

Assessment Schedule – 2017

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>One example of a possible pūtake in David’s business (other than making a profit) is his desire to preserve the art of tā moko.</p> <p>One example of a possible pūtake in David’s business (other than making a profit) is to create employment for his family.</p>
(b)	<p>One reason David would have for preserving the art of tā moko as a pūtake is because he feels strongly about retaining his identity and culture (Stated). This is because when growing up with his grandmother he learnt the importance of his family and his genealogy (Explained). This means that David will believe that he is doing something to preserve the art of tā moko and is confident in his culture (Fully explained).</p> <p>David will operate his business differently, as he may provide tā moko services at a loss in order to keep to this pūtake (Described). This is because preserving the art is more important than making a profit (Explained). As a result, David may not be able to pay wages in the short term or expand in the future (Fully explained).</p> <p>One reason David would have for creating employment for his family as a pūtake is because he wants to encourage his whanau to learn the skill of tā moko (Described). This is because he wants to develop their understanding of the art and their identity (Explained). This means that David is contributing to the financial status of his extended family and also is preserving the art of tā moko (Fully explained).</p> <p>This means that David would not necessarily focus on profit, as the two extra staff (his two whanau members) may not be needed to operate his business (Described), and therefore he might be operating at a loss (Explained). This is because David thinks that the benefits of this art form to his business and his whanau are greater than any profit. Consequently, David may not be able to pay debts as they fall due, and may end up closing (Fully explained).</p>
(c)	<p>One way in which preserving the art of tā moko may contribute to the success of <i>Mataora</i> is that David would be known as an artist who is passionate about his work (Described). This is because David would be seen as someone who wants to sustain the knowledge/skills of the Māori culture (Explained). This would enhance his reputation in the market, attracting more customers, and hence increasing his sales revenue (Fully explained).</p>

	<p>One way in which preserving the art of tā moko may contribute to the success of <i>Mataora</i> is that David would be known as an artist who is committed to his work (Described). This is because David would be seen as someone who will only provide tā moko and not other tattoos (Explained). This means that customers will use his services out of respect for him as an artist, and his business will grow (Fully explained).</p> <p>One way in which creating employment for whanau may contribute to the success of <i>Mataora</i> is that David would be known as a businessperson who cares about his workers/has a relationship with his workers (Described). This is because David would be seen as someone who focuses on employee satisfaction/well-being, as he is employing people with whom he has a relationship/connection (Explained). This means that employees will appreciate working for him and therefore will work harder, increasing productivity, which will enable his business to grow (Fully explained).</p> <p>One way in which creating employment for whanau may contribute to the success of <i>Mataora</i> is that David would know the strengths and weaknesses of the whanau members (Described). This is because David has personal knowledge of them, and therefore would not need to spend money on training whanau for skills that he knows they already have (Explains). This means that David could develop their strengths in a more targeted way and maximise their potential. This would result in more cost-effective training, which should help the business to grow (Fully explained).</p>
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Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Identifies an example of pūtake for <i>Mataora</i>. Describes why David may have the identified example as a pūtake for <i>Mataora</i>. Describes how David may operate <i>Mataora</i> differently than if he were solely focused on profit. Describes TWO ways in which the named pūtake from part (a) contributes to the success of <i>Mataora</i>. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> why David may have the identified example as a pūtake for <i>Mataora</i> how David may operate <i>Mataora</i> differently than if he were solely focused on profit TWO ways in which the named pūtake from part (a) contributes to the success of <i>Mataora</i>. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> why David may have the identified example as a pūtake for his business, and how he may operate <i>Mataora</i> differently than if he were solely focused on profit TWO ways in which the named pūtake from part (a) contributes to the success of <i>Mataora</i>. <p>(Answers will typically integrate relevant examples, 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. (b) OR (c) fully explained. The other part is explained.	All points covered. (b) AND (c) fully explained. One part may be weaker.
NØ = No response; no relevant evidence.							

Q 2	Sample answers / 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 David could purchase the furniture and tools 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 David's furniture and tools would cost more than their original prices, increasing <i>Mataora's</i> expenses and decreasing its profit (Fully explained).</p> <p>One advantage of using hire purchase is that <i>Mataora</i> will get possession and use of the furniture and tools immediately (Described). This is because most retail outlets provide hire purchase facilities, and the application process is reasonably straightforward (Explained). This means that David could purchase the furniture and tools 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 David will pay a higher price (Described). This is because interest rates on hire purchase are higher than those for bank loans (Explained). This means that the furniture and tools would cost more than their original prices, increasing <i>Mataora's</i> expenses and decreasing its profit (Fully explained).</p> <p>One advantage of using a bank overdraft is that it would be quick and easy (Described) if David has already organised this facility with his bank, as he would not need their approval at the time of purchase (Explained). This means that David could purchase the furniture and tools from any supplier that has access to EFTPOS (Explained) without delay, 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 David would have to pay a higher price (Described), as an application fee and a management fee on the overdraft balance would be charged (Explained). This means that the furniture and tools would cost more than their original prices, increasing <i>Mataora's</i> expenses and decreasing its profit (Fully explained).</p>
(c)	<p>One type of financial document that David should keep is <i>Mataora's</i> bank statements.</p> <p>One way in which the bank statements can be used to secure external finance is that they show the loan provider the financial history of the business (Described). This is because they show if the business has been in overdraft before, and whether its bank account is usually in a good position (Explained). This means that the loan provider would be more confident in lending money to the business, as the financial risk of the loan not being repaid would be low (Fully explained).</p> <p>Another way in which bank statements can be used to secure external finance is that they show money going into the business at regular intervals (Described). This is because as sales are made to customers, money is deposited into the bank account. This means that the loan provider would be confident to lend money to the business, as the business is selling goods/services and the loan provider would see evidence of regular cash inflow / income (Explained), and that the business would be able to pay back the loan, thus reducing the financial risk to the lender (Fully explained).</p>

Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none"> Identifies a short-term source of finance to purchase the furniture and tools. Describes ONE advantage and ONE disadvantage of the short-term source of finance identified in part (a). Identifies a financial document that David should keep for securing external sources of finance. Describes TWO ways in which the identified document would help in securing external sources of finance. <p>(Answers will typically state relevant examples, 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) TWO ways in which the identified financial document would help in securing external sources of finance. <p>(Answers will typically include relevant examples, 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) TWO ways in which the identified document would help in securing external sources of finance. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
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NØ = No response; no relevant evidence.							

Q 3	Sample answers / Evidence
(a)	<p>The role of the entrepreneur is to seek opportunities in the market and provide goods / services to meet those opportunities (Described).</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). David shows this quality because he wanted to learn the art of tā moko, and attended the wānanga to get the required skills and complete the course (Explained).</p> <p>One way in which this characteristic has enabled David to start <i>Mataora</i> is that through showing this perseverance, David completed the course by remaining focused on wanting to learn the art form (Described). Once he completed the course, he then had the skills / ability to perform tā moko (Explained). This meant that David was then able to go to the market and provide the service to customers (Fully explained).</p> <p>One entrepreneurial characteristic is initiative (Identified). This is the desire and ability to take opportunities to start something, in the hope that it will continue (Explained). David shows this characteristic because he wanted to learn the art of tā moko, and so he went and found out where he could learn this art form and enrolled himself in the course (Fully explained).</p> <p>One way in which this characteristic enabled David to start <i>Mataora</i> was his desire to use the skills he had learned to open / start his own small business (Described). This meant that David was willing to take the risk (Explained) and seize the opportunity to provide tā moko to the market (Fully explained).</p>
(b)	<p>The named business is <i>Joe's Café</i>.</p> <p>Skills are abilities that are learnt or trained for.</p> <p>Joe Smith is the owner of a cafe in town; he is an entrepreneur.</p> <p>One skill that Joe has learnt is marketing (Identified).</p> <p>One impact that Joe's skill of marketing has had on the business is that he informs customers of specials they are running for the day, through a page he has created on social media (Explained). This means that customers are kept informed about the business and will encourage friends / family to subscribe to that page to receive the benefits. Therefore, these skills have allowed / enabled Joe to increase his market size, and possibly sales (Fully explained).</p> <p>One skill that Joe has learnt is book-keeping / accounting / managing finances (Identified).</p> <p>One impact that Joe's skill of book-keeping has had on the business is that he was able to identify that he was missing the due dates for his electricity bill (Identified). This meant that Joe was paying penalties, therefore increasing his expenses and decreasing his profit (Explained). He now pays his electricity bill on time. These skills have enabled Joe to maximise his profits and also keep his credit rating at a high level, because he is not defaulting / missing payments (Fully explained).</p> <p>One skill that Joe has learnt is to network with other business owners, through attending business hub meetings (Identified).</p> <p>One impact that Joe's skill of networking has had on the business is that he is able to identify potential suppliers and customers (Identified). This meant that Joe was able to develop a new line of products for his business by providing corporate lunches (Explained). Therefore, these skills have enabled Joe to increase his market / sales, as the corporate lunches have added a new dimension to his business that assists in the down-times (Fully explained).</p>

Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none">• Describes the role of the entrepreneur.• Identifies TWO entrepreneurial characteristics that David shows.• Identifies ONE way in which each of the entrepreneurial characteristics has enabled David to start a small business.• Identifies TWO entrepreneurial skills.• Identifies how each of TWO entrepreneurial skills impacts on the chosen business. (Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)		<p>Explains:</p> <ul style="list-style-type: none">• TWO entrepreneurial characteristics that David shows• ONE way in which each of the entrepreneurial characteristics has enabled David to start a small business• how each of TWO entrepreneurial skills impacts on the business. (Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)			<p>Fully explains:</p> <ul style="list-style-type: none">• ONE way in which each of the entrepreneurial characteristics has enabled David to start a small business• how each of TWO entrepreneurial skills impacts on the business. (Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)		
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Cut Scores

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