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90837



NEW ZEALAND QUALIFICATIONS AUTHORITY
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SUPERVISOR'S USE ONLY

Level 1 Business Studies, 2015

90837 Demonstrate an understanding of internal features of a small business

9.30 a.m. Friday 27 November 2015
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an understanding of internal features of a small business.	Demonstrate a detailed understanding of internal features of a small business.	Demonstrate a comprehensive understanding of internal features of 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 2–10 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.

Excellence

TOTAL

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QUESTION ONE: EMPLOYER/EMPLOYEE RELATIONSHIPSASSESSOR'S
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Shane grew up in a national park, learning about the mountains, rivers, and forests of the area from his koro (grandfather). After completing a business course at the local polytechnic, he decided to start up a trekking business called *Hikoi Whenua*.

Shane has two part-time employees. Ngahuia is the office administrator who greets clients and manages bookings, and Tipene is a guide. Both workers are from the local iwi (large Māori tribal group).

- (a) Discuss TWO reasons why it is important to have effective employer/employee relationships. In your answer:

- describe what "effective employer/employee relationships" mean
- fully explain TWO impacts that effective employer/employee relationships will have on *Hikoi Whenua*.

Effective employer/employee relationships mean both employer and employees are able to get along well and good communication is passed back and forward between two parties. Effective employer/employee relationships is about equal and fair treatment by employer not exercising power over employee and expecting too much and employee doing what's expected by them within jobs.

An impact of effective ~~communication~~ employer/employee relationships decisions ~~can~~ may be harder to make. If they have effective employer/employee relationships maybe hard to make decisions if Shane is in need of personal opinions from workers. Workers may just agree with him. No decisions come to a conclusion.

(b) Fully explain TWO features of Shane being a good employer.

In your answer:

- explain why each feature indicates that Shane is a good employer
- fully explain how each feature may affect employee attitudes towards the business.

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A feature of Shane being a good employer would be paying two employees Ngahuia and Tipene reasonable/good amount wages. This would show that Shane is a good employer as he values work both employees put in to business. Grateful of their assistance and paying them good wages being over minimum wage shows there quality of work they they put into business, and how he ~~respects~~ respects ~~the~~ / observes effort committed. This may affect ~~employee~~ employee attitudes in a good way as they feel a sense of worth in Hiko Whenua, making them maintain work effort committed and still being producted. Employees more invested in business //

Explains feature -
Shane pays wages
in return for their
work.

Effect on employees'
attitude to work is
explained.

Another feature of Shane being a good employer would be ensuring work environment is safe for ~~the~~ two employees especially for Tipene who is a guide. This shows Shane is a good employer as he shows concerns of health and safety of workers and meets health and safety legal requirements. Even though he is trying to make profit doesn't sacrifice employees as a result. This will affect employees in positive way as they will have a more comfortable and positive attitude in work environment. Won't have to limit themselves as still maintain good work effort.

Explains feature -
safe environment.

Effect on employees'
attitude to work is
explained.

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QUESTION TWO: ENTREPRENEUR

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There are many entrepreneurs in New Zealand – Michael Hill, Dick Hubbard, Stephen Tindall, and Trelise Cooper are just a few well-known examples.

The enterprise culture is alive and well in New Zealand; almost one in seven adults in New Zealand are classified as entrepreneurs, one of the highest levels in the world (Frederick, 2004).

Source (adapted): http://www.treasury.govt.nz/publications/research-policy/tprp/08-04/03.htm#_tocInternational_benchmarks

(a) Fully explain TWO characteristics of being an entrepreneur.

In your answer:

- identify each characteristic of an entrepreneur
- fully explain why each characteristic is important.

One characteristic of being an entrepreneur is being driven. This is possessing the need to be success which entrepreneurs strive for. This is important as being driven to be successful motivates ~~the~~ entrepreneurs to never give up and complete and keep to carry out a job needed to be done to bring a product or service to the market. This driven attitude helps to complete processes that are needed to be pursued to be an entrepreneur who forms a business which requires hardwork.

Characteristic identified.

Explains why characteristic is important.

Another characteristic of being an entrepreneur is being persuasive which is needed when gaining interest for service or product ^{it provides which} ~~entrepreneur~~ business ~~has~~ entrepreneur has ~~formed~~ ~~business~~ formed into business. This characteristic of being persuasive is important as gaining interest can help achieve business purpose as interest gained is ^{done} by how well they can sell product or service or getting interest of other ~~investors~~ ~~and~~ gain loyal customers or even help get others to invest in a business, raising capital.

Characteristic identified.

Explains why characteristic is important.

Driven
Confident
Persuasive
Leader
Creative
Competitive
Open minded
Passionate
Risk taker

Prior to completing the business course and establishing *Hikoi Whenua*, Shane was involved with other business projects, including possum hunting and alpaca farming. Shane has the skill to identify opportunities in different markets and develop small businesses to meet the demand.

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- (b) *Hikoi Whenua* has benefited from Shane's skills as an entrepreneur. Fully explain how Shane's skills as an entrepreneur contribute to his business success.

In your answer:

- explain TWO entrepreneurial skills that Shane demonstrates
- fully explain how each skill contributes to his business success.

