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90844



# Level 2 Business Studies, 2018

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

9.30 a.m. Tuesday 13 November 2018 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 parts of the task in this booklet.

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

#### **TASK**

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Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task.

### **DEFINITION**

**Kaitiakitanga**: the exercise of guardianship, particularly in relation to natural resources, such as land, sea, and waterways; also flora and fauna, including people, that comprise elements of the natural environment. This principle requires that sustainability and environmental protection are 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.

#### **COMPANY PROFILE**

*Katipo Lemonade* is an organic fizzy drink producer based in Kaitaia, Northland. It is Fairtrade-certified, and sources all of its ingredients from local Northland suppliers. One of the key values in its mission statement is:

"Katipo Lemonade is a strong advocate for preserving the environment. We want to be able to source the fresh waters of our Northland streams for many years to come."

#### **BACKGROUND INFORMATION**

The government has the option to introduce a water tax for bottling companies. The revenue that this tax would create would go to local councils and be used to clean up the country's waterways. It is estimated that it takes approximately 9 litres of water to make 1 litre of fizzy drink.

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The New Zealand fizzy drink industry has received negative publicity regarding the use of water in the production process for their drinks. Katipo Lemonade sources water for the production of its fizzy drinks from a local underground source. The local kaitiaki

- (guardian) has raised concerns about the water in this underground source being diminished by the intensive usage of business. As a result, the kaitiaki is requesting the local council to enforce the Resource Management Act (RMA) to ensure that the water level is maintained. (b) Discuss the impact of the RMA on *Katipo Lemonade*. In your answer: explain how complying with the RMA will help Katipo Lemonade practise kaitiakitanga fully explain ONE likely consequence on production for Katipo Lemonade if it is not able to comply with the RMA in Kaitaia justify, with TWO reasons, whether it is in *Katipo Lemonade*'s best interests to comply with the RMA.

In order to ensure that it minimises its water usage, *Katipo Lemonade* has decided to invest in new technology such as flow meters and leak detection systems. It has also installed automatic shutoff or low-flow nozzles to reduce water wastage at vital times throughout the production process. The board of directors is constantly looking for other ways in which technology could help improve business practices besides resolving environmental issues.

(c)

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	with more than 20 employees, and/or having national tudied, discuss the impact that a technology change has
Name of large business:	
Goods and/or services provided:	
	e that the business you have studied has made and ONE disadvantage of this technology change for the

Society expects businesses to behave in a sustainable manner. The triple bottom line considers the social, environmental, and financial performance of an organisation in acting sustainably. *Katipo Lemonade* is conscious of the impact that it has on environmental sustainability, but would also like to ensure that it is acting sustainably in all areas of its triple bottom line.

(d) Discuss TWO possible actions *Katipo Lemonade* is taking or could take to ensure that it is meeting society's expectations in all aspects of the triple bottom line (apart from environmental).

In your answer:

- explain the importance of Katipo Lemonade behaving sustainably in all areas and not just environmentally
- fully explain TWO actions that *Katipo Lemonade* has taken or could take in order to be more socially and/or financially responsible

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