

90839



908390



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

## Level 1 Business Studies, 2014

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

2.00 pm Thursday 20 November 2014

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.**

Pull out Resource Booklet 90839R from the centre of 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 2–8 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**

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Read ALL of the resources in Resource Booklet 90839R before you begin answering the questions in this booklet.

### QUESTION ONE: CONFLICT IN THE WORKPLACE

Stacey and Jane are not getting along, and have different ideas about where the *Cool Cupcake Company* should be heading.

Use the information in Resource A and your business knowledge to complete parts (a) to (c) to fully explain the communication and workplace conflict issues.

- (a) Describe the term “workplace conflict” and provide an example of the conflict between Stacey and Jane.

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- (b) Fully explain TWO possible negative consequences for the business if the conflict between Stacey and Jane continues.

(1)

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(2)

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(c) Discuss the best way for Stacey and Jane to deal with their differences.

In your answer:

- describe ONE appropriate **short-term** solution
- explain ONE advantage of this solution
- fully explain TWO **long-term** solutions that Stacey and Jane should implement in order to avoid conflict in the future.

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**QUESTION TWO: CASH FLOW ISSUES**ASSESSOR'S  
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Due to increased competition since the shop opened, *The Cool Cupcake Company's* sales revenue is decreasing. Also, the company's suppliers are tightening their credit policies.

Use the information in Resources A and B, and your business knowledge, to complete parts (a) to (c) to fully explain the cash flow issues caused by low sales and tightening credit.

- (a) Outline why it is important for a business to prepare a cash flow forecast.

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- (b) Discuss the cash flow problem that *The Cool Cupcake Company* faces.

In your answer, fully explain:

- a cause of the low sales, and an effect this might have on the business
- why the suppliers might have tightened their credit policies, and an effect this might have on the business.

A cause and effect of the low sales: \_\_\_\_\_

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Credit tightening: \_\_\_\_\_

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- (c) Discuss the best solution for *The Cool Cupcake Company* to ensure that the issue of negative cash flow resulting from ONE cause mentioned in part (b) is resolved.

In your answer:

- describe TWO appropriate solutions for the cause mentioned in part (b)
- choose the better solution *AND* fully explain how it would resolve the issue
- fully explain ONE long-term consequence of the better solution.

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**QUESTION THREE: PRODUCTION ISSUE CAUSED BY EQUIPMENT BREAKDOWN**ASSESSOR'S  
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Use the information in Resources A and B, and your business knowledge, to fully explain how Stacey and Jane can resolve the production issue.

- (a) Outline the issues related to the equipment used by *The Cool Cupcake Company*.

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- (b) Discuss the consequences for *The Cool Cupcake Company* of the equipment issues.

In your answer, fully explain:

- the impact on production
- consequences for the performance of the business.

Impact on production: \_\_\_\_\_

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Consequences for performance of the business: \_\_\_\_\_

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- describe TWO appropriate solutions
- choose the better **short-term** solution and fully explain ONE advantage of this solution
- fully explain why this solution might **not** be the better solution in the **long term**.

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

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QUESTION  
NUMBER

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