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90837



Level 1 Business Studies, 2019

90837 Demonstrate an understanding of internal features of a small business

2.00 p.m. Monday 11 November 2019 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 2–8 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

QUESTION ONE: ENTREPRENEURSHIP

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Olivia has always enjoyed taking photos of her friends and family, as well as being passionate about scenic photography. She has recently completed a Bachelor of Design in Photography, and studied business and accounting at school. Some of her friends have expressed an interest in buying her photos. She has decided to start her own photography business called *Captured Perfectly*, using her savings.

(a) Discuss the skills Olivia has gained that have enabled her to start her business *Captured Perfectly*, and become an entrepreneur.

In your answer:

- describe the role of an entrepreneur
- explain TWO skills that Olivia has trained for

•	fully explain ONE way in which EACH of these skills is important to the success of the business.		

person.)			
_	ame of the small business		
	ood(s) sold or service(s) ovided		
n yo	our answer:		
•	identify TWO entrepreneurial	characteristics	
	fully explain how EACH entrepreneurial characteristic impacts the named small business.		

QUESTION TWO: SOURCES OF FINANCE AND FINANCIAL RECORDS

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Olivia has noticed that portrait photography has become more popular recently. She needs to purchase some new lenses for her camera and backdrops to use in the studio in order to provide a professional service to her clients.

backdrops.	Short-term infance option Onvic	a could use to purchase the lenses and	
Fully explain gave in part	Fully explain ONE advantage and ONE disadvantage of the short-term finance option you gave in part (a).		

Olivia knows from her studies at school that managing the finances of *Captured Perfectly* is essential for success. She ensures that all financial documents and statements are kept safe and are easy to access for future reference.

Identify TWO users of financial documents for <i>Captured Perfectly</i> , and fully explain why each user would be interested in them.

QUESTION THREE: EMPLOYER/EMPLOYEE RELATIONSHIPS

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Both employers and employees want to have a positive relationship in the workforce. Fully explain why effective employer/employee relationships are important for the success of (a) a business. In your answer: identify ONE example of an employer and employee having an effective working relationship fully explain TWO impacts that an effective employer/employee relationship will have on a business.

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With increased demand for her services, Olivia decided to recruit a part-time employee, Grace, for 25 hours a week to take care of her bookings and manage her website. Grace is an experienced administrator who is friendly and organised, and has skills in website design. Grace is able to work her 25 part-time hours between 9 am and 3 pm, which works in well with her primary school-aged children. She has also negotiated time off during the school holidays in her employment contract. Olivia pays Grace above the minimum wage by automatic payment each fortnight.

(b) Fully explain, with reference to *Captured Perfectly*, TWO examples of Olivia being a good employer.

In your answer:

identify TWO examples of Olivia being a good employer

•	explain why each example identified indicates that Olivia is a good employer fully explain how each example may affect the attitude of Grace towards the business.		

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

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