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SUPERVISOR'S USE ONLY

90843



Level 2 Business Studies, 2015

90843 Demonstrate understanding of the internal operations of a large business

2.00 p.m. Tuesday 1 December 2015 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence		
Demonstrate understanding of the internal operations of a large business.	Demonstrate in-depth understanding of the internal operations of a large business.	Demonstrate comprehensive understanding of the internal operations of a large business.		

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.

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

TOTAL

Background information

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Questions One (a), Two (b), and Three refer to *ABC Sports Ltd*, a large New Zealand company that manufactures cricket products. They have 42 employees at their factory in Napier. The company has been selling their products to various distributors and retail outlets across New Zealand for ten years. The company is led by Chief Executive Officer (CEO) George Tag, who is regarded as an effective leader.

QUESTION ONE: LEADERSHIP

(a)	Fully explain the role and skills of George Tag as CEO of ABC Sports.
	In your answer:

In y	our answer:
•	explain the role of George Tag as CEO
•	fully explain TWO skills that George Tag may demonstrate as an effective leader.

(b) Discuss a leadership style for a large business (more than 20 employees and/or with a national or regional significance) you have studied.

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In your answer:

- explain the characteristics of this leadership style
- fully explain the impact of this leadership style on the employees of your chosen business
- justify, with TWO reasons, the effectiveness of this leadership style for your chosen business.

Business name	
Good(s) sold or service(s) provided	
Leadership style	

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

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QUESTION TWO: POLICIES AND PROCEDURES

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Policies and procedures are particularly important for large businesses employing more than 20 employees.

Discuss the need for, and importance of, policies and procedures for a large business when (a) employing more than 20 employees. In your answer: explain the importance of policies and procedures for a large organisation fully explain TWO consequences of a large business not having policies and procedures when it employs more than 20 people.

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ABC Sports is having difficulty controlling the manufacturing costs of its cricket products. George Tag has asked his production manager to improve cost control. He wants ABC Sports to introduce better policies and procedures to control manufacturing costs. George has several ideas to control costs, including the use of a monthly variance analysis.

(b) Discuss TWO policies and/or procedures *ABC Sports* could introduce to control its manufacturing costs.

In your answer:

- explain TWO policies and/or procedures ABC Sports could implement to control manufacturing costs
- fully explain how each policy and/or procedure would help ABC Sports to control manufacturing costs

•	justify, with TWO reasons, which policy and/or procedure would be more effective for <i>ABC Sports</i> to control manufacturing costs.

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QUESTION THREE: PRODUCTION PROCESS

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ABC Sports uses flow production methods to produce their cricket equipment. The factory is currently operating at 60% of capacity.

(a)		Discuss TWO benefits to <i>ABC Sports</i> of using flow production methods. In your answer:							
	 explain how ABC Sports uses flow production to produce cricket equipment fully explain TWO benefits to ABC Sports of using flow production methods. 								

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George Tag wants a more flexible approach to production. He is aware that current production methods are no longer meeting the demands of their customers. Customers' tastes and preferences continually change, and market research has shown that distributors prefer smaller orders for cricket equipment. Furthermore, new technologies such as online design facilities allow customers to create their own versions of a range of cricketing equipment. Customers follow a step-by-step customisation process, picking from a choice of colours and materials, and adding logos and personalised messages to create their own unique cricketing product.

(b) Discuss a different production method that ABC Sports could implement to better meet the demands of its customers. In your answer: identify and explain a different production method ABC Sports could implement fully explain ONE consequence of this production method for employees of ABC Sports justify, with TWO reasons, why this production method would be more appropriate than flow production for ABC Sports.

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

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