

1

90837



908370



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

Level 1 Business Studies, 2011

90837 Demonstrate an understanding of internal features of a small business

9.30 am Tuesday 29 November 2011

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 2–11 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

ASSESSOR'S USE ONLY

You are advised to spend 60 minutes answering the questions in this booklet.

Use the information in the boxes and your business knowledge to answer the following questions.

QUESTION ONE: ENTREPRENEURSHIP AND BUSINESS OBJECTIVES

After finishing her course in food preparation at her local polytechnic, Debbie got a job in a gourmet bakery creating speciality cakes. After five years, she is a highly experienced and creative baker and feels it is time to start her own business.

Obviously, Debbie has some concerns about leaving her safe job and stepping out on her own, but on the other hand, she sees it as a great entrepreneurial adventure.

To build her confidence, she has been working with a business mentor to create a business plan which will set out clear aims and objectives for the bakery.

- (a) Describe the role of the entrepreneur in business.

- (b) Identify TWO entrepreneurial skills and, using examples, explain why Debbie may need to show these when starting her business.

(1)

(2)

- (c) Outline TWO reasons why businesses need to have clear aims and objectives.

(1)

(2)

(d) Discuss the impacts of ONE possible aim or objective that Debbie could set for her **first year** in business.

- a description of a possible aim or objective
- a full explanation of how Debbie can achieve this aim or objective
- a full explanation of the impacts that achieving this aim or objective will have on the business.

QUESTION TWO: FINANCIAL STATEMENTS

ASSESSOR'S
USE ONLY

After six months in business, things are going reasonably well for Debbie. At about this time, the business mentor has advised she should use the services of a professional accountant. The accountant has provided Debbie with two financial statements – an income statement and a balance sheet.

- (a) Describe the purpose of an income statement.

- (b) Explain TWO possible problems with Debbie's business that an **income statement** might reveal.

(1)

(2)

- (c) Describe the meaning of the terms **gross profit** and **net profit**, as used in an income statement.

Gross profit:

Net profit:

- In your answer you should include:

- a clearly identified issue
- a full explanation of why this issue is a problem for the business
- a full explanation of a solution to the problem AND the consequences of the solution.

QUESTION THREE: TYPES OF BUSINESSASSESSOR'S
USE ONLY

Debbie recently had lunch with an old friend whom she first met on the bakery course she attended at the polytechnic. They discussed the idea of going into partnership in the bakery business.

(a) Define a partnership.

(b) Explain TWO advantages of a partnership over a sole trader.

(1)

(2)

(c) Sole traders and partnerships both have unlimited liability. Define unlimited liability.

(d) Fully explain an advantage and a disadvantage to her bakery of becoming a registered company rather than a partnership.

- a description of how the ownership of Debbie's bakery would change if it became a registered company
- a full explanation of one advantage of a registered company
- a full explanation of one disadvantage of a registered company.

QUESTION FOUR: COMMUNICATIONASSESSOR'S
USE ONLY

Effective communication is essential to the operations of a business.

(a) Describe what is meant by communication.

(b) A manager must communicate:

- with workers about a need to change the hours they work
- with suppliers about ordering stock.

For EACH point above, identify a suitable method of communication, and explain why it is suitable.

(i) A suitable method of communicating with workers:

(ii) A suitable method of communicating with suppliers:

(c) Outline TWO reasons why it is important for businesses to have effective lines of communication.

(1)

(2)

- | | |
|-------------------------------------|--|
| Business name | |
| Good(s) sold or service(s) provided | |

- a clearly identified barrier to communication
- a full explanation of how this barrier to communication may affect the business negatively
- an alternative method of communication, AND a full explanation of how this may solve the communication problem.

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

ASSESSOR'S
USE ONLY

QUESTION
NUMBER

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

ASSESSOR'S
USE ONLY

QUESTION
NUMBER

