

FREE SAMPLE: THE FIRST 3 QUESTIONS

Question One (28 marks)

(a) Background information

Alpine Outdoor Packs is a Christchurch company with 70 staff that designs backpacks and tents sold in Canada and Germany. It is considering moving its sewing from Christchurch to a contract factory in Vietnam.

You may choose EITHER Alpine Outdoor Packs OR a New Zealand-registered business operating in a global context that you have studied in depth. You may integrate any relevant Māori business concepts into your answers.

(i) [2 marks] Explain one advantage to the operations function of the business of using an overseas partner for part of its work.

(ii) [2 marks] Explain one risk of this decision for the business or the people who work for it.

(iii) [3 marks] Evaluate how the decision would affect the way the operations, finance and marketing functions work together.

[7 marks]

THE WORKED ANSWERS TO THOSE 3 QUESTIONS

Question 1 (28 marks) [Internal factors of a business in a global context]

(a) Background information Alpine Outdoor Packs is a Christchurch company with 70 staff that designs backpacks and tents sold in Canada and Germany. It is considering moving its sewing from Christchurch to a contract factory in Vietnam. You may choose EITHER Alpine Outdoor Packs OR a New Zealand-registered business operating in a global context that you have studied in depth. You may integrate any relevant Māori business concepts into your answers. (i) [2 marks] Explain one advantage to the operations function of the business of using an overseas partner for part of its work. (ii) [2 marks] Explain one risk of this decision for the business or the people who work for it. (iii) [3 marks] Evaluate how the decision would affect the way the operations, finance and marketing functions work together.

(a) Answer: (i) An advantage for Alpine Outdoor Packs is that the contract factory's wages and overheads are lower, so the cost of making each pack falls and the company can offer lower prices in Canada and Germany. (ii) A risk is that the company can no longer watch quality at its own site, so faults may reach customers, and its Christchurch sewing staff may lose their jobs, which harms morale among remaining staff. (iii) On one hand, lower unit costs free up money for marketing and design, and design staff can focus on new products. On the other hand, longer shipping times mean slower response to orders, and any quality failure damages a brand that is built on durability. Weighing these, outsourcing can work if the design, operations and finance teams agree on quality checks and stock levels before the move. The decision shows that operations, finance and marketing cannot be managed separately.

- Evidence level: Excellence (explains an advantage and a risk of using an overseas partner, then evaluates how the decision links operations, finance and marketing with a weighed judgement).
- Achievement evidence (explains): An advantage for Alpine Outdoor Packs is that the contract factory's wages and overheads are lower, so the cost of making each pack falls and the company can offer lower prices in Canada and Germany.
- Merit evidence (fully explains): An advantage for Alpine Outdoor Packs is that the contract factory's wages and overheads are lower, so the cost of making each pack falls and the company can offer lower prices in Canada and Germany. A risk is that the company can no longer watch quality at its own site, so faults may reach customers, and its Christchurch sewing staff may lose their jobs, which harms morale among remaining staff.
- Excellence evidence (evaluates): An advantage for Alpine Outdoor Packs is that the contract factory's wages and overheads are lower, so the cost of making each pack falls and the company can offer lower prices in Canada and Germany. A risk is that the company can no longer watch quality at its own site, so faults may reach customers, and its Christchurch sewing staff may lose their jobs, which harms morale among remaining staff. On one hand, lower unit costs free up money for marketing and design, and design staff can focus on new products. On the other hand, longer shipping times mean slower response to orders, and any quality failure damages a brand that is built on durability. Weighing these, outsourcing can work if the design, operations and finance teams agree on quality checks and stock levels before the move. The decision shows that operations, finance and marketing cannot be managed separately.

KEY TAKEAWAY

Decisions in one function (operations) change the others (finance, marketing): show the link, weigh both sides, then judge.

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