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90839



Level 1 Business Studies, 2019

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

2.00 p.m. Monday 11 November 2019 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Apply 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

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

RESOURCE A: CASE STUDY

Whakaora (healing) is a small business owned and operated by Kira from her property in Tauranga. Kira is a trained doctor and became interested in Rongoa Māori (traditional Māori medicine) after her koroua (grandfather) told her many stories about how Māori had used native plants to treat many different illnesses.

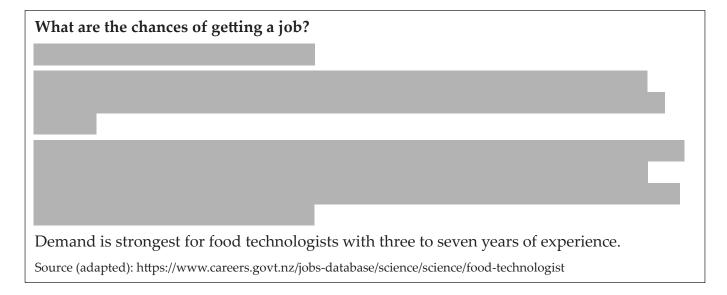
Kira grows a variety of native plants on her property in Tauranga and uses these plants to create skin care products that have healing properties. *Whakaora* has specialised in skin care to date. *Whakaora* has developed a good customer base, with many customers buying directly from the small shop on Kira's property in Tauranga or from her online store that she set up last year. Kira currently employs two family members – her sister Jade and her nephew Tipene, both of whom have heard the same stories from Kira and Jade's koroua and have a real interest in Rongoa Māori and working in the business.

After investing in a \$50,000 piece of technology and experimenting for some time, Kira has developed some frozen smoothie drops using native plants: mānuka, koromiko, harakeke, and kawakawa. These concentrated superfood frozen drops can be used in smoothies on a daily basis to add nourishing nutritional properties to help prevent common illnesses. Kira would like to grow her business to include food products that have nutritional benefits. Although Kira has the skills to create these products, it has been time-consuming and she has been struggling to keep up with the skin care side of the business. Hiring an experienced food technologist would enable her to remain focused on the production of skin care products.

RESOURCE B: DEFINITION - FOOD TECHNOLOGIST

A food technologist develops new food products and improves existing ones, and sets standards for producing, packaging, and marketing food.

RESOURCE C: MEDIA COMMENTS



QUESTION ONE: SKILLS SHORTAGE

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Use the information in Resources A–C and your business knowledge to answer this question. Discuss how Kira's plan to hire an experienced food technologist will be impacted by the current shortage of food technologists in the labour market. In your answer: define the term 'skills shortage' fully explain TWO potential impacts on Whakaora if the skills shortage continues.

What can we do about the skills shortage? Thoughts from a business executive:

If we intend to survive (and thrive) through the skills gap crisis, employers will need to make serious investments in sourcing, developing, and retaining talent.

(b) Discuss a solution that Kira could use to resolve the issue of a skills shortage in her business.

In your answer:

describe ONE short-term solution

•	explain ONE advantage of this solution for <i>Whakaora</i> fully explain ONE long-term solution that Kira could implement in order to avoid skills shortages in her business in the future.

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QUESTION TWO: PRODUCTION DISRUPTION

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Kira has set up a smoothie bar at the local farmers' market where she makes smoothies containing her new frozen smoothie drops. There has been a real interest in her new product, so in addition to the farmers' market, she has decided to make the smoothie drops available to her customers through online ordering.

Due to the strong interest in the new product, online orders have increased and the machine that makes these smoothie drops now requires additional maintenance. As the machine has not been regularly maintained, online orders have been taking an unacceptable two weeks to complete.

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

Fully explain ONE possible reaction <i>Whakaora</i> 's customers may have to the wait time for their orders.				

(b)

	cuss how Kira could deal with the issue of online orders taking two weeks to complete.	USE
,	describe the benefit to Whakaora of enabling its customers to order online	
	explain ONE short-term solution to the unacceptable wait time	
	fully explain ONE long-term solution to avoid unacceptable wait times from happening in the future.	

QUESTION THREE: NEW COMPETITION AND PŪTAKE

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Having native ingredients in products is attracting a lot of interest from customers who are seriously questioning what they are putting into their bodies and on their skin.

Natural and organic products are enjoying a boom, thanks to customers' increasing desire to learn more about indigenous values and perspectives on food. Kira has noticed that many new competitors entering the market are claiming their products to be natural and organic; however, not all competitors are as honest as her about the benefits of the ingredients they use. Kira has been passionate about making *Whakaora*'s customers reconnect to foods that have been so important to Māori in the past to improve their health.

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

a)	Discuss the impact of a new competitor on <i>Whakaora</i> . In your answer:				
	explain how a new competitor could negatively impact a small business like Whake				
	•	fully explain TWO potential benefits to <i>Whakaora</i> 's customers of a new competitor entering the market.			

Definition: pūtake

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Pūtake refers to the origin, or reason for being. Every business has a reason for being. Many Māori businesses exist for the same reasons as other businesses – that is, they are there to provide goods or services at a profit and to enrich the business owner(s). A significant number, however, have a very different purpose. Such businesses emphasise communal and social responsibilities, which may not be a priority for mainstream businesses.

(b) Fully explain how Kira could use putake to deal with the issue of new competitors entering the market.

In your answer:

- identify an example of pūtake for Kira's business, Whakaora, other than making a profit
- fully explain how this example could be used to help Whakaora compete with the new competitors.

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