NZQA

NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Level 1 Business Studies, 2012

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

9.30 am Thursday 29 November 2012
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

ASSESSOR'S USE ONLY

You are advised to spend 60 minutes answering the questions in this booklet.

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

QUESTION ONE: RECRUITMENT

Woody's Timber Ltd is having difficulty replacing staff members who have recently retired.

Use the information in Resource A, and your business knowledge, to complete parts (a) to (d) below to fully explain the recruitment issues.

(a) Define the term "recruitment of employees".

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(b) Explain one negative consequence of a staff shortage for *Woody's Timber Ltd*.

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(c) Describe one possible cause of *Woody's Timber Ltd*'s recruitment issues.

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(d) Discuss possible solutions for *Woody's Timber Ltd* which would deal with the recruitment issue.

In your answer:

- describe ONE appropriate **short-term** solution
- explain TWO advantages of this solution
- fully explain TWO **long-term** measures that *Woody's Timber Ltd* could implement to avoid similar recruitment issues in the future.

QUESTION TWO: AN "ACT OF GOD"

> A major flood devastates the area where *Woody's Timber Ltd* is situated.

Use the information in Resources A and B, and your business knowledge, to complete parts (a) to (d) below to fully explain the issues caused by the flood.

(a)   Outline an immediate issue the flood (an "act of God") has created for *Woody's Timber Ltd*.

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(b)   Explain the difference between an "act of God" and criminal damage.

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(c)   Identify one other type of "act of God" that *Woody's Timber Ltd* should prepare for.

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(d) Discuss the best solution for *Woody's Timber Ltd* which would deal with the issue of the damaged stock and machinery in the drying room.

In your answer:

- describe TWO appropriate **solutions**
- choose the **better** solution **and** explain how it would deal with the issue
- fully explain why it would be a better solution than the other one, by explaining a short-term **and** a long-term consequence of the solution.

QUESTION THREE: CASH FLOW

Woody's Timber Ltd is facing cash flow issues, due to the decrease in building activity.

Use the information in Resources A and C, and your business knowledge, to complete parts (a) to (d) below to fully explain the cash flow issues.

(a)   Describe one reason for *Woody's Timber Ltd* completing a cash flow forecast.

(b)   Explain why managing cash flow is vital for the success of any business.

(c)   Outline one reason why actual cash flow may differ from forecasted cash flow.

(d) Discuss the best way for *Woody's Timber Ltd* to deal with its cash flow issues.

In your answer:

- describe ONE appropriate **short-term** solution
- explain TWO advantages of this solution
- fully explain TWO **long-term** solutions that *Woody's Timber Ltd* should consider in order to avoid cash flow problems in the future.

QUESTION
NUMBER

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

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