

1.1 Introduction to Business Management: Assessment



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1.1 INTRODUCTION TO BUSINESS MANAGEMENT: ASSESSMENT

Read the case study below and answer the questions that follow.

SMART SEAFOODS LTD



Smart Seafoods, set up ten years ago in Wellington, New Zealand provides fresh fish and seafood to Progressive and Foodstuffs, New Zealand's largest supermarket retailers. Its wide range of products include value added seafood lines such as ready to eat, single portion fish dinners and flavoured canned tuna, all sold under the 'Eat Smart' label. As well as buying a number of companies in Christchurch and Tauranga, founder and chairwoman, Maisie Ryall has invested in an Australian salmon farm in Tasmania. The company's profits have grown 73% a year from \$1.2 million in 2012 to \$6.3 million in 2015.

The company owns a new state of the art factory, with advanced processing machinery imported from Germany, at the Foxover Industrial Park, Lower Hutt. It was chosen through an analysis of 19 sites across the North Island of New Zealand. As well as proximity to its customers' radial distribution centres it was attractive because of its access to a large pool of available and naturally talented workforce, willing to share the company's vision of developing a genuinely world leading seafood operation. The opportunity cost of investing in this processing plant was postponing the purchase of a large factory ship capable of trawling sub Antarctic waters. Mrs Ryall believe it was the best decision.

Source: BusinessManagementIB.com

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25 Marks, 45 minutes

1. Define and provide an example from the case study of:
 - i. A **capital good**
 - ii. An **opportunity cost**. **[4 marks]**

2. Explain what a business is and what it does. **[4 marks]**

3. Identify **inputs, outputs** and **processes** of Smart Seafoods. **[4 marks]**

4. Outline the **four** main business functions at Smart Seafoods. **[4 marks]**

5. Discuss how changes in the economic structure of New Zealand could impact on Smart Seafood's business operations, both primary and manufacturing. **[9 marks]**