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Level 3 Business Studies, 2015

91381 Apply business knowledge to address a complex problem(s) in a given global business context

2.00 p.m. Tuesday 24 November 2015 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Apply business knowledge to address a complex problem(s) in a given global business context.	Apply in-depth business knowledge to address a complex problem(s) in a given global business context.	Apply comprehensive business knowledge to address a complex problem(s) in a given global 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 91381R 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 2–12 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

QUESTION ONE: INVESTMENT APPRAISAL

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Use the information in Resources A to D in the resource booklet, and in the box below, in addition to your business knowledge, to answer this question.

Weka TV is a New Zealand-based satellite television provider. It is the largest pay television platform in New Zealand. *Weka TV* is listed on the New Zealand Stock Exchange, the NZX.

In recent years *Dingo TV*, the Australian television provider, has been interested in a take-over. Consequently, senior managers at *Weka TV* are focused on maintaining short-term profits in order to reduce the likelihood of a take-over.

In 2014 *Weka TV* decided that it needed to add an online component to its product range. This is expected to have a large impact on customers and other stakeholders.

(a) Discuss the possible causes and effects of the decision made by *Weka TV* to add online content to its product mix.

In your answer, fully explain:

- TWO factors which may have caused the decision to offer online content
- TWO possible effects of the decision to offer online content on the business, and on its stakeholders, such as investors, employees, and suppliers.

(b) Weka TV has two potential options for adding online content to its product line; these are described in Resource D. Evaluate the TWO possible solutions for providing online content described in Resource D, using the investment appraisal data provided. In your answer: fully explain ONE positive effect that each solution would have on the business state the solution you recommend justify your recommendation by explaining why it is better than the other solution.

More space for this answer is available on the next page.

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QUESTION TWO: PROBLEMS CAUSED BY OUTSOURCING CALL CENTRES

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Use the information in Resources E and F, and the box below, in addition to your business knowledge, to answer this question.

Weka TV's expansion into online content required an increased level of administrative and technical support for new and existing customers. The senior managers decided to outsource their call centre to a firm in India. This soon ran into problems.

(a) Discuss the possible causes and effects of the problems resulting from outsourcing to the Indian call centre.

In your answer, fully explain:

TWO factors which may have caused the problems TWO possible effects of the decision to outsource the call centre on the business, and on its stakeholders, such as investors, employees, and suppliers.

	sion to outsource the call centre.	
(1)		_
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ores	luate how the TWO possible solutions you named in (b) would address the problems sented by the outsourcing of the call centre.	
, , , , , , , , , , , , , , , , , , ,	fully explain ONE positive effect that each solution would have on the business	
•	state the solution you recommend	
	justify your recommendation by explaining why it is better than the other solution.	
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QUESTION THREE: PROBLEMS ASSOCIATED WITH LOCATION OF A WAREHOUSE

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Use the information in Resources G, H and I and the box below, in addition to your business knowledge, to answer this question.

Weka TV imports its set-top boxes and stores them in a warehouse in central Auckland before distribution. However, deliveries are becoming more expensive, and delivery times are increasing.

(a) Discuss the possible causes and effects of the increasing delivery times and costs. In your answer, fully explain: TWO factors which may have caused the increasing delivery times and costs TWO possible effects of the increasing delivery times and costs on the business, and on its stakeholders, such as investors, employees, and suppliers.

(b)	Weka TV has found two possible options for new warehousing; these are described in Resource I.
	Evaluate the TWO possible solutions in terms of how they would address the issue of increasing delivery times and costs.
	In your answer:
	 fully explain ONE positive effect that each solution would have on the business
	state the solution you recommend
	• justify your recommendation by explaining why it is better than the other solution.

More space for this answer is available on the next page.

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