

**Assessment Schedule – 2021****Business Studies: Demonstrate an understanding of internal features of a small business (90837)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<i>Describing</i> states <b>what</b> the answer is to the question asked. It defines (states the meaning of), identifies (gives an account of the qualities or characteristics), and outlines (states what the answer is).	<i>Explaining</i> states <b>what</b> the answer is to the question asked, then expands by giving the reason(s) <b>why</b> the 'what' occurs, or links ideas to provide a coherent rationale.	<i>Fully explaining</i> develops the explanation with further expansion of <b>how</b> 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 answer should be read as a whole before awarding a grade.

**Question One: Entrepreneurship and sources of finance****Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Describes the role of the entrepreneur.</li> <li>Describes how identified entrepreneurial characteristics will impact <i>Ski Explore</i>.</li> <li>Identifies a short-term source of finance to purchase the new inventory.</li> <li>Describes ONE advantage and ONE disadvantage of the short-term source of finance identified.</li> </ul> <p>(Answers will typically <b>state</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> <li>how entrepreneurial characteristics will impact <i>Ski Explore</i></li> <li>ONE advantage and ONE disadvantage of the short-term source of finance identified.</li> </ul> <p>(Answers will typically <b>include</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>how entrepreneurial characteristics will impact <i>Ski Explore</i></li> <li>ONE advantage and ONE disadvantage of the short-term source of finance identified.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant 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.
<b>N0</b> = No response; no relevant evidence.							

Q1	Sample Evidence
(a)	<p><i>Role of the entrepreneur</i></p> <p>The role of the entrepreneur is to seek opportunities in the market and provide goods / services to meet identified needs / demand (Described).</p> <p><i>Entrepreneurial characteristics</i></p> <p>Being decisive would have a positive impact on <i>Ski Explore</i>, as Ryan acted / adapted quickly by changing the name of the business and the inventory that <i>Ski Explore</i> held (Described). This is because Ryan saw that there was an opportunity to capture the growing number of trampers and cyclists in summer, so he changed the name of the business to <i>Explore More</i>, in order to appeal to a wider target market (Explained). The impact of this is that Ryan's store would no longer be a seasonal business earning revenue only in winter, but would instead generate revenue all year round, by also stocking outdoor gear for tramping and cycling (Fully explained).</p> <p>Having a vision for the business would have a positive impact, as Ryan would be able to imagine the future and make decisions to achieve that vision (Described). This is because having a vision helps to provide ideas to explore, such as changing the business name, so that a larger target market can be attracted, and offering cycling and tramping tours (Explained). This would provide another income stream for the business by introducing new services (Fully explained).</p>
(b)(i)	<p><i>Short-term source of finance</i></p> <p>Possible short-term sources of finance include:</p> <ul style="list-style-type: none"> <li>• trade credit</li> <li>• credit card</li> <li>• bank overdraft.</li> </ul>
(ii)	<p><i>Advantage and disadvantage of these sources of finance</i></p> <p><u>Trade credit</u></p> <p>One advantage is that there is no cash outlay (Described). This is because <i>Explore More</i> could buy a large quantity of outdoor gear and schedule a payment with the supplier at a later date (Explained). This means that Ryan could purchase the outdoor inventory and negotiate 30, 60, or 90 days to pay, giving him time to sell the inventory and receive the cash to pay his supplier within the agreed timeframe (Fully explained).</p> <p>One disadvantage is that if payments are not made by the due date, Ryan may lose the right to buy from that supplier on a 'delayed payment' basis (Described). This is because the supplier may place a stop on purchasing more stock until the debt is cleared (Explained). This means that Ryan may not be able to sell the more popular stock that sells quickly or may run out of stock of certain outdoor gear, losing potential sales (Fully explained).</p> <p><u>Credit card</u></p> <p>One advantage is that it is quick and easy (Described). This is because most retail outlets accept credit cards, and the credit card holder does not need to get approval from the credit card provider before making the purchase (Explained). This means that Ryan could purchase the outdoor inventory immediately and would then be able to meet the demand from new customers (Fully explained).</p> <p>One disadvantage is that if the full balance is not paid by the due date, the cardholder will be charged interest at a high rate (Described). This is because interest rates on credit cards are much higher than those for bank loans (Explained). This means that the total cost of Ryan's outdoor gear would be higher than its original wholesale cost, increasing <i>Explore More's</i> expenses and decreasing its profit (Fully explained).</p>

