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90837



## Level 1 Business Studies, 2016

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

9.30 a.m. Friday 25 November 2016 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: BUSINESS STRUCTURE**

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After successful careers in tennis, Tāwhiri and his best mate Eli decided to use their passion and knowledge of tennis by creating a business to develop and market a new hi-tech tennis racket. The business is called *Tennis Tech*, and operates as a partnership.

or forming a pa	rtnership for their r	iew busiliess.		

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Due to high demand for their products, the firm has grown, and a decision needs to be made whether to expand the design and production facilities. Tāwhiri believes the firm should consider becoming a registered company, as this would allow greater access to capital to fund any expansion.

Fully explain the impacts on Tāwhiri and Eli of Tennis Tech changing from a partnership to a (b) registered company. In your answer: explain ONE difference between a partnership and a registered company fully explain TWO advantages and ONE disadvantage of Tennis Tech becoming a registered company.

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

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#### **QUESTION TWO: COMMUNICATION**

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Businesses require good communication if they are to maximise their opportunities.

(a) Fully explain TWO methods of communication *Tennis Tech* may use to reach its customers/potential customers.

In your answer:

 identify TWO situations where *Tennis Tech* may communicate with its customers/potential customers to maximise its opportunities

•	for EACH situation, fully explain a different communication method and how it would enable <i>Tennis Tech</i> to communicate effectively with its customers/potential customers.

(b)

Name of the small business	
Good(s) sold or service(s) provided	
your answer:	
identify and explain ONE barrier to	er to communication communication may affect the business negatively
	nunication which would solve the problem.
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### QUESTION THREE: EMPLOYER/EMPLOYEE RELATIONSHIPS

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Good employer/employee relationships are important for the success of any business. Poor employer/employee relationships can impact negatively on the performance of a business.

(a)	Fully explain why good employer/employee relationships are important for the success of <i>Tennis Tech</i> .					
	<ul><li>In your answer:</li><li>identify ONE example of good employer/employee relationships</li></ul>					
	•	fully explain TWO impacts that good employer/employee relationships will have on <i>Tennis Tech</i> .				

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David, one of *Tennis Tech*'s employees, has recently had a significant number of unexplained absences. This has impacted on other staff, and on customers who have experienced late deliveries.

(b)

Discuss how a failure to deal with David's unexplained absences may affect <i>Tennis Tech</i> . In your answer:					
•	explain ONE negative impact of David's absences on the staff and ONE negative				
	impact on <i>Tennis Tech</i>				
	fully explain TWO alternative solutions that <i>Tennis Tech</i> could use to deal with the problem.				

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

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