

90837



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NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

## Level 1 Business Studies, 2013

### 90837 Demonstrate an understanding of internal features of a small business

2.00 pm Wednesday 20 November 2013

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 2–15 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**

ASSESSOR'S USE ONLY

You are advised to spend 60 minutes answering the questions in this booklet.

### QUESTION ONE: BUSINESS AIMS AND OBJECTIVES

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

*Mīere Reka* (Sweet Honey) has had a relationship with the local iwi (large Māori tribal group) for the past 10 years. A large number of its staff have strong connections to the local area. Honey is sourced locally and harvested by staff skilled in extraction methods that are environmentally friendly. Like any other business, *Mīere Reka* has a number of business objectives.

- (a) Define the term “business objectives”.

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- (b) Identify TWO business objectives of *Mīere Reka* and fully explain **how** it could achieve these objectives to become a successful business.

(1) 

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(2) 

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*Mīre Reka* incorporates the philosophy of “rangatiratanga” in its operations by ensuring the local iwi is consulted on significant management decisions. There is often general agreement between iwi, management, and employees about the business’ aims and objectives, but there may be conflict about how to achieve them.

- (c) Discuss how the philosophy of **rangatiratanga** may help *Mīre Reka* to achieve its business objectives.

In your answer:

- describe a possible conflict between iwi, management, and employees that could occur, when ONE of the business’ objectives stated in (b) is being pursued
- explain the impact the conflict could have on the business
- fully explain how the philosophy of **rangatiratanga** would assist the firm in avoiding such conflict. Provide examples to support your explanation.

Question One continues on page 4



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

(a) Describe how effective communication will assist *Miere Reka* in achieving its objectives.

- (b) Fully explain, with examples, why management at *Miere Reka* would use two-way rather than one-way communication with their staff.

(c) Referring to a small business (up to 20 employees and/or with local or community significance) that you have studied, discuss the methods of communication used by businesses to ensure they operate efficiently.

Oral

- describe TWO types of communication used by the named business
- fully explain, with examples, when each type of communication is most suitable for the business.

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

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**QUESTION THREE: FINANCIAL RECORDS**ASSESSOR'S  
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Use the information in the boxes and your business knowledge to complete the following tasks.

Managing the finances of a small business is essential, but can be challenging for some owners.

- (a) Describe the purpose of financial records in a small business.

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- (b) Identify TWO potential users of *Mīere Reka*'s financial records. Fully explain why each user would be interested in the financial records of *Mīere Reka*. Give examples to support your explanations.

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(2)

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- identify the purpose of an Income Statement
- explain TWO problems the Income Statement may reveal
- fully explain actions *Miere Reka* could take to avoid these problems in the future.

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

(a) Describe the importance of a business analysing its competition.

(c) Discuss the benefits for *Mīre Reka* of completing a range of primary market research prior to expanding its business.

- describe ONE type of primary market research *Mīere Reka* could use
- explain ONE advantage of this method of research for *Mīere Reka*
- fully explain TWO disadvantages of this method of research for *Mīere Reka*, compared with secondary research.

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

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USE ONLY

QUESTION  
NUMBER

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

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USE ONLY

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