

90839R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

Level 1 Business Studies, 2017

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

2.00 p.m. Friday 24 November 2017
Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Business Studies 90839.

Check that this booklet has pages 2–3 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: CASE STUDY

Tangiwai is a small, family-run business that is owned and managed by Warren. The business is located in Taupo and has been operating since 2014. The business premises consists of a retail shop, workshop, and office. Warren employs four carvers on-site, and two other carvers who are located in Rotorua. Warren's cousin, Rawinia, operates the shop and Warren does the marketing and office duties. *Tangiwai* produces all jade (pounamu) products by hand, and this is a major selling point for the business. Warren only uses jade that is found in New Zealand for his products.

Warren recently saw the following graph in a magazine.



He noted that since 2010, online retail sales have been steadily increasing throughout each year. After speaking with his family, Warren decided to employ a specialist web designer to develop a new, interactive, secure website. He has been very pleased with the response, as online sales have been increasing since the establishment of the website.

Due to an increase in production to meet the increase in demand, the machines are being operated for longer hours each day. Recently, a piece broke off the grinding machine and caused a severe arm injury to the carver operating the machine.

Image source: <https://www.bnz.co.nz/assets/business-banking-help-support/online-retail-sales-index/pdfs/NZ-Online-Retail-Sales-in-November-2016.pdf>

RESOURCE B: EMAIL MESSAGE

Warren received the following message from his internet service provider:

Fibre optic cable damage

On 13 September 2017, one cross-harbour fibre optic cable was damaged by a construction contractor. The incident was detected by our Network Operations Centre (NOC), and engineering teams were immediately sent into the field to determine the exact location of the cable cut. Customers were alerted by customer services operators, and a message was posted on our web page. We estimate that about 300 active residential broadband customers in the North Island were affected, through a total loss of service.

We estimate that about 500 active commercial broadband customers were also affected.

RESOURCE C: ONLINE MAGAZINE ARTICLE**When You Can't Innovate, Copy**

Nothing breeds copycats like a successful business venture. When a new business idea



but copying others is a reality of doing business.

Source (adapted): <https://hbr.org/2012/05/when-you-cant-innovate-copy>

