SUPERVISOR'S USE ONLY

90838



Level 1 Business Studies, 2013

90838 Demonstrate an understanding of external factors influencing a small business

2.00 pm Wednesday 20 November 2013 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 2–16 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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QUESTION ONE: STAKEHOLDERS

Use the information in the boxes and your business knowledge to complete the following tasks.

Living with Wood is a small business that produces a range of wooden outdoor furniture. It employs 18 staff, whose jobs range from administration through to production and delivery. Like any other business, Living with Wood has many stakeholders – both internally and externally.

efine the to	erm "stakeholders in a business".	
	g with Wood's external stakeholders is the customer may conflict with that of the busine	
2)		

Most businesses are aware of the need to ensure that they maintain positive relationships with their external stakeholders, to mutually benefit all parties.

- (c) Discuss, with reference to a small business (up to 20 employees and/or with local or community significance) that you have studied, how maintaining a positive relationship with an external stakeholder can mutually benefit the business and its stakeholder.

 In your answer:
 - identify ONE external stakeholder **other than** customers and the community, and describe its interest in the named business
 - explain how your named business could maintain a positive relationship with the named stakeholder
 - fully explain, with TWO examples, how maintaining positive relationships would mutually benefit the business and the named stakeholder.

Name of the small business	
Good(s) sold or service(s) provided	

Question One continues on page 4

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QUESTION TWO: CITIZENSHIP

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Use the information in the boxes and your business knowledge to complete the following tasks.

Living with Wood values the importance of demonstrating good citizenship. It employs local staff and recruits apprentices from the local area whenever possible.

	enship" from a busines			
Fully explain	the benefits for Living	with Wood of de	monstrating good citiz	zenship.

As a demonstration of its citizenship, *Living with Wood* has made every effort to be involved in community initiatives. However, it has been under financial pressure during the last few years, as customers have cut back on purchases of their higher-value products. Management are considering reducing the involvement of the business in the community.

(c) Discuss the consequences for *Living with Wood* of reducing its level of involvement in the community.

In your answer:

- identify ONE consequence for the community if *Living with Wood* reduces its involvement in the community
- explain ONE benefit for *Living with Wood* of reducing its involvement in the community

fully explain TWO possible negative consequences for <i>Living with Wood</i> of becom less involved in the community.	,

Question Two continues on page 8

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QUESTION THREE: LEGAL INFLUENCES

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Use the information in the boxes and your business knowledge to complete the following tasks.

Recently there has been a series of accidents in the *Living with Wood* factory. The owners are concerned with the number of accidents occurring and the resulting work days lost.

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Personnel from the Health and Safety Division of the Ministry of Business, Innovation and Employment have met with the owners of *Living with Wood* to discuss its health and safety record. They have been warned that unless the situation improves, they will face the likelihood of being prosecuted and fined.

(c) Discuss the benefits for *Living with Wood*'s **employees** of the business improving its health and safety record.

In your answer:

- identify ONE action that Living with Wood could take to provide a safer working environment for its staff
- explain ONE possible cost for *Living with Wood* of making these improvements

Question Three continues on page 12

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QUESTION FOUR: GLOBAL CONNECTIONS

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Use the information in the boxes and your business knowledge to complete the following tasks.

Living with Wood is considering importing a range of different woods that are not grown commercially in New Zealand. It will use this wood in the production of many of its final products. Some of these final products will then be exported.

Define	e the term "global business environment".
ully e	explain TWO benefits for <i>Living with Wood</i> of becoming an exporter in the global etplace.
1)	
2)	

The owners of *Living with Wood* are aware that importing materials creates new production possibilities for the business, as well as new risks.

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•	our answer: identify ONE change that <i>Living with Wood</i> would need to make to become an importer explain ONE possible risk for <i>Living with Wood</i> of becoming an importer
•	fully explain TWO possible benefits for Living with Wood of becoming an importer.

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

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QUESTION NUMBER	_		