

Assessment Schedule – 2022

Business Studies: Demonstrate an understanding of external factors influencing a small business (90838)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<i>Describing</i> states what 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 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.	<i>Fully explaining</i> 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.

Question One: External stakeholders

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> • why <i>Wheel Come to You's</i> customers would be interested in the success of the business • how <i>Wheel Come to You's</i> objective of increasing its customer base of domestic tourists may lead to a conflict with the objectives of its regular customers • one way in which <i>Wheel Come to You</i> could respond to the conflict • the selected stakeholder's interest in the named business • how the named business could maintain a positive relationship with the named stakeholder, using a specific example • how maintaining a positive relationship would mutually benefit the business and the named stakeholder. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> • why <i>Wheel Come to You's</i> customers would be interested in the success of the business • how <i>Wheel Come to You's</i> objective of increasing its customer base of domestic tourists may lead to a conflict with the objectives of its regular customers • one way in which <i>Wheel Come to You</i> could respond to the conflict • how the named business could maintain a positive relationship with the named stakeholder, using a specific example • how maintaining a positive relationship would mutually benefit the business and the named stakeholder. <p>(Answers will typically include relevant business knowledge and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • how <i>Wheel Come to You's</i> objective of increasing its customer base of domestic tourists may lead to a conflict with the objectives of its regular customers • one way in which <i>Wheel Come to You</i> could respond to the conflict • how the named business could maintain a positive relationship with the named stakeholder, using a specific example • how maintaining a positive relationship would mutually benefit the business and the named stakeholder. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	All points covered. (a) AND (b) explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q1	Sample Evidence
(a)(i)	<p><i>Interest of customers in the success of the business</i></p> <p><i>Wheel Come to You's</i> customers are interested in the success of the business because it provides them with mobile bike services, and repairs and maintenance (Described), which enables them to keep their bikes in top condition so they can continue to ride when they want to. If <i>Wheel Come to You</i> was not successful, it may mean the customers don't keep their bikes serviced, leading to accidents due to broken bikes (Explained).</p>
(ii)	<p><i>Conflict of objectives between different customers</i></p> <p>The regular customers would want <i>Wheel Come to You</i> to be available to service their bikes when needed, and if <i>Wheel Come to You</i> is focusing on providing services to domestic tourists, they may not always be available (Described). This could lead to a conflict, as the locals/regular customers may feel that they should be a priority because they provide regular income for the business and are part of their local community. Accordingly, they may feel that the domestic tourists, who may never use the business again, should not be the priority (Explained).</p>
(iii)	<p><i>Wheel Come to You</i> needs to ensure that the regular customers feel that they are the priority (Described). They could make sure that the servicing of bikes for regular customers is always at a time that is acceptable to the customer and avoid changing appointments in order to do repairs for domestic tourists. It is likely to be more beneficial for <i>Wheel Come to You</i> to have regular customers than lose a regular customer because they are busy repairing a domestic tourist's bike (Explained).</p>
(b)	<p><i>Selected stakeholder: Supplier</i></p>
(i)	<p>The supplier is named and the interest is described, e.g. the supplier of goods has an interest in the business, as they earn their income/revenue from supplying goods to the business (Described).</p>
(ii)	<p>The named business could maintain a positive relationship with the supplier by making sure they are up to date with their payments (Described). This would mean that the business is seen by the supplier as having a good track record for punctual invoice payments, and therefore they would continue to do business with the named business (Explained). The named business could maintain a positive relationship with the supplier by making sure they communicate clearly and in a timely manner (Described). This would mean that the business places orders in plenty of time of when they need delivery, and also is clear in their requests. This would make it easier for the supplier to fill their orders, and they will want to continue to do business with the named business (Explained).</p>
(iii)	<p>Maintaining a positive relationship with the supplier would mutually benefit the named business and the supplier. The supplier will get many orders/income from the named business, and the named business will receive the goods they need (Described). The named business may also benefit from cheaper rates/guaranteed delivery times/preferential treatment if there is a positive relationship with the supplier. The supplier may benefit from always being paid on time/having additional orders if the named business exclusively orders from them, and may also gain new customers if the named business recommends them to other businesses.</p>

