

**Assessment Schedule – 2011****Business Studies: Apply business knowledge to an operational problem(s) in a given small business context (90839)****Evidence Statement**

Q 1	Expected coverage
(a)	<u>Description</u> : a market is a place/situation where goods and services are bought and sold (traded, exchanged). A place/situation where transactions take place.
(b)	<u>Effects</u> : <i>Truman and Sons Ltd</i> might be competing for the same resources, labour, etc. They will also have to compete for customers, and market share might decrease. They may lose some of their employees to the new competitor. They will have to compete on price and service.
(c)	<u>Benefits to customer</u> : <i>Truman and Sons Ltd</i> may attempt to lower prices; produce better quality goods; offer better service; cater to the demands of the customer more closely.
(d)	<p><u>Solutions</u>:</p> <p>Streamline processes; cut costs; use new suppliers; upskill employees; promote and advertise more effectively; conduct more market research to ascertain demand, reinforce customer relationships (e.g. develop loyalty schemes), purchase new machinery with greater technology to create competitive advantage.</p> <p><u>Better solution and how it would deal with the issue</u>:</p> <p>Any of the solutions above would suffice, as long as the candidate explains how this would deal with the issue, eg if <i>Truman and Sons Ltd</i> cut costs by streamlining processes and using cheaper resources, they could potentially lower prices, thereby attracting new customers. Alternatively, increased promotion and advertising would alert more potential customers and re-establish existing relationships, thereby increasing custom and ultimately profit.</p> <p><u>Why this would be a better solution (following on from above explanation)</u>:</p> <p>This would be less risky than changing suppliers. Changing suppliers might mean that resources are less expensive, but the new supplier might not be reliable, so cutting costs would be the better solution if the company wants to be competitive.</p>

Not Achieved	N1	<p>Insufficient breadth by answering ONE of:</p> <ul style="list-style-type: none"> <li>• market is described</li> <li>• one negative effect on <i>Truman and Sons Ltd</i> is described</li> <li>• one benefit to customers is identified</li> <li>• one solution is described</li> <li>• how the solution would deal with the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• market is described</li> <li>• one negative effect on <i>Truman and Sons Ltd</i> is described</li> <li>• one benefit to customers is identified</li> <li>• one solution is described</li> <li>• how the solution would deal with the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• market is described</li> <li>• one negative effect on <i>Truman and Sons Ltd</i> is described</li> <li>• one benefit to customers is identified</li> <li>• one solution is described</li> <li>• how the solution would deal with the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• market is described</li> <li>• one negative effect on <i>Truman and Sons Ltd</i> is described</li> <li>• one benefit to customers is identified</li> <li>• one solution is described</li> <li>• how the solution would deal with the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• negative effect on <i>Truman and Sons Ltd</i> is explained</li> <li>• a better solution and how it would deal with the issue is explained</li> <li>• why it would be a better solution is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• negative effect on <i>Truman and Sons Ltd</i> is fully explained</li> <li>• a better solution and how it would deal with the issue is explained</li> <li>• why it would be a better solution is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>Negative effects on <i>Truman and Sons Ltd</i> are explained.  AND  How the better solution deals with the issue is explained.  AND  Why it would be a better solution is fully explained.  (Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>
	E8	<p>Negative effects on <i>Truman and Sons Ltd</i> are fully explained.  AND  How the better solution deals with the issue is explained.  AND  Why it would be a better solution is fully explained.  AND  The answer demonstrates coherent links between concepts.  (Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

N0 = No response; no relevant evidence.

Q 2	Expected coverage
(a)	<u>Difference is described</u> : one-way communication involves a message that does not require a response; two-way communication is when the receiver responds and a discussion takes place. There is opportunity for feedback in two-way communication.
(b)	<i>Importance of effective communication is explained (sample answer):</i> Effective communication is important because it allows relationships to be formed, it creates cooperation, it limits assumptions, and it ensures that instructions, expectations, goals and policies are clear and understood. In this situation, it might reduce employee concerns and negative reaction to the restructuring.
(c)	<u>Reaction described</u> : employees might feel their job security is threatened; they might feel anger and resent Barry and the management; they might be less productive; they might resist the restructuring; they might feel under-valued. Positive responses might include excitement, positive about change, employees feel it is about time.
(d)	<p><i>Solutions:</i></p> <p>Hold meetings with employees; send a formal letter informing employees about the decision; put together a consultation group of representatives of the different areas of the business; bring in a consultant to explain the process and why the restructure needs to happen; set up a support group for employees who are feeling threatened; ensure that Barry and /or other managers and /or the consultant are available to talk to employees if they have any concerns.</p> <p><i>Better solution and how it would deal with the issue:</i></p> <p>Any of the solutions above would suffice, as long as the candidate explains how this would deal with the issue, eg by holding regular meetings with employees, Barry would be ensuring that all voices are heard and employees would feel that their opinions are valued. Alternatively, by bringing in a consultant to talk to the employees so that they know that this is a genuine issue for the company and that restructuring might be the only way to deal with it, the consultant could allay any fears they may have.</p> <p><i>Why this would be a better solution (following on from above explanation – sample answer):</i></p> <p>Barry could hold meetings so that employees could voice their concerns and get their information in a direct and timely manner. This would be better than bringing in a consultant who the employees might be suspicious of, so having open meetings would probably be the best method of getting employees to understand and agree to the restructuring.</p>

