

Assessment Schedule – 2014**Business Studies: Apply business knowledge to an operational problem(s) in a given small business context (90839)****Evidence Statement**

Q 1	Sample answers	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Workplace conflict is a disagreement between individuals or groups that takes place in the working environment and is influenced by something occurring in the workplace. An example of the conflict between Stacey and Jane is their disagreement over where the business is heading, with Jane wanting to do more catering and Stacey disagreeing with this (Described).	<ul style="list-style-type: none"> • Workplace conflict is described with an example. • TWO negative consequences for the business if the conflict continues are described. • ONE short-term solution to deal with the conflict is described. 	<ul style="list-style-type: none"> • TWO negative consequences for the business if the conflict continues are explained. • ONE advantage of the short-term solution to deal with the conflict is explained. • TWO long-term solutions to deal with the conflict are explained. • Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge and Māori business concepts.)</p>	<p>(b)</p> <p>TWO negative consequences for the business if the conflict continues are fully explained.</p> <p>(c)</p> <ul style="list-style-type: none"> • A short-term solution to deal with the conflict is described. <p>AND</p> <ul style="list-style-type: none"> • ONE advantage of the short-term solution to deal with the conflict is explained. <p>AND</p> <ul style="list-style-type: none"> • TWO long-term solutions to deal with the conflict are fully explained. <ul style="list-style-type: none"> • Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge and Māori business concepts into explanations.)</p>
(b)	<p>A negative consequence for the business if the conflict between Stacey and Jane continues is that this could have a further impact on staff morale (Described). The part-time staff could feel uncomfortable and may not want to come to work (Explained), which could negatively affect production (Fully explained). Another negative consequence is that with all the focus being on the conflict, there could be a lack of direction for the staff (Described). This could lead to poor performance affecting output (Explained), which in turn could affect sales and ultimately profit (Fully Explained).</p> <p>Other consequences: stress and health issues for the staff; customers could also be affected by the negative environment, and the subsequent effect this has on production.</p>	<ul style="list-style-type: none"> • ONE advantage of the short-term solution to deal with the conflict is described. • TWO long-term solutions to deal with the conflict are described. • States relevant information from the resource. <p>(Answers will typically state relevant business knowledge and Māori business concepts.)</p>		

(c)	<p>A short-term solution for Stacey and Jane to deal with this conflict is for them to meet away from the business to discuss their problems. Another short-term solution might be to work or be rostered on at different times (Described).</p> <p>An advantage of the first short-term solution could be that it clears the air so that they can continue to get on with the work (Described), and as they are away from the business it won't be distracting (Explained).</p> <p>An advantage of the second short-term solution is that it gives them and the other staff some space (Described) so the environment can be a bit more positive (Explained).</p> <p>A long-term solution could be to get a consultant in who can explain the pros and cons of both Stacey's and Jane's plans and ideas for the business (Described). This will allow them to see the ideas from each other's viewpoint (Explained), which could lead to one of them changing their mind or to a compromise occurring (Fully explained).</p> <p>A second long-term solution is for Stacey to try to buy Jane out of the business (Described). As they have different thoughts and ideas about the business, it might be better to go separate ways (Explained). However, this would work only if Stacey can financially take care of the business on her own (Fully explained).</p>						
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) OR (c) fully explained. The other part is explained.	(b) AND (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>Possible answers include:</p> <p>It is important for a business to develop a cash flow forecast because a business needs money to pay for its day-to-day expenses, ie buying supplies, paying wages and bills, etc (Outlined).</p> <p>If a business does not develop a cash flow forecast, it won't know whether it has the cash to pay for expenses on an ongoing basis, and may be deemed to be trading while insolvent (Outlined).</p> <p>Developing a cash flow forecast and monitoring this allows business owners to monitor the cash inflows and outflows, so they know if they are receiving enough revenue or spending too much. If this is the case, they can make some adjustments (Outlined).</p>	<ul style="list-style-type: none"> • Why it is important for a business to develop a cash flow forecast is outlined. • The cause of the low sales is described. • The effect of the low sales on the business is described. • The reason the suppliers have tightened their credit policy is described. • The effect of the credit tightening on the business is described. 	<ul style="list-style-type: none"> • The cause of the low sales and the effect of the low sales on the business are explained. • The reason the suppliers have tightened their credit policy and the effect of the credit tightening on the business are explained. • How the better solution will resolve the issue is explained. • ONE long-term consequence is explained. • Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge and Māori business concepts.)</p>	<p>(b)</p> <ul style="list-style-type: none"> • The cause of the low sales and the effect of the low sales on the business are fully explained. • The reason the suppliers have tightened their credit policy and the effect of the credit tightening on the business are fully explained. <p>(c)</p> <ul style="list-style-type: none"> • TWO appropriate solutions for ONE of the causes are described. <p>AND</p> <ul style="list-style-type: none"> • How the better solution will resolve the issue is fully explained. <p>AND</p> <ul style="list-style-type: none"> • ONE long-term consequence of the better solution is fully explained. • Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge and Māori business concepts into explanations.)</p>
(b)	<p>The cash flow issue caused by low sales is due to the growing number of cupcake sellers, which has created a lot of competition (Described). This will affect the business financially, as customer demand is spread amongst the competition and impacts negatively on the sales of the business (Explained), and therefore on the cash flow (Fully explained).</p> <p>One reason the suppliers might have tightened their credit policies is because some of their business customers may be late paying their accounts (Described). This might affect <i>The Cool Cupcake Company</i> because they need credit with their suppliers to keep their cash flow at a reasonable level (Explained), so they can continue to operate (Fully explained).</p>	<ul style="list-style-type: none"> • TWO appropriate solutions for ONE of the causes are described. • How the better solution will resolve the issue is described. • ONE long-term consequence of the better solution is described. • States relevant information from the resource. <p>(Answers will typically state relevant business knowledge and Māori business concepts.)</p>		

