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## Level 1 Business Studies 2022

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

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 2–12 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (X/X). This area may be cut off when the booklet is marked.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

Read the resource below before you begin answering the questions in this booklet.

## CASE STUDY

Kiara and Keanu, twin sister and brother, are in partnership and co-own *Kaha Tahi Workouts* (KTW), a fitness centre that focuses on generational well-being operating in the community of Whakatāne. KTW attracts members to their gym by engaging with whānau and employing tikanga, and using group exercise programmes. The business objective is to bring people into a group environment where whānau can all work and encourage each other. Some of the group exercises involve the use of traditional Māori dance. Kiara's and Keanu's philosophy is about building a great future for themselves and their tamariki. They have a business objective to grow beyond the Whakatāne community.

The whakaaro (idea) is that it's family first, and then the workout part comes second. Kiara and Keanu have created a workout space where whānau come together as a group to work out under the guidance of instructors. Each workout is created on the basis that everybody is equal – KTW is a space where whānau can strive together for a healthier lifestyle.

KTW says in its marketing that the gym offers fitness for everyone. "The atmosphere and support are fantastic. Push the barriers, and whānau will see the results. Every workout is different, and it becomes addictive."

As one customer review said: "Toa taki tini! Meaning: whānau, atmosphere – pushing, encouraging, and helping one another! By whānau for whānau."

Kiara and Keanu are aware that because of the pandemic, the way the community/whānau live, work and access goods and services has substantially changed, and this has provided Kiara and Keanu with an opportunity to grow their business. They recently decided that the business needs to be more tech-savvy, so that all whānau, whatever their circumstances, can regularly access their fitness classes. With a physical space, KTW can reach the people in Whakatāne when they visit the gym and walk through the front door, but with technology, a business in any small town can reach its target community.

Kiara and Keanu recently employed a web design company to produce a website and mobile app. This was to enable KTW to allow its fitness classes to be accessed live online, with ease. The web design company produced an excellent website and mobile app that could continue to be operated and built on as the business grows.

To reduce ongoing IT costs, Kiara and Keanu decided to recruit an IT expert, Alice, to operate and run the website and apps, in particular managing the live feed for fitness classes. Alice was recommended to them by a gym member, and they employed Alice for an immediate start. Unfortunately, Alice's skill levels have proved to be less than adequate, and gym members have become frustrated with frequent difficulties in accessing the live fitness classes online – the classes have been hard to find and slow to load. Because of this, Kiara and Keanu have had to spend a lot of time responding to customer complaints, reducing the time available to create new fitness workouts for their face-to-face and online customers.

- define the term ‘recruitment’
- explain TWO recruitment procedures that Kiara and Keanu should have followed when employing Alice, and explain how each procedure could have contributed to recruiting the right person for the job.

Today's consumers are online-savvy. They know what they are looking for, and where to find it. So if a website is poorly designed, it will jeopardise the credibility of the business it is associated with. Businesses need to ensure that their website and apps are intuitive and easy to use, to enable customers to click through and find what they need. Most online consumers want to find what they are looking for quickly.

- (b) Discuss the consequences for *KTW* of the ongoing inefficient operation of the website and apps, and how *KTW* could solve the issues created by Alice.

In your answer:

- explain a consequence for *KTW* of the inefficient operation of its website and apps
- identify an immediate course of action *KTW* could take to fix this human resource issue with Alice
- explain ONE advantage of this solution to Alice
- explain ONE long-term benefit for *KTW* of solving this human resource issue.



## QUESTION TWO: Workplace accident

Kiara and Keanu have been working to ensure that the fitness classes on offer are suitable for the online and face-to-face environments, so that users of both options receive the same benefits. This has prompted them to be innovative and spend many hours designing new workouts. Keanu is responsible for maintaining the equipment in the gym, in order to comply with the requirements of the Health and Safety at Work Act 2015. However, his energy has been spent focusing on growing the business into the online market.

At a recent fitness class being instructed by Kiara, one of the resistance bands broke and slapped a customer in the face, causing swelling on their cheek. Kiara cancelled classes for the day and took the customer to a doctor.

- (a) (i) Describe ONE cause of the workplace accident.

- (ii) Explain ONE negative consequence of the workplace accident for the business.

(b) Discuss a possible solution for *KTW* which would help to prevent workplace accidents in the future. In your answer:

- describe ONE appropriate short-term solution
- explain ONE advantage of this solution
- explain ONE long-term measure that *KTW* could implement to reduce the risk of a similar gym accident in the future.

<b>DEFINITION</b>
<b>Tikanga</b>
The values, guidelines, rules, priorities, and other ways of doing business that set a business apart from other businesses, particularly those that operate solely to produce a profit for the owners / shareholders.

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Kiara and Keanu believe their tikanga – the way they carry out actions in their gym within the Whakatāne community and the online environment – can be used to manage the risk of going online.





Maintaining good customer relationships is important to ensure customer loyalty to the business and minimise loss of customers to new competitors.
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(b) Discuss how Kiara and Keanu could best maintain customer loyalty.

In your answer:

- describe TWO appropriate actions
- choose an action and explain how it would maintain customer loyalty
- explain ONE long-term consequence of the action.



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

QUESTION  
NUMBER

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