Not Achieved	N1	<p>Insufficient breadth by answering ONE of:</p> <ul style="list-style-type: none"> <li>• difference is described</li> <li>• importance of effective communication is described</li> <li>• employee reaction is described</li> <li>• one solution is described</li> <li>• how the solution would solve the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• difference is described</li> <li>• importance of effective communication is described</li> <li>• employee reaction is described</li> <li>• one solution is described</li> <li>• how the solution would solve the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• difference is described</li> <li>• importance of effective communication is described</li> <li>• employee reaction is described</li> <li>• one solution is described</li> <li>• how the solution would solve the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• difference is described</li> <li>• importance of effective communication is described</li> <li>• employee reaction is described</li> <li>• one solution is described</li> <li>• how the solution would solve the issue is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• importance of effective communication is explained, giving one example in context</li> <li>• better solution and how it would deal with the issue is explained</li> <li>• why it would be a better solution is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• importance of effective communication is explained, giving one example in context</li> <li>• better solution and how it would deal with the issue is explained</li> <li>• why it would be a better solution is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>Importance of effective communication is explained, giving one example in context.  AND  How the better solution would deal with the issue is explained.  AND  Why it would be a better solution is fully explained.  (Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>
	E8	<p>Importance of effective communication is fully explained, giving two examples in context.  AND  How the better solution would deal with the issue is explained.  AND  Why it would be a better solution is fully explained.  AND  The answer demonstrates coherent links between concepts.  (Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

**N0** = No response; no relevant evidence.

Q 3	Expected coverage
(a)	<p><i>Description of the production method – batch production:</i></p> <p>Batch production is where a quantity of a product is made at one time (in this scenario, eg blazers, then trousers, etc).</p>
(b)	<p><i>Implications explained:</i></p> <p>Main implication will be loss of revenue due to loss of production. Other implications will be employees having no work to complete; other processes might have to be interrupted until the machinery is working; can create a build-up of stock i.e inputs, raw materials, supplies, and take up storage space, which costs the company money; can hold up customers in the supply chain, which could lead to customers going elsewhere to purchase the goods.</p>
(c)	<p><i>Benefits stated:</i></p> <p>Might gain some of T &amp; S's customers; could offer to take some stock (inputs, raw materials, supplies) off T &amp; S's hands; take advantage of the downtime to discuss better deals with T &amp; S's suppliers, Best Uniforms could poach T &amp; S's suppliers.</p>
(d)	<p><i>Solutions identified:</i></p> <p>Repair the equipment; replace the equipment.</p> <p><i>Better solution and advantages in the short term:</i></p> <p>Repair the equipment, because: it is less expensive than replacing; not necessary to train employees on the new equipment; could be repaired in good time if maintenance company is able to work quickly; could be repaired in-house (rather than outsourcing the job).</p> <p><i>Why solution may not be the better option in the long term and next steps considered (following on from above explanation):</i></p> <p>Repairing the equipment might not be the better solution in the long term, because there is always new technology available, and <i>Truman and Sons Ltd</i> should be keeping up with the latest technology in order to be competitive. The machine repairs might not last a long time, and this could become expensive if it has to be done too frequently, as it would increase costs and ultimately affect profit.</p> <p>Barry must get quotes and arrange to have the machinery repaired, and look at replacing the machinery in the long term.</p>

Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• type of production is described</li> <li>• one implication for <i>Truman and Sons Ltd</i> is identified</li> <li>• one benefit to <i>Best Uniforms Ltd</i> is described</li> <li>• one solution is identified</li> <li>• one advantage of the better short-term solution is described</li> <li>• one next step is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering THREE of:</p> <ul style="list-style-type: none"> <li>• type of production is described</li> <li>• one implication for <i>Truman and Sons Ltd</i> is identified</li> <li>• one benefit to <i>Best Uniforms Ltd</i> is described</li> <li>• one solution is identified</li> <li>• one advantage of the better short-term solution is described</li> <li>• one next step is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• type of production is described</li> <li>• one implication for Truman and Sons Ltd is identified</li> <li>• one benefit to Best Uniforms Ltd is described</li> <li>• one solution is identified</li> <li>• one advantage of the better short-term solution is described</li> <li>• one next step is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FIVE of:</p> <ul style="list-style-type: none"> <li>• type of production is described</li> <li>• one implication for Truman and Sons Ltd is identified</li> <li>• one benefit to Best Uniforms Ltd is described</li> <li>• one solution is identified</li> <li>• one advantage of the better short-term solution is described</li> <li>• one next step is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• implications for Truman and Sons Ltd are explained</li> <li>• better short-term solution and advantages are explained</li> <li>• why the solution might not be the better one in the long term is explained</li> <li>• next steps Barry would need to consider are explained or one step fully explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• implications for Truman and Sons Ltd are explained</li> <li>• better short-term solution and advantages are explained</li> <li>• why the solution might not be the better one in the long term is explained</li> <li>• next steps Barry would need to consider are explained or one step fully explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>Implications for Truman and Sons Ltd are explained.  AND  Better short-term solution and advantages are explained.  AND  Why the solution might not be the better one in the long term is fully explained, with reference to the next steps that Barry would need to consider (explained).  (Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	E8	<p>Implications for Truman and Sons Ltd are fully explained.  AND  Better short-term solution and advantages are explained.  AND  Why the solution might not be the better one in the long term is fully explained, with reference to the next steps that Barry would need to consider (explained).  AND  The answer demonstrates coherent links between concepts.  (Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>