Question Two: Competition**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> one positive consequence for <i>Wheel Come to You</i> of increased competition one negative consequence for <i>Wheel Come to You</i> of increased competition a response that <i>Wheel Come to You</i> could make to compete against the local bike shop the cost of the response to <i>Wheel Come to You</i> in competing against the local bike shop one consequence of the response for <i>Wheel Come to You's</i> customers. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> one positive consequence for <i>Wheel Come to You</i> of increased competition one negative consequence for <i>Wheel Come to You</i> of increased competition the cost of the response to <i>Wheel Come to You</i> in competing against the local bike shop one consequence of the response for <i>Wheel Come to You's</i> customers. <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 positive consequence for <i>Wheel Come to You</i> of increased competition one negative consequence for <i>Wheel Come to You</i> of increased competition the cost of the response to <i>Wheel Come to You</i> in competing against the local bike shop one consequence of the response for <i>Wheel Come to You's</i> customers. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	All points covered. (a) AND (b) explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q2	Sample Evidence
(a)	<p><i>Positive and negative consequences of increased competition</i></p> <p>(i) One positive consequence for <i>Wheel Come to You</i> of increased competition is that <i>Wheel Come to You</i> might focus more on improving the bike services they offer, or introducing a new bike service (Described). <i>Wheel Come to You</i> will want to keep/increase its share of the market, and by offering better services and/or new services that the competition do not offer, it is more likely to keep/increase its customers, leading to increased sales (Explained).</p> <p>A second positive consequence for <i>Wheel Come to You</i> of increased competition is that <i>Wheel Come to You</i> might be able to learn from what <i>Just Bike</i> offers and improve its own business model (Described). <i>Wheel Come to You</i> will want to keep/increase its share of the market, and by offering better services than the competition, it is likely to keep/increase its customers, leading to increased sales (Explained).</p> <p>(ii) One negative consequence for <i>Wheel Come to You</i> of increased competition is that <i>Wheel Come to You</i> may have to reduce its prices for servicing bikes to retain existing customers and attract new ones (Described), which will lead to reduced sales revenue and potentially reduced profits if it is not matched by an increase in customers/number of bike services completed (Explained).</p> <p>A second negative consequence for <i>Wheel Come to You</i> of increased competition is that <i>Wheel Come to You</i> may try to complete its bike services/maintenance more quickly/using cheaper bike parts, which could affect its reputation (Described), leading to local customers switching to <i>Just Bike</i>, and sales and profits decreasing.</p>
(b)	<p><i>Response to competition</i></p> <p>(i) One response that <i>Wheel Come to You</i> could make to compete against the local bike shop is to introduce a loyalty scheme for its local/regular customers, where they get every 5th bike service completed for free (Described).</p> <p>OR</p> <p>One response that <i>Wheel Come to You</i> could make to compete against the local bike shop would be to provide a better service/more services/better hours. For example, they 'come to you' at your home or wherever you are with your bike, rather than you having to go to the bike shop with your bike (Described).</p> <p>(ii) The cost of this response for <i>Wheel Come to You</i> would be that it does not get paid for every 5th service it completes for a customer (Described). It will still have costs to pay for completing the service, but will receive no revenue from it, which will have a negative impact on profitability (Explained).</p> <p>OR</p> <p>The cost of this response for <i>Wheel Come to You</i> is the petrol to get to the customer, and the maintenance costs of the vehicle used for servicing the bikes (Described). These extra costs, in addition to the extra time needed to get to the customer, may lead to less profit (Explained).</p> <p>(iii) A consequence for <i>Wheel Come to You's</i> customers of the introduction of a loyalty scheme is that they will get five bike services and pay for only four (Described). This will mean the customer saves money by continuing to use <i>Wheel Come to You</i> rather than changing to the competitor (Explained).</p> <p>OR</p> <p>A consequence for <i>Wheel Come to You's</i> customers is that the service would be more convenient, as they can have their bike serviced at a location of their choice (Described). This would give them a high level of satisfaction/feel like they are getting good service, making it more likely that they will continue to use <i>Wheel Come to You</i> and might also recommend it to friends, leading to an increase in sales and profit (Explained).</p>