(c)	<p>If the cause is the low sales, an appropriate solution would be to do some extra promotion in conjunction with a loyalty scheme (Described). Another appropriate solution would be to reduce production costs (Described). The better solution would be to do some extra promotion and introduce a loyalty scheme to make customers more aware of the cupcakes and the shop, in order to increase sales (Explained). This is better than cutting costs, which could compromise the quality of the cupcakes, leading to a decrease in the number of customers returning to the shop (Fully Explained). The extra promotion and the new loyalty scheme will get more customers through the door (Described), and the longer-term consequence of this is that having a loyalty scheme will bring in repeat business (Fully explained).</p> <p>If the cause is the credit tightening, an appropriate solution would be to try to pay bills on time and regularly communicate with the creditors (Described). Another solution would be to borrow from a different source (Described). The better solution would be to try to pay the bills on time and regularly communicate with the creditors, rather than borrowing money from other creditors and finding themselves in the same situation as they are now (Described). The short-term consequence is that the creditors will quickly learn to trust the business (Explained) and know the payments will be received in a timely manner (Fully explained). A longer-term consequence is that the relationship will get stronger and they will be seen as a priority customer, and the issue with credit should not occur again, as the creditors are more likely to extend credit (Fully explained).</p>							
N1	N2	A3	A4	M5	M6	E7	E8	
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) OR (c) fully explained. The other part is explained.	(b) AND (c) fully explained. One part may be weaker.	

N0 = No response; no relevant evidence.

Q 3	Sample answers	Achievement	Achievement with Merit	Achievement with Excellence
(a)	The equipment is second-hand machinery, which keeps breaking down and is becoming very expensive to fix (Outlined).	<ul style="list-style-type: none"> The issues related to the equipment used are outlined. The impact on production is described. 	<ul style="list-style-type: none"> The impact on production is explained. The consequences on the performance of the business are explained. 	(b) <ul style="list-style-type: none"> The impact on production is fully explained. The consequences for the performance of the business are fully explained.
(b)	<p>The impact on the business will be reduced production due to the equipment breaking down (Described). This will cause disruption to the entire production line (Explained), leading to the possibility of ingredients being ruined and rendered unusable (Fully explained). A consequence of this will be loss of revenue, due to loss of production (Described), with employees having limited or no work to complete, and with the business still having to pay them (Explained). It could mean that ingredients are discarded, as they are no longer usable (Fully explained).</p> <p>All these consequences will cost the business time and money (Described), and every halt in production will lead to customers going elsewhere to purchase the goods (Explained). The result is a decrease in sales and profit (Fully explained).</p>	<ul style="list-style-type: none"> The consequences for the performance of the business are described. TWO appropriate solutions are described. ONE advantage of the better short-term solution is described. Why the solution might not be the better solution in the long term is described. States relevant information from the resource. <p>(Answers will typically state relevant business knowledge and Māori business concepts.)</p>	<ul style="list-style-type: none"> ONE advantage of the better short-term solution is explained. Why the solution might not be the better solution in the long term is explained. Answers include relevant information from the resource to support explanations. <p>(Answers will typically include relevant business knowledge and Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> TWO appropriate solutions are described. <p>AND</p> <ul style="list-style-type: none"> ONE advantage of the better short-term solution is fully explained. <p>AND</p> <ul style="list-style-type: none"> Why the solution might not be the better solution in the long term is fully explained. Answers integrate relevant information from the resource to fully support explanations. <p>(Answers will typically integrate relevant business knowledge and Māori business concepts into explanations.)</p>

(c)	There are two solutions – continue to repair the equipment, or replace the equipment (Described). The better solution in the short term is to repair the equipment, because: it is less expensive than replacing at this point in time (Described); no need to train employees on the new equipment; could be repaired in good time if maintenance company is able to work quickly (Explained). The firm does not have to find \$10,000 which would negatively affect cash flow (Fully explained). However, repairing the equipment might not be the better solution in the long term, because the repairs are expensive, and <i>The Cool Cupcake Company</i> won't be able to afford the repairs on an ongoing basis (Described). This could become more frequent as the equipment becomes older and less reliable (Explained). At \$500 a month for repairs and maintenance, the business would spend the \$10,000 required for new equipment in 20 months, and there is a five-year warranty included (Fully explained).						
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Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) OR (c) fully explained. The other part is explained.	(b) AND (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Cut Scores

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 6	7 – 12	13 – 18	19 – 24