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90838



Level 1 Business Studies, 2016

90838 Demonstrate an understanding of external factors influencing a small business

9.30 a.m. Friday 25 November 2016 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an 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 2–11 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: EXTERNAL STAKEHOLDERS

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Tame owns and operates a rural firewood business called *Wahia*. He secures contracts from local forest plantation owners to extract surplus waste wood which is then processed into firewood. After trees have been cut down and removed, there is a lot of waste wood left behind. Tame has recently been successful in gaining a contract from a Māori Land Trust which owns a forest plantation. He has a permit to extract this waste wood for his firewood business.

Wahia extracts firewood using heavy machinery. One of the clauses in Tame's contract with the Māori Land Trust states that at all times, Wahia must implement the concept of kaitiakitanga.

Kaitiakitanga is the exercise of guardianship – particularly in relation to natural resources, such as land, sea, and waterways; also flora and fauna, including people. This principle requires that sustainability and environmental protection is valued. As kaitiaki or guardians, the owners or trustees of an enterprise are responsible for protecting (and/or growing) resources for future generations – not just for short-term or individual profit.

(a) Discuss how Tame can demonstrate the concept of kaitiakitanga to maintain positive relationships with external stakeholders.

In your answer:

identify ONE external stakeholder for Wahia, and explain why it is a stakeholder

•	fully explain TWO approaches of kaitiakitanga that Tame could use to maintain a positive relationship with the identified stakeholder.

e to its high level of sustainable production practice, <i>Wahia</i> has been offered the opportunity extract firewood from another Māori Land Block located in the area. Tame is considering the pansion opportunity. Fully explain how <i>Wahia</i> 's stakeholders would be affected by <i>Wahia</i> 's proposed expansion. In your answer: identify another external stakeholder of <i>Wahia</i> , different from the one that you gave in part (a) fully explain ONE positive and ONE negative impact of the proposed expansion on the named stakeholder.			ASSE
Fully explain how Wahia's stakeholders would be affected by Wahia's proposed expansion. In your answer: identify another external stakeholder of Wahia, different from the one that you gave in part (a) fully explain ONE positive and ONE negative impact of the proposed expansion on the			
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(b)

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QUESTION TWO: COMPETITION

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For the first time, *Wahia* is facing competition within the local market. A small firewood business from outside the region has expressed interest in establishing itself in *Wahia*'s area of operation. The competitor is going to offer a similar service to *Wahia* – harvesting and selling firewood.

n y	our answer, for EACH response:	
,	describe the response	
,	explain the cost of the response to Wahia	
•	fully explain ONE positive consequence for Wahia's customers.	
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QUESTION THREE: ENVIRONMENTAL INFLUENCES AND SUSTAINABILITY

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Wahia is a business that operates in the natural environment. Many businesses are becoming more aware of their environmental responsibilities.

(a)	 Fully explain the effect on <i>Wahia</i> if it was not environmentally responsible. In your answer: explain ONE way that <i>Wahia</i> could damage the environment with its business operations fully explain TWO negative outcomes for <i>Wahia</i> arising from damage to the 				
	environment.				

Name of the small business	
Good(s) sold or service(s)	
provided	
your answer:	the business is, or can become, environmentally responsible
	consequences for the business.

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