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90844



Level 2 Business Studies, 2013

90844 Demonstrate understanding of how a large business responds to external factors

2.00 pm Monday 25 November 2013 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how a large business responds to external factors.	Demonstrate in-depth understanding of how a large business responds to external factors.	Demonstrate comprehensive understanding of how a large business responds to external factors.

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

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

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Use the information in the boxes, and your business knowledge, to answer each question.

QUESTION ONE: SUPPLY CHAIN

inventory.

Emok is a large manufacturer of designer children's bedroom furniture, based in Hamilton. It builds funky, innovative children's furniture that is both durable and attractive. *Emok* can custom-make children's bedroom furniture to meet the needs of individual customers. *Emok*'s product range includes bunk beds, bookcases, and study desks. The furniture is built with the highest quality wood, which is sourced from renewable forests planted in the central North Island. Its products are sold to interior decorators and selected up-market retail outlets throughout New Zealand. *Emok* has outsourced the distribution of its furniture to *NZ Freight Ltd*.

(a) Fully explain why having an efficient supply chain is essential for the success of Emok's product.
 In your answer, you should give examples and refer to:

 customer orders
 customer satisfaction

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Emok is having difficulty with its supply chain. Its retail distribution channels are slow. Furthermore, its sole supplier, *Central North Island Plantations*, is unreliable and is unable to consistently supply the quantities of wood required.

Both of these factors have contributed to *Emok*'s inability to meet its customer orders on time. Management has decided to tackle this problem by increasing the degree of control *Emok* has over its supply chain.

- (b) Discuss how *Emok* could improve its **control** over the supply chain. In your answer, you should:
 - explain ONE flow-on effect for *Emok*'s customers, if the current situation continues
 - fully explain, with an example, how *Emok* could gain greater control over its supply chain

justify, with reasons, why this decision would improve <i>Emok</i> 's supply chain.

Question One continues on page 4 ➤

QUESTION TWO: ENTERPRISE CULTURE

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Emok is a leader in a market dominated by overseas companies. *Emok* has always maintained a New Zealand-based approach to design, manufacture, and marketing of their furniture. Having an enterprise culture is essential to *Emok*'s success.

•	innovation
•	attracting and retaining staff.

(b)

Discuss how having an enterprise culture is a way to differentiate itself from cheaper overseas competitors selling children's furniture in New Zealand. In your answer, you should: • give TWO examples of how <i>Emok</i> can differentiate itself from the competition	ASSESSO USE ON
 explain, with examples, the benefits of differentiation for the customer fully explain the impact of EACH example of differentiation on <i>Emok</i>'s sales justify, with reasons, which example of differentiation would be better for the long-term success of <i>Emok</i>. 	
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QUESTION THREE: POLITICAL AND SOCIAL INFLUENCES

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Businesses throughout New Zealand are influenced by several external factors. These could include political and social factors.

New Zealand businesse	S.	n political and social factors that influ

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For a large business (more than 20 employees, or with a regional or national significance)

(b)

	cuss how an external factor has affected the business.
Select ONE external fa	actor by placing a tick in the table below.
Political influence	
Social influence	
n your answer, you sh	oorld.
•	external factor has affected the business
	O decisions taken by the business in response to your selected
external factor	
justify, with reasonsustainability of	ons, which decision would be better for the long-term economic the business.
Business name	
Good(s) sold or	
service(s) provided	

Question Three continues on page 10 ➤

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	Extra space if required. Write the question number(s) if applicable.	AS
QUESTION NUMBER	write the question number (3) if applicable.	

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

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OUECTION	Write the question number(s) if applicable.	
QUESTION NUMBER	3	