

EoY Revision Booklet 2025 – Year 10 COMMERCE

Accounting Section:

Definitions

Word	Meaning/Definition
Current assets	
Accounting Equation	
Non – current assets	
Equity or owner's equity/Capital	
Assets	
Liabilities	
Balance Sheet	
Accounts Receivable	
Accounts Payable	
Bank overdraft	
Drawings	
Income Statement	
Revenue	
Expenses	
Non – Current liability	

Current liability	
Net profit	

Accounting equation (3 equations) – Remember and Solve:

$$1. OE = A - L$$

$$2. A = L + OE$$

$$3. L = A - OE$$

(i). From the following information calculate the **owner's equity** for Ace Traders as at 31 March 2013.

Cash at ANZ Bank \$2,000, Accounts Receivable \$4,500, Inventory \$7,000, Land & Buildings \$20,000, Equipment \$2,000, Fittings \$1,500, Accounts Payable \$2,100, Loan \$8,400.

ASSETS	\$	LIABILITIES	\$
		Equity	
TOTAL Assets		TOTAL	

(ii). Assets = \$24000 OE = \$35000 Liability = ?

Ans:

(iii). Liabilities = \$17000 Assets = \$50000 Owner's Equity/OE = ?

Ans:

Classify the following:

Account Name	Financial Element	Statement Name
Interest on loan	Expense (Finance cost)	Income Statement
Accountants fees		

Bank	Current Asset	Balance Sheet
Accounts Receivable		
Land		
Travelling expenses	Expense (Distribution cost)	Income Statement
Sales	Income (for product business)	Income Statement for trading business
Rent received	Income (Other income)	Income Statement
Loan		
Capital		
Wages/Salaries		
Insurance		
Delivery van expenses		
Interest received		
Van		
Inventory		
Rates		
Water		
Cash on hand		
Bank overdraft		
Equipment		
Shop rent		
Shop electricity		
Electricity		

Interest on mortgage		
Furniture		
Petty cash	Asset (Current asset)	Balance sheet
Machinery		
Drawings		
Commission received		
Accounts Payable		
Premises/Buildings		
Advertising		
Fittings		
Stationary		
Office expenses		
Mortgage		
Dividends received		
Fees received		
Shop wages/salaries		
Sales staff wages/salaries		
Rent		
General expenses		
Interest on bank overdraft		
Van/Truck/Car		
Computers		

Note: Revise the income statement and Statement of financial position (balance sheet formats)

Economics Section

Definitions:

Term	Meaning/definition
Opportunity cost	
Need	
Want	
Ceteris Paribus	
Law of demand	
Demand	
Quantity demanded	
Demand schedule	
Demand curve	
Economics	
Scarcity or economic problem	
Limited means of an individual? (examples)	

Short questions:

(i). Give an example of opportunity cost faced by an individual?

(ii). Give an example of opportunity cost faced by a business?

(iii). Give an example of opportunity cost faced by government?

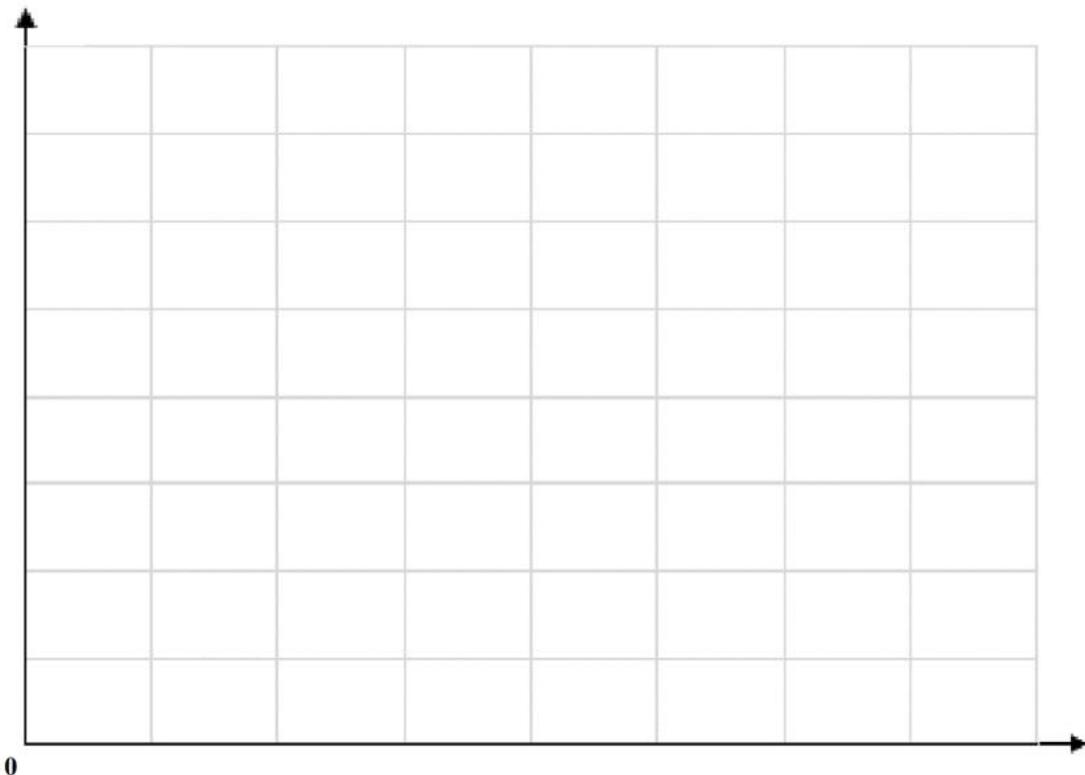
Demand and law of Demand:

