1

SUPERVISOR'S USE ONLY

90838



### Level 1 Business Studies, 2019

# 90838 Demonstrate an understanding of external factors influencing a small business

2.00 p.m. Monday 11 November 2019 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an understanding of external factors influencing a small business.	Demonstrate a detailed understanding of external factors influencing a small business.	Demonstrate a comprehensive understanding of external factors influencing a small 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

#### **QUESTION ONE: ENVIRONMENTAL INFLUENCES**

ASSESSOR'S USE ONLY

Strawberry Summers is a strawberry farm in the Waikato specialising in selling fresh strawberries from the farm gate and at local farmers' markets for a limited season from September to January. The farm is owned and operated by Stu Reddy. Strawberry Summers currently employs seven skilled local staff on a full-time basis. Currently the entire farm is dedicated to strawberry growing and the annual business income is therefore reliant on a good growing season.

At the end of 2018, the Waikato was hit by a severe weather event involving heavy rain and humid weather. This affected *Strawberry Summers'* crops, and the quality and quantity of fruit sold.

impact of a severe	e weather event o	on Suawberry .	oummers.	

ASSESSOR'S USE ONLY

*Berries and Charming Treasures* is a competitor of *Strawberry Summers* in the Waikato. In addition to growing and selling strawberries, *Berries and Charming Treasures* has a boutique country shop that sells homeware and gifts, and a café that showcases the strawberries from the farm in its range of home-made food.

(b)	Discuss how <i>Strawberry Summers</i> could change its business operations in the future to enable it to cope better with the impact of extreme weather conditions.  In your answer:
	<ul> <li>explain how an extreme weather event would potentially have less impact on Berries and Charming Treasures than on Strawberry Summers</li> </ul>
	<ul> <li>fully explain TWO actions that <i>Strawberry Summers</i> could take to minimise the impact of extreme weather conditions in the future.</li> </ul>

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

ASSESSO USE ONL
1

#### **QUESTION TWO: EXTERNAL STAKEHOLDERS**

(a)

ASSESSOR'S USE ONLY

*Strawberry Summers* has many different external stakeholders who are interested in the success of the business. These include suppliers, customers, government, and the local community.

*Strawberry Summers* has a variety of suppliers, such as the businesses that supply containers for the strawberries, pesticides, fertiliser, and farming tools and equipment. These suppliers are dependent on *Strawberry Summers* having a good growing season.

In your answer:  define the term 'extern	ween Strawberry Summers and its suppliers.  al stakeholders'  wheelers' suppliers would be interested in the success of

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

ASSESSOR'S USE ONLY

ASSESSOR'S USE ONLY

The New Zealand Government has just announced that those farmers who are struggling to recover after the severe weather event will receive some government-funded financial assistance. This will help the strawberry farmers with essential living costs as they work through the clean-up and begin to repair damage. *Strawberry Summers* will be able to keep its skilled local employees. This will enable *Strawberry Summers* to invest in the strawberry farm to minimise the impact of severe weather events in the future.

Not all members of the local community are happy with the government assistance to farmers.

(b) Discuss how the government's objective of providing assistance to keep Strawberry Summers in business may lead to a conflict with some in the local community, including other local businesses that were also impacted by the severe weather event. In your answer:

fully explain how Strawberry Summers could use the assistance from the government

• explain why some people in the local community may oppose the government assistance to *Strawberry Summers* 

to respond to this opposition, and how this assistance would benefit the community.				

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

#### **QUESTION THREE: COMPETITION**

(a)

ASSESSOR'S USE ONLY

Long-range weather forecasts suggest that ideal growing conditions will occur in 2019 for Waikato strawberry farmers, which could result in bumper crops for the busy Christmas period. The government assistance from the 2018 season, combined with hot summer weather, should see large volumes of strawberries this year in Waikato markets. As a result, *Strawberry Summers* is likely to face greater competition in these markets.

n yo	ur answer: identify ONE negative consequence
	for the negative consequence identified, fully explain how Strawberry Summers could

SSES	SSOR	'S
USF	ONL	ĺ

Competition actually brings a number of benefits to businesses, but each business must find ways of standing out from its competitors.

Name of the small business	
Good(s) sold or service(s) provided	
<ul><li>compete with increased co</li><li>explain the cost of this cha</li></ul>	ration the business may have changed, or could change impetition nged business operation to the business or the business and its customers.

USE ONLY

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

ASSESSOR'S USE ONLY

OUESTION	1	write the question number(s) if applicable.	
QUESTION NUMBER	_		