Shane demonstrates the entrepreneurial skill of being a risk taker. He does ^{this} by showing he likes to be challenged and is willing to invest his time ~~into~~ and money into business opportunities which has experience ~~of~~ ~~from~~ being involved in other business projects ~~this~~. Despite the idea of ~~failure~~ business ^{failure} this hasn't discouraged him as he sees potential business opportunities. This contributes to his success as he isn't afraid to give things a go ~~and risk~~ as well as giving him a positive attitude to be successful rather than doubting himself that wouldn't lead to these possible opportunities. //

Explains skill.

How the skill contributes to success is explained.

Another skill ~~is~~ Shane demonstrates is being creative. Shane ~~doesn't~~ doesn't limit himself to business ventures ~~that~~ he can pursue and is willing and sees business opportunities in different markets. He can visualise and is unique about ~~that~~ developing or changing a way something is done in other markets. This skill contributes to his ~~success~~ success as being creative is how he identifies opportunities in different markets. He is unique and challenges the way things are done which has contributed to his success because ~~he is different and he thinks differently of ways he can meet demand with in a market.~~

Skill explained.

How the skill contributes to success is explained.

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QUESTION THREE: BUSINESS SUCCESS

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Shane was entrusted with knowledge of the environment from his koro (grandfather). The people of the iwi have also recognised this by supporting Shane in his latest business venture. They have allowed him full access to all the surrounding land that is owned by the iwi.

They have also recognised Shane as having rangatiratanga status over the land. Rangatiratanga is the exercise of leadership, authority, guardianship, and ownership rights for current and future requirements.

- (a) Fully explain how the principles of rangatiratanga may help to make *Hikoi Whenua* a successful business.

In your answer:

- explain the principle of rangatiratanga in the context of *Hikoi Whenua* and Shane
- fully explain, with TWO reasons, how Shane's rangatiratanga status over the land may contribute to the success of *Hikoi Whenua*.

Protecting land and knowledge leader

The principle of rangatiratanga in Shanes business in Hikoi Whenua is the way Shane shows leadership through the way he runs his trekking business which is influenced by his knowledge and heritage. Shane will use knowledge ~~experiences~~ gained about the natural environment to use environment in ~~respectful~~ respectful way as well lead and encourage customers to do the same.

Shanes rangatiratanga status over the land ~~will~~ will contribute to his success as he has the ability to run his business that will still ~~can~~ preserve natural environment for next generation. He is using environment for business purposes in ~~every~~ a way that will not harm environment by the way tourists use it and if so encouraging them not to eg drop litter etc.

Shanes rangatiratanga status has also contributed to his success as ~~has~~ gained privileges from local iwi, which has expanded his business having allowed use of more land. This is because he ~~is~~ has shown he is a guardian of the resource of land due to his knowledge and objectives. He ~~uses~~ runs business by working with iwi, not against it showing Rangatiratanga.

Fully explains why rangatiratanga has enhanced the success of the business.

- (b) There are many factors that affect the success of a business. Using a named small business (maximum of 20 workers and/or with local or community significance), fully explain TWO factors, other than rangatiratanga, that may contribute to its success.

ASSESSOR'S
USE ONLY

Name of the small business	Oturehua Railway Hotel
Good(s) sold or service(s) provided	Food and Beverages and Accommodation
How the business measures success	Satisfied Customers, feedback

In your answer:

- identify how the business measures success
- identify TWO factors, other than rangatiratanga, that may contribute to the success of the business
- fully explain how each of the TWO factors may contribute to the success of the business.

Liz and Grahame Jones ~~are~~ the owners of Oturehua Railway Hotel measure their success by ~~the amount of customers~~ customer satisfaction by the positive feedback they receive as well complaints being dealt with. Their priority is in making customers leave with a smile, happy //

One factor that has contributed to ~~the business~~ Oturehua Railway Hotel's success is having a guestbook. This has allowed ~~business~~ Liz and Grahame to receive positive and negative feedback which has helped to reflect on where they could improve and what is going well. This is how it's contributed to a ~~business~~ aspect of their success as being able to reflect on business performance for customers is how systems //

More space for this answer is available on the next page.

in Oturehua Railway Hotel, have been maintained and issues customers dealt with to be resolved. Resolving complaints through feedback received has been good to be able to repair relationship with customer as they given bottle or glass of wine as an apology^m as well and ensuring changes a made to improve what's gone wrong in system. //

Another factor that has contributed to Oturehua Railway Hotel's success has been the relationships made with customers and tour operators working on Oturehua Railway bike trail. This ~~has been~~ ^{is being} done by Liz and Graeme Jones talking with customers and operators ~~by helping~~ ^{helps} them to feel relaxed. They have a system in place where tour operators are entitled to free coffee which is a good loyalty system.

This attracting operators to business and good communication made with them has made good public relations and resulted in more customers and finding out feedback from customers riding Oturehua ~~Railway~~ bike rail trail. These good relationships formed have helped spread word about business.

Fully explains how the relationship has contributed to the success of the business.

Part (b) was answered comprehensively. Although part (a) was slightly weaker, explanation and application of "Rangatiratanga" to the business "Hikoi Whenua" was done at a high level.

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