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90837



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

SUPERVISOR'S USE ONLY

Level 1 Business Studies, 2015

90837 Demonstrate an understanding of internal features of a small business

9.30 a.m. Friday 27 November 2015

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an understanding of internal features of a small business.	Demonstrate a detailed understanding of internal features of a small business.	Demonstrate a comprehensive understanding of internal features of a small business.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–10 in the correct order and that none of these pages is blank.

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Merit

TOTAL

15

ASSESSOR'S USE ONLY

QUESTION ONE: EMPLOYER/EMPLOYEE RELATIONSHIPS

Shane grew up in a national park, learning about the mountains, rivers, and forests of the area from his koro (grandfather). After completing a business course at the local polytechnic, he decided to start up a trekking business called *Hikoi Whenua*.

Shane has two part-time employees. Ngahuia is the office administrator who greets clients and manages bookings, and Tipene is a guide. Both workers are from the local iwi (large Māori tribal group).

- (a) Discuss TWO reasons why it is important to have effective employer/employee relationships.
In your answer:

- describe what "effective employer/employee relationships" mean
- fully explain TWO impacts that effective employer/employee relationships will have on *Hikoi Whenua*.

Effective employer/employee relationships means the connection between employer and employee can help the business produce high-quality work.

One impact will have on *Hikoi Whenua* is creating a happy work environment. With a effective relationship, there are always high-quality work produced, so that everyone in the business is enjoying their job and trust their partners. So that a happy and health working environment is generated. Therefore the two part-time staff will not leave easily which means recruitment process is not required for a period of time and they will be always good services provided for customers which help build the good reputation.

Fully explained impact of effective relationship.

The other impact is high sales. With a effective relationship, the works are done effectively so that a positive productivity is generated. With a positive productivity, good services are provided for customers and make them satisfied. Therefore a good reputation is occurred and can attract more consumers which leads to a high sales!

- (b) Fully explain TWO features of Shane being a good employer.

In your answer:

- explain why each feature indicates that Shane is a good employer
- fully explain how each feature may affect employee attitudes towards the business.

The two features will be provide a safe and happy working environment and offer an acceptable wage. Provide a safe and happy working environment displays that Shane cares about his workers, he doesn't want them get harmed during their working and tries to make the environment more funny so that they could enjoy it. It helps create a positive employee attitude, the workers can feel the caring from their employer so that they will enjoying working in a good environment. With a happy attitude, they can do things more efficient which create a positive productivity that provide more good and high-quality services for consumers, which can help build the reputation. //

Explains feature of being a good employer.

Explains how the feature affects employee attitudes.

Also unacceptable wage for employee indicates that Shane tries to create a good relationship between him and workers, he wants to treat them equally and give them a comfortable environment to work for. It helps employees have a good attitude towards the business. Work under a good wage is the objective of every workers, with an acceptable wage, they will be loyal to the business and work more effective to produce good work to earn more trust from the boss. Therefore, a high productivity environment is generated again. //

Explains feature of being a good employer.

Explains how feature affects employee attitudes.

Candidate has provided reasoned explanations for part (b). One section of part (a) was answered fully ("good services provided for customers which help build the reputation"), however first part of question was weak.

ML

QUESTION TWO: ENTREPRENEUR

There are many entrepreneurs in New Zealand – Michael Hill, Dick Hubbard, Stephen Tindall, and Trelise Cooper are just a few well-known examples.

The enterprise culture is alive and well in New Zealand; almost one in seven adults in New Zealand are classified as entrepreneurs, one of the highest levels in the world (Frederick, 2004).

Source (adapted): http://www.treasury.govt.nz/publications/research-policy/tprp/08-04/03.htm#_tocInternational_benchmarks

- (a) Fully explain TWO characteristics of being an entrepreneur.

In your answer:

- identify each characteristic of an entrepreneur
- fully explain why each characteristic is important.

The two characteristics of being an entrepreneur are having a good management of capital and being willing to take advertis advices from others.

Having a good management of capital is vital to an entrepreneur because using putting each business funding into a right place leads to a successful business. Money is the heart of the business, without enough the funding the business is failed. So a good management of capital displays the entrepreneur is wise enough to hold a successful business. With a good management of funding, the business will always make more right these choices than wrong decisions. They it only use money in the worthy place which will help it run as long as it can and has a bright future.

Explains why characteristic is important.

Be a good listener also displays the wise of the entrepreneur. It outlines that he is willing to take suggestions and always tries to rebuild a good relationship with others. It shows he likes to look things in a different angle and will not make all the big decisions of business himself. It helps the business exist longer and have has a bright and successful future which will have a good reputation with a high sales.

