘recruitment’
- describe TWO recruitment procedures that *J’s Donut Truck* should follow, and fully explain how each procedure contributes to recruiting the right person for the job.

Many Māori businesses operate by a set of values that set them apart from other businesses, particularly those which operate solely to produce a profit for the owners / shareholders. The following is an example of such a value:

The principle of tūhono means to link, connect, or bond with. This principle supports the ‘multiple bottom line’ approach, whereby profit-related and socially oriented goals can be intertwined.

- explain how the principle of tikanga may have been implemented in the process that the business used to recruit Jamie-Lee
- fully explain ONE impact of utilising tikanga as the only recruitment process of the business, and fully explain ONE solution that would minimise that impact.



Because Joanne is busy trying to make her business successful, she has chosen to ignore the developing conflict between the two employees, Jamie-Lee and Jessica.

(a) Fully explain TWO impacts on *J's Donut Truck's* profits if Joanne continues to ignore the conflict between Jamie-Lee and Jessica.

- In your answer:

- identify TWO solutions
- fully explain ONE advantage of EACH solution
- fully explain how Joanne could manage the situation more effectively in the future.

On Thursday nights, Joanne parks her donut business truck with other food trucks at the Wellington waterfront. This area has been designated as a 'night market' by the council, where mobile food retailers can locate at a low cost. It was done as an incentive by the council to encourage more families to come into the city.

Use the information in Resources A, B, and C, and your business knowledge, to answer this question.



(b) Discuss the impacts on *J's Donut Truck* of having to pay cash for purchases, and a solution that could reduce these impacts.

- fully explain TWO impacts on *J's Donut Truck's* cash flow
- fully explain ONE solution *J's Donut Truck* could implement to reduce these impacts.

**Extra space if required.**  
**Write the question number(s) if applicable.**

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