

Assessment Schedule – 2013

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

Evidence Statement

Q 1	Sample answers	Achievement	Merit	Excellence
(a)	Definition: Business objectives are the goals, aims, or purpose of the business, usually referred to in the planning process.	<ul style="list-style-type: none"> The term “business objectives” is defined. TWO business objectives are identified. How the business could achieve each objective is described. ONE possible conflict is described. Impact of the possible conflict is described. How the philosophy of rangatiratanga would assist in avoiding the conflict is described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<ul style="list-style-type: none"> TWO business objectives and how they could be achieved are explained. Impact of the possible conflict is explained. How the philosophy of rangatiratanga would assist in avoiding the conflict is explained, with TWO examples. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(b)</p> <p>TWO business objectives and how they could be achieved are fully explained.</p> <p>(c)</p> <ul style="list-style-type: none"> A possible conflict which arises from ONE of the objectives in (b) is described. How the conflict could impact on the business is explained. How the philosophy of rangatiratanga would assist in avoiding the conflict is fully explained, with TWO examples. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>
(b)	One business objective of <i>Mīere Reka</i> could be to increase profitability (Described). This could be achieved by increasing prices or lowering costs (Explained), thereby increasing revenue or bringing in more custom, which would add profit, therefore contributing to the success of the business (Fully Explained). Another objective could be to grow the business (Described) by expanding or merging with another company. The growth would reach a larger target market (Explained), ultimately leading to greater sales and profits which would also add to the success of the business (Fully Explained). Growth could also lead to increased production, allowing the business to respond to greater demand, as they are able to increase supply. Growth by merger would reduce the number of competitors in the marketplace. Other objectives – increasing brand awareness, diversification, increased sales, corporate social responsibility, environmental sustainability, etc, all leading to increased financial and/or non-financial returns.			
(c)	If the business decided to grow by merging with another company, a conflict could arise between iwi, management, and the employees of <i>Mīere Reka</i> , as workers could become insecure about their jobs and resent management for making this decision (Described). Alternatively, the local iwi may not agree to a merger or			

<p>the notion of affording outsiders (out of region) decision-making rights about tribal resources. The conflict could affect staff morale and/or iwi relationships, which could in turn lead to compromised quality, poor decision-making, mistakes, and poor performance (Explained). If management demonstrates rangitiratanga through (for example) good leadership and effective communication of the process and, if applicable, reassurance of job security (Explained), there is less likely to be uncertainty. If management consult with staff, the merger may get their buy-in (Example), which will increase motivation and productivity, leading to a positive outcome for the business and everyone concerned (Fully Explained). Rangatiratanga would encourage collaborative practices. The firm would involve iwi in exploring a range of ways for achieving the firm's objective of growth (Fully Explained).</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.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers	Achievement	Merit	Excellence
(a)	Description: Effective communication plays a vital role in helping everyone in the business know what they have to do, and how they have to do it to succeed (Described).	<ul style="list-style-type: none"> How effective communication assists <i>Mīere Reka</i> in achieving its objectives is described. ONE example of two-way communication is described. TWO reasons management may use two-way communication are described. TWO types of communication are described. A situation where each of the selected types of communication is suitable is described. <p>(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)</p>	<ul style="list-style-type: none"> Why management may use two-way communication is explained, with TWO examples. Situations where each of TWO types of communication are suitable for the business are explained. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concepts.)</p>	<p>(b)</p> <p>Why the management may choose to use two-way communication is fully explained, with TWO examples.</p> <p>(c)</p> <ul style="list-style-type: none"> TWO types of communication are described. A situation where each type of communication is most suitable for the business is fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and / or Māori business concepts into explanations.)</p>
(b)	Using two-way communication, rather than one-way communication, is more effective because it ensures a response (Described), so the manager knows the employee has understood what was communicated (Explained). Therefore if the message is communicated clearly, it is unlikely there will be any mistakes, which can cost time and money to correct (Fully explained). Another advantage of this is that it ensures buy-in from the employees (Described). They will feel as though their opinions are valued, as they have been consulted, rather than simply being told what to do (Explained). Employees are more motivated, therefore more productive, which in turn leads to a more successful business (Fully explained).			
(c)	<p>The business uses two main types of communication. They use written communication which is information that is written or typed, using media such as letters, emails, memos, reports, manuals, signage, etc (Described). Written communication is used to convey formal or important information to employees, so that the information is clearly understood. It is also effective if the business wants to keep a record of the communication (Explained). This is particularly important if the communication is a legal document or the business needs to keep the record as proof of a decision or outcome (Fully explained).</p> <p>The business also uses oral communication to relay simple and / or less important instructions, or when they want to address the entire organisation at a staff meeting (Described). Using oral communication gives employees</p>			

	<p>the chance to clarify information, therefore ensuring understanding (Explained). This also gives the employee an opportunity to provide instant feedback, so misunderstandings can be cleared up at the time. This means they can further clarify the meaning or intent of the communication (Fully explained).</p> <p>Another communication method is visual. Information in the form of posters and signage (Described) is effective for displaying danger signs, “no smoking” signs, and other universal symbols. This is important if there are employees of different ethnicities, as universal symbols should be understood by everyone (Explained). This will help to avoid mistakes being made, and should minimise the likelihood of unhealthy or unsafe practices occurring (Fully explained).</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.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 3	Sample answers	Achievement	Merit	Excellence
(a)	Businesses need financial records so they can measure performance and keep track of their finances. They also provide the business with information for decision-making, and ensure that accurate records are kept for tax purposes (Described).	<ul style="list-style-type: none"> • ONE purpose of financial records for a small business is described. • TWO potential users of <i>Miēre Reka</i>'s financial records are identified. 	<ul style="list-style-type: none"> • TWO potential users of <i>Miēre Reka</i>'s financial records are identified, and reasons why they would be interested in them are explained. 	(b) TWO potential users of <i>Miēre Reka</i> 's financial records are identified, and reasons why they would be interested in them are fully explained.
(b)	<p>Potential users of financial records:</p> <p>Banks or financial institutions (Identified) use financial records to ascertain whether <i>Miēre Reka</i> can service a loan debt (Explained). Without this information, banks and financial institutions would be reluctant to loan money to <i>Miēre Reka</i> in case the business did not have the capacity to pay it back (Fully explained).</p> <p>Governments (Identified) use financial records to calculate the tax responsibilities of individuals and companies (Explained). This helps the government to determine whether <i>Miēre Reka</i> is meeting its obligations and paying the correct amount of tax (Fully explained).</p> <p>Owners / investors / iwi (Identified) use financial records to monitor the performance of <i>Miēre Reka</i> (Explained). They can then use this information to decide whether they want to continue with the business or invest further. The records might also highlight that <i>Miēre Reka</i> needs more support, which the owner / investor may be able to offer (Fully explained).</p> <p>Suppliers (Identified) use financial records to ascertain whether <i>Miēre Reka</i> can service credit arrangements (Explained). If they determine the business can't pay on time or pay the amount required, they can put some strategies in place to help the business. They might also make the decision not to supply <i>Miēre Reka</i> any more (Fully explained).</p>	<ul style="list-style-type: none"> • A reason EACH user would be interested in <i>Miēre Reka</i>'s financial records is described. • Purpose of an income statement is identified. • TWO problems the income statement may reveal are described. • TWO actions <i>Miēre Reka</i> could take to avoid the problem(s) in the future are described. <p>(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)</p>	<ul style="list-style-type: none"> • TWO problems the income statement may reveal are explained. • TWO actions <i>Miēre Reka</i> could take to avoid these problems in the future are explained. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> • TWO problems the income statement may reveal are explained. • TWO actions <i>Miēre Reka</i> could take to avoid the problems in the future are fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and / or Māori business concepts into explanations.)</p>

(c)	<p>The purpose of an Income Statement is to enable <i>Miere Reka</i> to monitor its performance (profit and loss) over a specific period (Identified).</p> <p>One of the problems that may be revealed is that expenses are too high, resulting in a lower profit or a loss (Explained). The business will need to ascertain whether the expenses were necessary, and put strategies in place to control expenses or raise revenue to cover the higher expenses (Fully explained).</p> <p>Another problem that may be revealed in the Income Statement is that sales are lower than what was originally forecast (Identified). If the reason is that there are not enough sales, the business needs to try to figure out why. This may require more market research to determine the problem, and subsequent marketing to promote the product, and hopefully increase sales (Fully explained).</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.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 4	Sample answers	Achievement	Merit	Excellence
(a)	Description: Businesses need to analyse their competition so that they can compete on price and service. It also indicates where the business sits in the marketplace and what they may need to do to improve their position.	<ul style="list-style-type: none"> • The importance of a business analysing its competition is described. • How market research could assist <i>Mīere Reka</i> to identify and evaluate opportunities prior to expansion is described. 	<ul style="list-style-type: none"> • How market research could assist <i>Mīere Reka</i> to identify and evaluate opportunities prior to expansion is explained. • ONE advantage of the selected type of primary research is explained. 	(b) How market research could assist <i>Mīere Reka</i> to identify and evaluate opportunities prior to expansion is fully explained.
(b)	Market research could assist <i>Mīere Reka</i> prior to expansion by identifying potential new markets and analysing all aspects of the “four Ps” – Product, Price, Promotion, and Place (Described). It would also enable <i>Mīere Reka</i> to check out the competition and whether there is enough demand for its product (Explained). Market research, if conducted with its existing client base, will also assist the business in gaining a competitive advantage, if customers provide feedback on the existing product and how it might be improved to aid expansion (Fully explained).	<ul style="list-style-type: none"> • ONE type of primary market research is described. • ONE advantage of the selected type of primary research is described. • TWO disadvantages of the selected type of primary research compared with secondary research are described. 	<ul style="list-style-type: none"> • TWO disadvantages of the selected type of primary research compared with secondary research are explained. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concepts.)</p>	(c) <ul style="list-style-type: none"> • ONE type of primary market research is described. • ONE advantage of the selected type of primary research is explained. • TWO disadvantages of the primary research method compared with secondary research are fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and / or Māori business concepts into explanations.)</p>
(c)	<p>A survey is one type of primary research. The business generally uses a survey to get customers’ opinions about its products, and to ascertain customer demand (Described). One advantage of conducting a survey when thinking about expansion is that it has a wide population reach. The surveys can be conducted either online using survey tools and software, which can be cost-effective, or face-to-face (Explained).</p> <p>One disadvantage of using a survey is that surveys do not always allow for a variety of answers, or questions may be biased (Described). The respondents may not be honest, or the information they provide might not be accurate (Explained). This would mean the information is not correct, which would steer the business in the wrong direction (Fully explained). Another disadvantage is that primary research is expensive and time-consuming (Described), whereas secondary research, if used, can evaluate a number of different survey outcomes and compare answers (Explained). There are also more likely</p>	(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)		

	to be different types of secondary research available, which creates a bigger picture for the business and, as it is not as expensive or time-consuming as primary research, it would save the business money (Fully explained). Other answers could include focus groups, interviews, observations, questionnaires, sampling, etc.						
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.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 9	10 – 16	17 – 25	26 – 32