Imagine you are running a small bakery that sells cupcakes. The table below shows the **quantity of cupcakes demanded** at different prices over the past week.

(i). Construct a fully labelled demand curve from the following demand schedule:

Price per Cupcake (\$)	Quantity Demanded (Cupcakes)
5	10
4	15
3	25
2	35
1	50

Title: _____



- (ii). The bakery decides to lower the price from \$3 to \$2 per cupcake. Using your demand curve, **explain and show the effect of this price change** on the quantity demanded. Fully label all changes. How does the Law of Demand apply in this case?

Ans:

Marketing section

Definitions:

Term	Definition/Meaning/Examples
Marketing	Marketing is finding out what the customer wants, providing it and making a profit. Ex: Advertising, Social Media
Marketing mix	Marketing mix, also known as the 4Ps, product, price, place and promotion. Ex: Coca Cola which maintains all 4Ps to satisfy customers.
Brand	
Packaging	
Price penetration	
Price skimming	
Cost plus pricing	A percentage markup is added to unit cost of producing an item
Competitive pricing	
Promotional pricing	
Psychological pricing	
Advertising	Companies pay to advertise their service or product to a high number of people at the same time. Common forms of advertisements include ads in television, newspapers, direct mail, radio, magazines or online.

	<p>Ex: Social Media, Posters, Billboards</p>
Sales promotion	<p>Sales promotions are short-term incentives to encourage people to buy a product or a service.</p> <p>Ex: Coupons, Rebates, Games</p>
Sponsorship	<p>Sponsorship involves providing financial support of an event, person or organization in exchange for exposure to their audience. Sponsorship is often used to build brand awareness entrance reputation.</p> <p>Ex: Event Sponsorship, Influencer Sponsorship.</p>
Direct or personal selling	<p>Personal selling involves face-to-face communication between a salesperson and a potential customer. This communication is used to persuade the customer to buy a product or service.</p> <p>Ex: Real Estate Agents, Car Salesperson</p>
Public relations	<p>This type of promotion communicates a company's services and image to the public.</p> <p>Ex: Charity, Sponsorships, Donations</p>
Market segment	
Target market	<p>A target market is a group of customers that the business has decided to aim its marketing efforts and ultimately its merchandise to.</p>
Promotion	<p>Promotion is communicating with your potential customers or target market about your product and persuading them that they want or need your product.</p> <p>Ex: Sponsorship, Advertising</p>

Unique selling point	
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Marketing Mix Case study (4Ps proposals)

Case Study: The Marketing Mix of Whittaker's Chocolate

Whittaker's is a famous New Zealand-based chocolate company known for its high-quality ingredients and ethical sourcing practices. The company has been successful in maintaining a strong presence in the local market, competing with both international and local brands.

Recently, the company has faced a shift in the market. A new trend has emerged among health-conscious consumers, particularly among younger demographics, who are moving towards healthier and sustainable food choices. Consumers are looking for chocolates that offer lower sugar content, organic ingredients, and eco-friendly packaging. This trend has seen a rise in new competitors, offering innovative products like plant-based chocolate bars, which are gaining popularity.

Whittaker's has traditionally positioned itself as a premium chocolate brand, known for its rich flavors and indulgent products. However, **in response to this market change, they are considering altering their marketing strategy** to better appeal to this health-conscious, eco-aware audience. They want to rethink their marketing mix (Product, Price, Place, Promotion) to stay competitive and relevant in the new market environment.

You have been hired as a marketing consultant for Whittaker's. The company wants to refresh its marketing mix in light of the changing consumer tastes and rising competition.

Questions:

- (i). **Product:** How should Whittaker's **modify its product offerings** to better appeal to the health-conscious consumer segment? **Justify** your recommendations.

