

Assessment Schedule – 2018

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

Assessment Criteria

Describing: States **what** the answer is to the question asked. Defines (states the meaning of), identifies (gives an account of the qualities or characteristics), outlines (states what the answer is).

Explaining: States **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs, or links ideas to provide a coherent rationale.

Fully explaining: Develops the explanation with further expansion of **how** 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.

Evidence

Q 1	Sample answers/Evidence
(a)	<p>A sole trader is a business structure that has a single owner (Defined).</p> <p>Operating as a sole trader has several advantages for Sally, which include making all the decisions (Described). This is because she is the sole owner and does not have to share decision-making with another owner (Explained). This makes decision-making quicker, keeping <i>Avocado Smash</i> ahead of its competitors (Fully explained).</p> <p>Operating as a sole trader has several disadvantages for Sally, which include unlimited liability for debts (Described). This means that Sally is personally responsible for the debts of <i>Avocado Smash</i> (Explained), and therefore Sally’s personal assets are at risk of being sold to repay business debts (Fully explained).</p>
(b)	<p>A registered company is a separate legal entity from its owners, whereas a sole trader is not (Described). This means that in a registered company, the shareholders are only liable for the value of any investment they have made/shares purchased – no matter how much the company owes (Explained).</p> <p>A registered company has limited liability, whereas a sole trader has unlimited liability (Described). This means that in a registered company, the personal assets of the shareholders are protected, but in a sole trader, the personal assets of the owner are at risk if the business fails (Explained).</p> <p>A registered company can sell shares to potential shareholders, whereas a sole trader cannot (Described). This means that a registered company can raise funds by selling shares to potential shareholders (Explained).</p> <p>As the owner of a registered company, Sally would not be personally liable for the debts of <i>Avocado Smash Ltd</i> (Described). This means that Sally’s personal assets are protected if <i>Avocado Smash Ltd</i> encounters difficulties in paying its debts (Explained). This change in ownership structure would carry less personal risk for Sally (Fully explained).</p> <p>As a registered company, <i>Avocado Smash Ltd</i> can raise additional capital through the sale of shares – either to friends, family, or to the public (Described). This means that Sally could find it easier to obtain finance (Explained). This increased access to funding may make it easier for Sally to expand <i>Avocado Smash Ltd</i> to meet the increase in consumer demand (Fully explained).</p>

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Defines the term 'sole trader'. Describes ONE advantage of a sole trader. Describes ONE disadvantage of a sole trader. Describes the difference between a sole trader and a registered company. Describes how this difference will impact on Sally, the current sole owner of <i>Avocado Smash</i>. <p>(Answers will typically state relevant business knowledge and/or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> ONE advantage of a sole trader ONE disadvantage of a sole trader the difference between a sole trader and a registered company how this difference will impact on Sally, the current sole owner of <i>Avocado Smash</i>. <p>(Answers will typically include relevant business knowledge and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> ONE advantage of a sole trader ONE disadvantage of a sole trader how this difference will impact on Sally, the current sole owner of <i>Avocado Smash</i>. <p>(Answers will typically integrate 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, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker. Any TWO parts fully explained. The other part is explained.	All points covered. All parts fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q 2	Sample answers / Evidence
(a)	<p>Business objectives are the goals, aims, or purpose of the business, usually referred to in the planning process (Defined).</p> <p>A business objective of <i>Avocado Smash Ltd</i> could be to expand their market to include new customers, e.g. through online ordering (Described). This is important to <i>Avocado Smash Ltd</i> because they are setting a goal that their employees can aim for (Explained). This will motivate their employees to strive to reach this goal and earn <i>Avocado Smash Ltd</i> more income, and consequently greater profit (Fully explained).</p> <p>A business objective of <i>Avocado Smash Ltd</i> could be to provide employment (Described). This is important to <i>Avocado Smash Ltd</i> because they will be seen as a positive business expansion in the local community, enhancing their reputation (Explained). With the improvement in reputation, the business may see a rise in sales, as more customers are likely to be attracted to the business, and this may lead to an increase in profits (Fully explained).</p>
(b)	<p><i>Example: Pizza Shop</i></p> <p>One objective of <i>Pizza Shop</i> was to be profitable / retain market share / be the number one local pizza retailer (Identified).</p> <p><i>Pizza Shop</i> improved a business operation to achieve this objective by offering deliveries of pizzas to customers (Described). This means that <i>Pizza Shop</i> offered additional customer services, which helped them retain customers and attract new ones. Responding to customer needs helped <i>Pizza Shop</i> achieve its objective of profitability (Explained).</p> <p>This improved business operation of offering the delivery service for pizza contributed to the business being considered a success, as it was able to compete with other local fast food delivery services and remain a profitable business (Fully explained).</p>

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Defines the term 'business objective'. Describes a business objective for <i>Avocado Smash Ltd</i>. Identifies a business objective for a named small business. Describes an improved business operation that contributes to the achievement of the business objective for a named small business. <p>(Answers will typically state relevant business knowledge, and/or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> a business objective for <i>Avocado Smash Ltd</i> why the business objective is important for <i>Avocado Smash Ltd</i> an improved business operation for a named small business how this improved business operation links to business success for a named small business. <p>(Answers will typically include relevant business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> why the business objective is important for <i>Avocado Smash Ltd</i> an improved business operation for a named small business how this improved business operation links to business success for a named small business. <p>(Answers will typically integrate 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, partial explanations.	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.
NØ = No response; no relevant evidence.						(a) OR (b) fully explained. The other part is explained.	

Q 3	Sample answers/Evidence
(a)	<p>A financial document that <i>Avocado Smash Ltd</i> should keep is a bank statement (Identified).</p> <p>The importance of keeping a bank statement for <i>Avocado Smash Ltd</i> is that it provides evidence that a payment has been made for an online order that has been placed (Described). This means that <i>Avocado Smash Ltd</i> can check its online orders against the bank records, to make sure that they match and that payments have been made for online orders placed (Explained). This is important for <i>Avocado Smash Ltd</i> because if the payment for an online order has not been made, then <i>Avocado Smash Ltd</i> can chase up payment before the order is delivered to the customer; this will ensure that <i>Avocado Smash Ltd</i> receives payment at the point of order (Fully explained).</p>
(b)	<p>Live chat is an effective form of communication for <i>Avocado Smash Ltd</i> customers because it offers them efficiency – they can request information/ask questions in real time (Described).</p> <p>Using two-way communication (rather than one-way communication) is more effective because it ensures a response (Described); <i>Avocado Smash Ltd</i> has the opportunity to respond to the wants and needs of its customers (Explained). This will enable <i>Avocado Smash Ltd</i> to make sure that customers' wants and needs are taken care of by communicating/responding clearly; it is unlikely there will be any mistakes or miscommunication, which can cost time and money to correct (Fully explained).</p>

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Identifies a financial document that <i>Avocado Smash Ltd</i> should keep. Describes the importance of the financial document identified. Describes how the form of communication is effective. Describes why <i>Avocado Smash Ltd</i> would enable two-way communication. <p>(Answers will typically state relevant business knowledge, and/or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> the importance of the identified financial document why <i>Avocado Smash Ltd</i> would enable two-way communication. <p>(Answers will typically include relevant business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> the importance of the identified financial document why <i>Avocado Smash Ltd</i> would enable two-way communication. <p>(Answers will typically integrate relevant business knowledge, and/or Māori business concepts into explanations.)</p>

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Very little Achievement evidence.	Some Achievement evidence, partial explanations.	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.
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Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 6	7 – 12	13 – 18	19 – 24