(b)(ii) cont'd	<p><u>Bank overdraft</u></p> <p>One advantage is that it would be quick and easy (Described) if Ryan has already organised this facility with his bank, as he would not need their approval at the time of purchase (Explained). This means that Ryan could purchase the new inventory from any supplier that has access to EFTPOS (Explained) without delay, and would then be able to meet the demand from new customers (Fully explained).</p> <p>One disadvantage is that Ryan would have to pay a higher price (Described), as an application fee, account administration fees, and interest on the overdraft balance would be charged (Explained). This would increase the total cost of the new inventory, increasing <i>Explore More's</i> expenses and decreasing its profit (Fully explained).</p>
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## Question Two: Employer / employee relationships

### Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Defines 'effective employee-employer relationships'.</li> <li>Describes TWO reasons why it is important that Ryan has effective employee relationships.</li> <li>Describes an impact that effective relationships will have on <i>Explore More</i>.</li> <li>Identifies TWO features of the chosen business being a good employer.</li> <li>Describes how EACH feature may affect employee attitudes towards the chosen business.</li> </ul> <p>(Answers will typically <b>state</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> <li>TWO reasons why it is important that Ryan has effective employee relationships</li> <li>an impact that effective relationships will have on <i>Explore More</i></li> <li>TWO features of the chosen business being a good employer</li> <li>how EACH feature may affect employee attitudes towards the chosen business.</li> </ul> <p>(Answers will typically <b>include</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>an impact that effective relationships will have on <i>Explore More</i></li> <li>how EACH feature may affect employee attitudes towards the chosen business.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant business knowledge and / or Māori business concepts into explanations.)</p>

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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.	All points covered. (a) AND (b) fully explained. One part may be weaker.
N0 = No response; no relevant evidence.						(a) OR (b) fully explained. The other part is explained.	

Q2	Sample Evidence
(a)(i)	<p><i>Meaning of 'effective employer-employee relationships'</i></p> <p>Effective relationships in a business is a situation where both the employer and the employee have trust and mutual respect, are honest, and are able to have open communication with each other (Described).</p>
(ii)	<p><i>Importance of establishing and maintaining effective employer-employee relationships</i></p> <p>There would be positive interactions between employers and employees (Described). Ryan and his employees, Holly and Dan, would be able to have honest discussions about the working environment, with no fear of these discussions leading to conflict (Explained). This means that if Holly or Dan have an idea about workplace safety, they could be confident that they would be listened to and respected. This would have a positive impact on <i>Explore More</i>, as potential hazards would be identified earlier and the risk of injury or death could be reduced or eliminated. This would add to the reputation of the business for having a safe working environment (Fully explained).</p> <p>The work environment would be more enjoyable (Described). This is important, because it would lead to a positive working environment where creativity and innovation are nurtured (Explained). For example, if Dan or Holly had an idea regarding new trampolining or cycling routes, they would feel motivated to research and develop their ideas. This would have a positive impact on the business, as it could lead to the development of a unique selling point, and thus an opportunity to gain higher returns (Fully explained).</p>
(iii)	<p><i>Impact of effective employer-employee relationships on Explore More</i></p> <p>The likelihood of work disruptions would be minimised (Described). This is important, because workplace disruptions due to employer/employee conflict can have a negative effect on the business (Explained). <i>Explore More's</i> tour-guided services may be disrupted, due to either Dan or Holly not turning up for work or arriving for work late, until the conflict is resolved. This would have a negative impact on <i>Explore More</i>, as it could lead to customers going to competitors, due to uncertainty around whether the business is open or closed (Fully explained).</p> <p>Recruitment and selection costs are kept to a minimum (Described). This is because Dan and Holly are fulfilled in their working environment. This fulfilment makes it more likely that they will be loyal to <i>Explore More</i> and not seek employment elsewhere (Explained). This will reduce or eliminate staff recruitment and training costs, which in turn will have a positive impact on profits (Fully explained).</p>
(b)	<p><i>Details of the small business studied</i></p> <p><i>Boss Cuts – The Barbershop</i> is owned and operated by Tai, who is the sole owner and director of the business. Tai employs six permanent full-time staff and one apprentice. Tai runs a fundraising day for autism, with free haircuts and children's activities, once a year. Tai recently developed a barbershop booking app that is now being sold around the world.</p>
(i)	<p><i>Identify TWO features of being a good employer for the named small business</i></p> <p>Tai pays his employees fairly and on time (Described).</p> <p>Tai provides each employee with an employment contract that outlines the responsibilities of the job, rate per hour, leave entitlements, and hours of work (Described).</p> <p>Tai provides equipment and training, and a safe working environment for his apprentice and other staff (Described).</p>

(b)(ii)	<p><i>Explain why each feature indicates that the named business is a good employer</i></p> <p>Tai's payment policy shows that he is an honest employer, and employees know they can count on being paid fairly and promptly (Explained).</p> <p>There would be no confusion among staff regarding the conditions of their employment, because they would have a document that outlines their legal rights and responsibilities (Explained).</p> <p>Training and workplace safety are important to employees (Described). Tai hires apprentices, which makes him an employer of choice (Explained).</p>
(iii)	<p><i>Explain how each feature may affect or has affected employee attitudes towards the business</i></p> <p>If employees are paid fairly and on time, they are more likely to feel secure in their jobs and positive towards the business. This could lead to higher productivity (Fully explained).</p> <p>With favourable terms and conditions clearly set out in a contract, employees would have a level of certainty within their positions at <i>Boss Cuts</i>, which would lead to increased staff confidence, high staff morale, and strong motivation (Fully explained).</p> <p>Tai is committed to employee learning and career progression. This means employees would be more committed to <i>Boss Cuts</i>, and therefore Tai would benefit from loyal employees and low staff turnover (Fully explained).</p>

### Question Three: Business objectives and business success

#### Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Defines the term 'business objective'.</li> <li>Describes TWO reasons why business objectives are important to <i>Explore More</i>.</li> <li>Outlines a SMART business objective for <i>Explore More</i>.</li> <li>Describes ONE action <i>Explore More</i> could take to meet this business objective.</li> <li>Describes how this action may contribute to the success of <i>Explore More</i>.</li> </ul> <p>(Answers will typically <b>state</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> <li>TWO reasons why business objectives are important to <i>Explore More</i></li> <li>how the action may contribute to the success of <i>Explore More</i>.</li> </ul> <p>(Answers will typically <b>include</b> relevant business knowledge and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>TWO reasons why business objectives are important to <i>Explore More</i></li> <li>how the action may contribute to the success of <i>Explore More</i>.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant business knowledge and / or Māori business concepts into explanations.)</p>

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<b>N0</b> = No response; no relevant evidence.							

Q3	Sample Evidence
(a)(i)	<i>Define the term 'business objective'</i> Business objectives are the goals, aims, or purpose of a business, usually referred to in the planning process (Defined).
(ii)	<i>Explain TWO reasons why business objectives are important to Explore More</i> Business objectives are important to <i>Explore More</i> because they are setting a goal / vision that their employees can aim for (Described). This will motivate their employees to strive to reach this goal (Explained) and earn <i>Explore More</i> increased revenue, and consequently greater profit (Fully explained). Business objectives are important to <i>Explore More</i> because they provide direction or focus as to how the business should operate to achieve those objectives (Described). Clear guidance as to how <i>Explore More</i> should operate (Explained) would provide a measure by which the operations of the business could be monitored and assessed (Fully explained).
(b)(i)	<i>Outline a SMART business objective for Explore More</i> <i>Explore More</i> will aim for a 5-star Google review each month (Identified).
(ii)	<i>Describe ONE way (one action) in which Explore More could operate its business to meet the outlined SMART business objective</i> The staff at <i>Explore More</i> could ensure that they check the Google reviews regularly and respond to both positive and negative comments.
(iii)	<i>Explain how this business operation may contribute to the success of Explore More</i> Responding to all comments made would allow <i>Explore More</i> to address the full range of feedback from its customers (Described). This means that <i>Explore More</i> could act on negative feedback and improve its performance (Explained). This may contribute to the success of <i>Explore More</i> , as customers would feel that <i>Explore More</i> cares about what they have to say, which could increase their loyalty to <i>Explore More</i> and lead to more sales by word of mouth (Fully explained).

### Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 18	19 – 24