

Assessment Schedule – 2016

Business Studies: Demonstrate an understanding of internal features of a small business (90837)

Assessment Criteria

Describing: States **what** the answer is to the question asked. Defines (states the meaning of), identifies (gives an account of the qualities or characteristics), outlines (states what the answer is).

Explaining: States **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs, or links ideas to provide a coherent rationale.

Fully explaining: Develops the explanation with further expansion of **how** the situation / action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.

Note: Each question should be read as a whole before awarding a grade.

Evidence

Q 1	Sample answers / Evidence
(a)	<p>A partnership is a business structure which has between 2 and 25 owners (partners). (Defined)</p> <p>Forming a partnership has several advantages for Tāwhiri and Eli, which include access to increased levels of funding through the partners; different skills for each partner; the workload can be shared; a partner can get time off; and there is cover for absence or sickness (Described).</p> <p>Having more than one owner will increase the level of funding for <i>Tennis Tech</i> (Explained). This may enable <i>Tennis Tech</i> to grow faster (Fully explained).</p> <p>Tāwhiri and Eli will bring different skills to the business. Each can work to his own strengths (Explained). This may improve <i>Tennis Tech</i>'s chances of success (Fully explained).</p>
(b)	<p>A registered company is a separate legal entity from its owners, whereas a partnership is not (Described). This means in a registered company the shareholders are only liable for the value of any investment that they have made / shares purchased – no matter how much the company owes (Explained).</p> <p>A registered company has limited liability, whereas a partnership has unlimited liability (Described). This means that in a registered company the personal assets of the shareholders are protected, but in a partnership the personal assets of the partners are at risk if the business fails (Explained).</p> <p>As a registered company, <i>Tennis Tech</i> will be able to raise capital through the sale of shares either to friends, family, or to the public (Described). It is also easier to obtain finance from other institutions such as banks, who are much more likely to lend money to a firm with limited liability (Explained). This increased access to funding may make it easier for <i>Tennis Tech</i> to expand (Fully explained).</p> <p>Owners and directors can be different people for a registered company (Described). This means the shareholders can appoint the directors to run the business and to achieve the aims set by the shareholders, and not have to run the business themselves (Explained). The business can benefit from employing skilled / specialist managers who are able to make the business more efficient through applying their skills in their specialist area (Fully explained).</p> <p>The costs of setting up a registered company are higher (Described), and there are ongoing legal costs (Explained), as the business must publish its financial results annually (Fully explained).</p> <p>If Tāwhiri and Eli allow others to purchase shares in <i>Tennis Tech</i>, they may lose control of the business (Described). If some shareholders sell their shares to</p>

	another business, it might make the business vulnerable to being taken over in the future (Explained), which may jeopardise the long-term viability of the firm (Fully explained).
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Achievement			Achievement with Merit			Achievement with Excellence	
<ul style="list-style-type: none"> The term “partnership” is defined. TWO advantages to Tāwhiri and Eli of forming a partnership are described. ONE difference between a partnership and a registered company is described. TWO advantages and ONE disadvantage of <i>Tennis Tech</i> becoming a registered company are described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> TWO advantages to Tāwhiri and Eli of forming a partnership are explained. ONE difference between a partnership and a registered company is explained. TWO advantages and ONE disadvantage of <i>Tennis Tech</i> becoming a registered company are explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> TWO advantages to Tāwhiri and Eli of forming a partnership are fully explained. The impacts of <i>Tennis Tech</i> changing to a registered company are fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</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.	Excellence evidence. One part may be weaker. (a) OR (b) fully explained. The other part is explained.	All points covered. (a) AND (b) fully explained. One part may be weaker.

N0 = No response; no relevant evidence

Q 2	Sample answers / Evidence
(a)	<p><i>Tennis Tech</i> may need to communicate with its customers to inform them of the release of a new or updated product (Identified).</p> <p>An effective method of communicating with customers to inform them of improvements to products would be through a website (Described). This would be a good method because most customers are likely to have access to the internet (Explained), and many will probably use it to keep up to date with technological developments. The website is an effective method of communication because it will reach most of the firm's customers, and because it is cost-effective. This means that expenses will be kept to a minimum (Fully explained).</p> <p><i>Tennis Tech</i> may also wish to communicate with customers to advise they are going to stock complementary products such as sports clothes or footwear (Identified).</p> <p><i>Tennis Tech</i> may contact customers either by letter or email (Described). This is suitable, as the firm will be able to send information to those people on its mailing list who are likely to be interested in the product (Explained) and therefore not waste time and money contacting everyone (Fully explained).</p>
(b)	<p><i>Example:</i> The small business that we have studied is <i>Subway</i>.</p> <p>One barrier to communication in this <i>Subway</i> was that during the busy times, e.g. lunches, serving staff were not writing on the bag the type of item that was enclosed (Identified). As a result, the cashier had to ask the server, and sometimes the customer what sort of item they had ordered (Explained).</p> <p>This was affecting <i>Subway</i> in a negative way, as the server could not always remember what the customer had ordered (Described). This was affecting the business because the cashier took longer to serve the customer; also, sometimes the cashier was over-charging the customer, as they were being charged for the wrong item (Explained).</p> <p>As a result, this could affect <i>Subway's</i> sales, as customers who are in a hurry may go to their competitor <i>Pita Pit</i>, which is located across the road. As sales are decreasing, this would have a negative effect on the profits, which may affect the viability of the business (Fully explained).</p> <p><i>Subway</i> could solve this problem by introducing sticky labels (colour coded) that indicate which item has been ordered. This would improve their written communication (Described). This solution would be very useful during busy times, because it would reduce the time taken by the cashier, and would also eliminate errors (Explained).</p> <p>With this type of communication, customers would be satisfied, because they would be getting their lunch in a timely manner and they would be charged correctly. Due to this efficient service, they may let other people know of this (e.g. in their workplace), and encourage them to visit <i>Subway</i> (Fully explained).</p>

Achievement			Achievement with Merit		Achievement with Excellence		
<ul style="list-style-type: none"> TWO situations where <i>Tennis Tech</i> may communicate with its customers/potential customers to maximise opportunities are identified. TWO methods of communication <i>Tennis Tech</i> may use to reach its customers/potential customers are described. ONE barrier to communication is identified. How the barrier to communication may affect the business negatively is described. A method of communication which would solve the problem is described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> TWO methods of communication <i>Tennis Tech</i> may use to reach its customers/potential customers are explained. How the barrier to communication may affect the business negatively is explained. A method of communication which would solve the problem is explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>		<ul style="list-style-type: none"> TWO methods of communication <i>Tennis Tech</i> may use to reach its customers/potential customers are fully explained. How a barrier to communication may negatively affect the business, AND a method of communication to solve the problem is fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</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.	Excellence evidence. One part may be weaker. (a) OR (b) fully explained. The other part is explained.	All points covered. (a) AND (b) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 3	Sample answers / Evidence
(a)	<p>Employees are paid on time, with productivity bonuses at year-end (Identified). Employees are encouraged to make suggestions for improvement, and their ideas are listened to (Identified).</p> <p>Good employer/employee relationships can improve the performance of the business because staff become more motivated (Described) and productivity can improve (Explained). This may lead to higher profitability for the business (Fully explained).</p> <p>Good employer/employee relationships may lead to employees becoming more engaged (Described) and willing to make suggestions for improvement (Explained). This may lead to greater efficiency, which positively affects profit (Fully explained).</p>
(b)	<p>If the business fails to deal with David's poor attendance, this can impact on the attitudes of other workers who may think it is okay to also have poor attendance (Described). Other workers may become demotivated and resentful, as they have to pick up his workload, which in turn could negatively impact on the employer/employee relationship (Explained).</p> <p>As a result, this could impact upon the firm's overall performance through being unable to complete orders on time and letting customers down (Described). This may then impact on the reputation of the business, as overall customer satisfaction may fall, which may result in lost orders and sales (Explained).</p> <p>One way of dealing with the problem would be to discuss the matter with David, to explain what might happen if he fails to improve his attendance by informing him that he will be taken through the disciplinary process (Described). This would provide David with a warning and opportunity to improve his attendance (Explained). This would be a good option to deal with the problem, as it would show all employees that everyone is being treated fairly and the situation is being dealt with (Fully explained).</p> <p>Another way of dealing with the problem would be to discuss the matter with David to establish why he has had poor attendance, and work with him to find a solution, e.g. a change in working hours or moving him to a different part of the business (Described), where he may have new challenges/experiences (Explained) and be more motivated. The firm would then avoid the unpleasantness and costs of having to fire an employee (Fully explained).</p>

Achievement			Achievement with Merit		Achievement with Excellence		
<ul style="list-style-type: none"> • ONE example of good employer/employee relationships is identified. • TWO impacts of good employer/employee relationships on <i>Tennis Tech</i> are described. • ONE negative impact of David's absences on the staff or ONE negative impact on the business is described. • TWO alternative solutions for dealing with the problem are described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> • TWO impacts of good employer/employee relationships on <i>Tennis Tech</i> are explained. • ONE negative impact of David's absences on the staff or ONE negative impact on the business is explained. • TWO alternative solutions for dealing with the problem are explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>		<ul style="list-style-type: none"> • Why good employer/employee relationships are important for the success of <i>Tennis Tech</i> is fully explained. • How a failure to deal with David's unexplained absences may affect <i>Tennis Tech</i> and TWO alternative solutions for dealing with the problem are fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</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.	Excellence evidence. One part may be weaker. (a) <i>OR</i> (b) fully explained. The other part is explained.	All points covered. (a) <i>AND</i> (b) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Cut Scores

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