Price: Given the rise of new competitors offering healthier alternatives, should Whittaker's adjust its pricing strategy? **What pricing approach would you recommend and why?**

Promotion: How should Whittaker's change its promotional strategies to align with the preferences of health-conscious consumers? **Suggest new promotional methods and justify** why they would work well in the current market.

Budgeting Section

Key terms and definitions

Term	Meaning/Definition
Budget	A tool to help you manage your income and expenses and save money. It shows how much money a person has coming in

	(income) and going out (expenses) over a period
Necessary expenses with examples	Necessary expenses refer to costs that are essential for the operation of a business or individual, typically recognized as tax-deductible. Ex. Rent, salaries.
Financial goal	A financial goal is defined as a specific, measurable, and time-bound objective related to personal finances, aimed at improving your financial situation.
Unnecessary expenses with examples	Unnecessary expenses are costs that do not contribute significantly to your well-being or financial goals. Ex. Impulse purchases, luxury items.
Surplus (show formula)	Surplus refers to the excess benefits gained from a transaction, particularly in economics. It can be defined as the total benefits received by consumers and producers from a market transaction. The formula for calculating economic surplus is: $\text{Economic Surplus} = \text{Consumer Surplus} + \text{Producer Surplus}$
Deficit (show formula)	A deficit is defined as a situation where total expenditures exceed total revenues. The formula Budget Deficit = Total Expenditures by the Government – Total income of the government.
Savings	Saving is income not spent, or deferred consumption. In economics, a broader definition is any income not used for immediate consumption.
Emergency Funds	An emergency fund is money set aside to cover unexpected expenses.

Conversions

(i). Convert the following figures into a yearly budget figures. Show your working:

1. Rent : \$300 weekly _____ $300 \times 52 = \$15,600$ _____

2. Mobile plan: \$55 fortnightly _____ $55 \times 26 = \$1430$ _____

3. Insurance for vehicle: \$125 monthly _____ $125 \times 12 = \$1500$ _____

4. Salary: \$60 per day = $365 \times 60 = \$21900$

(ii). Convert the following figures into a weekly budget figures. Show your working:

1. Medical expenses: \$105 per month $105 / 7 = \$15$

2. Movies: \$50 per 2 months $50/8 = \$6.25$
3. Utility bills: \$5600 per annum $5600/52 = \$107.69$
4. Wages earned: \$90000 per annum $= \$1730.77$
5. Pet food: \$80 per fortnight $80/2 = \$40$
6. Gym fee: \$55 per week

Note: Revise the budget format

Business Studies General, Entrepreneurship & Māori Business Concepts Section

Key terms/Definitions/Examples

Term	Definition/Examples
Stakeholders (internal and external)	<p>Internal stakeholders are individuals or groups within an organization, such as employees, managers, and owners, who have a direct interest in the company's operations and performance. In contrast, external stakeholders are parties outside the organization, including customers, suppliers, investors, and the community, who are affected by or can affect the company's activities.</p> <p>Key Differences+2</p> <p>In summary:</p> <p>Internal Stakeholders: Employees, management, and owners.</p> <p>2</p> <p>External Stakeholders: Customers, suppliers, investors, and the community.</p> <p>3</p>
Entrepreneur	An entrepreneur is a person who spots an opportunity and takes the initiative to build a new business or startup. Entrepreneurs bring

	together ideas, people, and resources to grow their business, but often start by putting their own time, money, and effort on the line to make it happen.
Business activity	A business activity is defined as any action taken by a company to generate profits. This includes processes involved in the creation of products or the provision of services.
Difference between service and product businesses	Service businesses produce services and Product businesses produce products. Services are intangible and products are tangible.
Whanaungatanga	We are a family, connected by a powerful common purpose enriched by each other and bound by mutual respect.
Manaakitanga	We have been entrusted with the wellbeing of our people our lands and water and we are honour bound to protect them for the next generation.
Pū-take	The origin or reason for being. For example, goals, vision and mission statements.
Tū-ranga	The positioning/anchor of the business (where tu means to stand, so the reason why the business in place, its foundations). For example, company legal structure or model.
Ti-kanga	Values, rules, priorities, and ways of doing business. For example, policies and procedures.
Kai-tiaki-tanga	The exercise of guardianship, particularly in relation to natural resources such as land sea and waterways also flora and fauna including people that comprise elements of the natural environment. Very close links to social and environmental sustainability.
Ranga-tira-tanga	Exercise of leadership authority guardianship and ownership rights particularly focused on resource production utilisation and management for current and future requirements.
Ethics	
Corporate social responsibility	

What makes a business considered as a Maori business? (3 key features)

Ans: