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90837



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Level 1 Business Studies 2020

90837 Demonstrate an understanding of internal features of a small business

9.30 a.m. Thursday 26 November 2020 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 2–12 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: Ownership structures

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Joe has been successfully operating a fishing charter business, *JoeFish*, in the Coromandel for many years. He offers half-day and full-day fishing trips, and provides the equipment needed for a successful day out on the water. *JoeFish* has a great reputation for good service, well-maintained equipment, and friendly staff. *JoeFish* has also recently received a regional award for sustainability.

After working seven days a week for the entire summer season last year, Joe decided to form a new ownership structure for *JoeFish* with Bruce, who is a qualified dive instructor with experience of running diving trips. Bruce will contribute \$50,000 cash and all his diving equipment.

or operating them	business as a par	rtificiship.		

n vr	our answer:
ii ye	explain ONE difference between a partnership and a registered company fully explain how this difference could impact Joe and Bruce if a registered company
	structure was formed for <i>JoeFish</i> instead of a partnership.

QUESTION TWO: Communication

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As a result of the change in ownership structure, Joe and Bruce changed the business name to *JB Fishing and Diving*.

It is essential that Joe's existing customers and potential new customers know that *JoeFish* is now operating as *JB Fishing and Diving*, and that it now offers diving trips as well as fishing trips.

(a) Fully explain how *JB Fishing and Diving* could reach its existing and potential customers, and the effectiveness of this communication.

In your answer:

- identify TWO methods of communication JB Fishing and Diving could use to communicate with its existing and potential customers
- for ONE of these methods, fully explain its effectiveness in communicating the change in business name and new service provided by JB Fishing and Diving to existing and potential customers.

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Internal communication is all about promoting effective communication among employees and employers within a business. Effective internal communication helps ensure that all employees and employers of the business are working together towards common business objectives.

(b)	Using a small business (maximum of 20 workers and/or with local or community
	significance) you have studied in depth, fully explain the barriers to communication that could
	exist between your chosen business and its employees.

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

In your answer:

- explain ONE example of a possible barrier that might prevent your chosen business from effectively communicating with its employees
- fully explain how this barrier could be overcome by the business, and the impact on the business of overcoming this communication barrier.

 The business of overcoming this communication barrier.

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

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QUESTION THREE: Business objectives and success

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In the past, *JoeFish* had a great reputation for good service, well-maintained equipment, and friendly staff. *JoeFish* received a regional award for sustainability.

JB Fishing and Diving has been operating for a year now. Joe and Bruce are determined to continue to satisfy their customers and achieve business success. They have decided to set some new business objectives for their second year of business.

(i)	Define the term 'business objectives', and describe a possible business objective for <i>JB Fishing and Diving</i> .
(ii)	Fully explain why the objective you described in (i) is important for <i>JB Fishing and Diving</i> .

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Joe and Bruce recently entered *JB Fishing and Diving* in the Coromandel 'Good for Your Soul' Business Awards. The aim of these awards is to encourage and support businesses in their quest for sustainable growth, development, and excellence. It is important to celebrate the efforts of the business community which ensure the strong economic performance of the Coromandel region, and enable the Coromandel to be 'good for the soul' for the many locals and visitors to the region. The organiser of these awards has asked to see evidence of the success of *JB Fishing and Diving* to date.

(b)

Ful	ly explain how businesses can measure success.			
In y	our answer:			
 identify ONE example of evidence that Joe and Bruce could provide to the of the business awards that demonstrates the success of JB Fishing and Divir 				
•	fully explain TWO methods that Joe and Bruce could use to monitor the success of JB Fishing and Diving.			

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

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