Question Three: Legal**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> the purpose of the Fair Trading Act how <i>Wheel Come to You</i> might be in breach of the Fair Trading Act one consequence for Emily if <i>Wheel Come to You</i> were to breach this law the purpose of the Consumer Guarantees Act one positive consequence for the customer if <i>Wheel Come to You</i> complies with the Consumer Guarantees Act one consequence for <i>Wheel Come to You</i> if it does not comply with the Consumer Guarantees Act. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> how <i>Wheel Come to You</i> might be in breach of the Fair Trading Act one consequence for Emily if <i>Wheel Come to You</i> were to breach this law one positive consequence for the customer if <i>Wheel Come to You</i> complies with the Consumer Guarantees Act one consequence for <i>Wheel Come to You</i> if it does not comply with the Consumer Guarantees Act. <p>(Answers will typically include relevant business knowledge and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> how <i>Wheel Come to You</i> might be in breach of the Fair Trading Act one consequence for Emily if <i>Wheel Come to You</i> were to breach this law one positive consequence for the customer if <i>Wheel Come to You</i> complies with the Consumer Guarantees Act one consequence for <i>Wheel Come to You</i> if it does not comply with the Consumer Guarantees Act. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	All points covered. (a) AND (b) explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q3	Sample Evidence
(a)	<i>The Fair Trading Act</i>
(i)	The Fair Trading Act (FTA) makes it illegal for businesses to mislead or deceive customers (Described).
(ii)	<i>Wheel Come to You</i> may be in breach of the FTA if it is deemed that they have misled the customer (Described) by stating that they are 'available 24 hours a day, 7 days a week' when in fact Emily is not able to do repairs at all times, i.e. the advertised statement is not true (Explained).
(iii)	If <i>Wheel Come to You</i> were to breach the FTA, customers may be disappointed with the business (Described) and choose to use a competitor instead, leading to reduced sales (Explained). Also, if <i>Wheel Come to You</i> were to breach the FTA, a customer may report them to the Commerce Commission (Described), and upon investigation they might be fined (Explained).
(b)	<i>The Consumer Guarantees Act</i>
(i)	The Consumer Guarantees Act (CGA) protects consumers against faulty goods or unsatisfactory services (Described).
(ii)	One positive consequence for the customer if <i>Wheel Come to You</i> complies with the CGA is that the customer could be confident that the repairs/maintenance has been provided with reasonable care and skill/completed within a reasonable time frame/provided at a reasonable price (Described). This may lead to the customer recommending <i>Wheel Come to You</i> to others, and/or using them again (Explained). A second positive consequence for the customer if <i>Wheel Come to You</i> complies with the CGA is that the customer could be confident that the parts used to repair their bike are of an acceptable quality (Described). This may lead to the customer recommending <i>Wheel Come to You</i> to others, and/or using them again (Explained).
(iii)	If <i>Wheel Come to You</i> does not comply with the CGA, it could lead to negative publicity, such as bad reviews or negative social media posts (Described). This could result in the business getting a bad reputation with consumers, leading to a decrease in sales (Explained). Also, if <i>Wheel Come to You</i> does not comply with the CGA, the customer could ask for the bike repairs to be done again, or for a refund to be given (Described). This would mean increased costs for <i>Wheel Come to You</i> , and hence reduced profits (Explained).

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 12	13 – 18	19 – 24