

Assessment Schedule – 2019

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.

Q1	Sample Evidence
(a)	<p>The role of an entrepreneur is to:</p> <ul style="list-style-type: none"> • organise / manage a business and take on the risk involved • seek opportunities in the market and provide goods / services to meet demand • bring the other resources / factors together to produce goods / services (Described). <p>One skill that Olivia shows is photography skills (Identified).</p> <p>Olivia shows these skills as she has completed a Bachelor of Design in photography, which has enabled her to take high-quality photos (Explained).</p> <p>This means that Olivia can provide her customers with high-quality photos. Satisfied customers are likely to provide repeat business and recommend <i>Captured Perfectly</i> to other potential customers, which could increase sales and profit, and lead to business success (Fully explained).</p> <p>One skill that Olivia shows is business and accounting skills from school (Identified).</p> <p>Olivia shows these skills as she has studied business and accounting at school, where she would have learned how to prepare financial statements and other business skills, such as marketing and managing human resources (Explained).</p> <p>This means that Olivia will be able to prepare and review financial statements to enable decisions to be made, so that her business remains profitable (Fully explained).</p> <p>This means that Olivia will be able to market her business to her target market, to ensure she continues to gain bookings for her photography service. This may lead to business success (Fully explained).</p>
(b)	<p>The named business is <i>Karen's Crafts</i>. Karen Woods is the owner of a craft store in town; she is an entrepreneur.</p> <p>Characteristics are qualities that occur naturally.</p> <p>One entrepreneurial characteristic is perseverance (Identified). This is the ability to keep going, even when there are obstacles in the way (Explained). Karen shows this quality because she had to apply to three different property owners in different locations before she found a suitable place to locate her business</p>

	<p>(Explained). This characteristic is important to the success of <i>Karen's Crafts</i>, as a good location will attract more customers, which will lead to higher sales and (potentially) profits (Fully explained).</p> <p>A second entrepreneurial characteristic is initiative / drive (Identified). This is the desire and ability to take opportunities to start something, in the hope that it will continue (Explained). Karen shows this characteristic because she wanted to be able to turn her hobby / passion into a way of earning an income, so she could have a better work / life balance and do something she enjoys (Explained). This characteristic is important to the success of her business, as she is now enjoying what she does, which could positively influence her customers and increase business and sales.</p>
--	---

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Describes the role of the entrepreneur. Identifies TWO skills that Olivia shows. Describes ONE way in which one of the skills identified is important to the success of the business. Identifies TWO entrepreneurial characteristics. Describes how ONE entrepreneurial characteristic impacts on the chosen business. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> TWO entrepreneurial skills that Olivia shows ONE way in which each of the skills is important to the success of the business how each of TWO entrepreneurial characteristics impacts on the 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"> ONE way in which each of the skills is important to the success of the business how each of TWO entrepreneurial skills impacts on the business. <p>(Answers will typically integrate relevant business knowledge and / or Māori business concepts into explanations.)</p>

Grade Score Descriptors

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. (a) OR (b) fully explained. The other part is explained.	All points covered. (a) AND (b) fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q2	Sample Evidence
(a)	<p>Possible short-term sources of finance include:</p> <ul style="list-style-type: none"> • using a credit card • hire purchase • bank overdraft.
(b)	<p>One advantage of using a credit card is that it is quick and easy (Described). This is because most retail outlets accept credit cards, and the credit card holder does not need to get approval from the credit card provider before making the purchase (Explained). This means that Olivia could purchase the lenses and backdrops immediately, and would then be able to meet the increase in demand from new customers (Fully explained).</p> <p>One disadvantage of using a credit card is that if you do not pay the full balance by the due date, you will be charged interest at a high rate (Described). This is because the interest rates on credit cards are much higher than those for bank loans (Explained). This means that Olivia's lenses and backdrops would cost more than their original prices, increasing <i>Captured Perfectly's</i> expenses and potentially decreasing its profit (Fully explained).</p> <p>One advantage of using hire purchase is that <i>Captured Perfectly</i> will get possession and use of the lenses and backdrops immediately (Described). This is because most retail outlets provide hire purchase facilities, and the application process is reasonably straightforward (Explained). This means that Olivia could purchase the lenses and backdrops immediately, and would then be able to meet the increase in demand from new customers (Fully explained).</p> <p>One disadvantage of using hire purchase is that Olivia will pay a higher price (Described). This is because interest rates on hire purchase are higher than those for bank loans and there are often administration costs added on (Explained). This means that the lenses and backdrops would cost more than their original prices, increasing <i>Captured Perfectly's</i> expenses and potentially decreasing its profit (Fully explained).</p> <p>One advantage of using a bank overdraft is that it would be quick and easy (Described). If Olivia has already organised this facility with her bank, she would not need their approval at the time of purchase (Explained). This means that Olivia could purchase the lenses and backdrops from any supplier that has access to EFTPOS without delay (Explained), and would then be able to meet the increase in demand from new customers (Fully explained).</p> <p>One disadvantage of using a bank overdraft is that Olivia would have to pay a higher price (Described), as a management fee and interest on the overdraft balance would be charged (Explained). This means that the lenses and backdrops would cost more than their original prices, increasing <i>Captured Perfectly's</i> expenses and potentially decreasing its profit (Fully explained).</p>
(c)	<p>Financial documents allow businesses to measure performance and keep track of their finances so they can make informed decisions (Described).</p> <p>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).</p>
(d)	<p>Potential users of financial records:</p> <ul style="list-style-type: none"> • The owner (Identified) uses financial records to monitor the performance of <i>Captured Perfectly</i> (Explained). Olivia can then use this information to decide whether she wants to continue with the business as is or invest further (Fully explained). • Banks or financial institutions (Identified) use financial records to ascertain whether Olivia can service a loan debt (Explained). Without this information, banks and financial institutions would be reluctant to lend money to Olivia in case the business did not have the capacity to pay it back (Fully explained).

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Identifies a short-term source of finance to purchase the lenses and backdrops. Describes ONE advantage and ONE disadvantage of the short-term source of finance identified in part (a). Describes why it is important to keep financial documents for a small business. Identifies TWO users of <i>Captured Perfectly's</i> financial documents. <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 and ONE disadvantage of the short-term source of finance identified in part (a) why it is important to keep financial documents for a small business why the TWO identified users of <i>Captured Perfectly's</i> financial documents would be interested in them. <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 and ONE disadvantage of the short-term source of finance identified in part (a) why the TWO identified users of <i>Captured Perfectly's</i> financial documents would be interested in them. <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. Another part is explained.	All points covered. All parts fully explained. One part may be weaker.
NØ = No response; no relevant evidence.							

Q3	Sample answers/Evidence
(a)	<p>The impact(s) of effective employer and employee relationships on the business may include:</p> <ul style="list-style-type: none"> • There would be positive interactions between employer and employee (Described), as they would be able to have honest discussions regarding the working environment, with no fear of these discussions leading to conflict (Explained). This means that if the employee had an idea regarding improvements to the business, they could be confident that their opinion would be listened to and respected. This would have a positive impact on the business, as potential improvements would be identified and acted upon, which may lead to new/increased customers for the business (Fully explained). • The work environment would be more enjoyable (Described). This is important because it would lead to a positive working environment where creativity and innovation are nurtured (Explained). For example, if the employee had an idea regarding the business, they would feel motivated to research and develop their ideas. This would have a positive impact on the business, as it could lead to the development of a unique selling point, and thus an opportunity to gain higher returns (Fully explained). • The likelihood of work disruptions would be minimised (Described). This is important because workplace disruptions due to employer/employee conflict can have a negative effect on the business (Explained). This means that the business would be less likely to be disrupted, e.g. due to either the employee not turning up for work or arriving for work late (Fully explained). • Recruitment and selection costs are kept to a minimum (Described). This is because the employee is happy and fulfilled within their working environment. This fulfilment makes it more likely that they will be loyal to the business and will not seek employment elsewhere (Explained). This would reduce or eliminate staff recruitment and training costs, which in turn would have a positive impact on profits (Fully explained).
(b)	<p>Examples may include:</p> <ul style="list-style-type: none"> • Olivia pays employees fairly and on time (Described). This shows that Olivia is an honest employer, and that Grace knows she can count on being paid fairly and promptly (Explained). Therefore, Grace is more likely to feel more secure in her job and positive towards the business. This could lead to higher productivity and potential profit (Fully explained). • Olivia allows Grace to have flexible working conditions (Described). Olivia allows Grace to work between 9 am – 3 pm and have time off during the school holidays, which helps <i>Captured Perfectly</i> to retain an experienced worker (Explained). <i>Captured Perfectly</i> may not have been able to hire an experienced worker if they were not flexible with their work hours; having Grace means they can offer a better service, and the website is kept up to date and looking professional (Fully explained). • Olivia provides Grace with an employment contract that outlines the responsibilities of the job, rate per hour, leave entitlements, and hours of work (Described). This means that there would be no confusion regarding the conditions of her employment, because she has a document that sets out her legal rights and responsibilities (Explained). Therefore, Grace would have a level of certainty within her position at <i>Captured Perfectly</i> which would lead to increased confidence, high morale, and strong motivation to perform well in her job (Fully explained).

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> • ONE example of good employer / employee relationships is identified. • TWO impacts of good employer / employee relationships are described. • Describes TWO examples of Olivia being a good employer. • Describes how EACH example may affect Grace's attitude towards the business. <p>(Answers will typically state relevant business knowledge, and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> • TWO impacts of good employer / employee relationships on a business • TWO examples of Olivia being a good employer and how EACH example may affect Grace's attitudes towards the 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"> • TWO impacts of good employer / employee relationships on a business • TWO examples of Olivia being a good employer and how EACH example may affect Grace's attitudes towards the business. <p>(Answers will typically integrate relevant business knowledge, and / or Māori business concepts into explanations.)</p>

Grade Score Descriptors

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. (a) OR (b) fully explained. The other part is explained.	All points covered. (a) AND (b) fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 18	19 – 24