Prior to completing the business course and establishing *Hikoi Whenua*, Shane was involved with other business projects, including possum hunting and alpaca farming. Shane has the skill to identify opportunities in different markets and develop small businesses to meet the demand.

- (b) *Hikoi Whenua* has benefited from Shane's skills as an entrepreneur. Fully explain how Shane's skills as an entrepreneur contribute to his business success.

In your answer:

- explain TWO entrepreneurial skills that Shane demonstrates
- fully explain how each skill contributes to his business success.

The few entrepreneurial skills are possum hunting and alpaca farming. Identify opportunities in different markets and develop small businesses to meet the demand.

The skill of identify opportunities in different markets helps the business make more right decisions. With this particular skill, Shane will not waste his funding on other worthless ~~opportunities~~ and as soon as a good opportunity arises, he is able to catch it and use it well. Therefore, the business can run further and become more successful under Shane's operate.

Explains skill.

The skill of develop small businesses to meet the demand helps the business always meets the demand of consumers. With this skill, Shane needs what consumers want and need very well, so that he could use this advantage to only produce specific products that could ~~not~~ satisfy consumers. It helps save the funding and attract more customers which leads to a high reputation and sales and leads to success eventually!

Explains skill.

The candidate was able to provide reasoned explanations across both parts of the question.

Mb

QUESTION THREE: BUSINESS SUCCESS

Shane was entrusted with knowledge of the environment from his koro (grandfather). The people of the iwi have also recognised this by supporting Shane in his latest business venture. They have allowed him full access to all the surrounding land that is owned by the iwi.

They have also recognised Shane as having rangatiratanga status over the land. Rangatiratanga is the exercise of leadership, authority, guardianship, and ownership rights for current and future requirements.

- (a) Fully explain how the principles of rangatiratanga may help to make *Hikoi Whenua* a successful business.

In your answer:

- explain the principle of rangatiratanga in the context of *Hikoi Whenua* and Shane
- fully explain, with TWO reasons, how Shane's rangatiratanga status over the land may contribute to the success of *Hikoi Whenua*.

Rangatiratanga is the exercise of leadership, authority, guardianship, and ownership rights for the current and future requirements. Describes principle.

With rangatiratanga's status, Shane can understand the concept of ownership very well, so that he knows how to do in others' property. Also a good behaviour in iwi's land can gain their trust so that create a good relationship between them. It is important for a business to get on well with local community.

The other reason could be Shane practise his leadership ability over the land. He can lead his employee do his research in the iwi land and with a great leadership, it helps maintain the good relationship between the employees and employer so that they are loyal to the business. Have a number of loyal worker is the key to the success.

- (b) There are many factors that affect the success of a business. Using a named small business (maximum of 20 workers and/or with local or community significance), fully explain TWO factors, other than rangatiratanga, that may contribute to its success.

Name of the small business	J & T Homes
Good(s) sold or service(s) provided	High-quality houses provided
How the business measures success	The reputation in the Market.

In your answer:

- identify how the business measures success
- identify TWO factors, other than rangatiratanga, that may contribute to the success of the business
- fully explain how each of the TWO factors may contribute to the success of the business.

The way that J & T Homes measures success is the reputation of it in the market. //

Identifies measure of success.

One factor that may contribute to the success of the business is having a good planning of the future. With a good planning, the business has a clear mind of the possible expenses and barriers it will meet in the future, so that it can set up some solutions that could deal with it rather than being worried at that time. Also business objective is included in the plan so that the business can have a aim to work forward which make business-decision-making much easier and a good productivity environment is created. //

Identifies factor.

The other factor could be having a wide relationship in the market. By having a wide relationship, the business owner can always receive latest news from others as soon as it

More space for this answer is available on the next page.

generated. Therefore, it is more possible for the owner to know the great opportunities arise in the market and catch it as soon as possible. Also, the business can have someone ask for help when it meets trouble so that it can ~~the~~ face deal with its challenge easier. More importantly, a wide relationship can help the business know the movements of its competitors, so that it could come up with solution and update as soon as possible. It is also a factor ~~to~~ contribute the success of business.

The candidate was able to provide descriptions and identify business concepts. The candidate did not provide suitable responses for part (a) "Rangatiratanga" and part (b) "Contribution to success".

A3

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Shane has two part-time employees. Ngahuia is the office administrator who greets clients and manages bookings, and Tipene is a guide. Both workers are from the local iwi (large Māori tribal group).

- (a) Discuss TWO reasons why it is important to have effective employer/employee relationships. In your answer:
- describe what “effective employer/employee relationships” mean
 - fully explain TWO impacts that effective employer/employee relationships will have on *Hikoi Whenua*.

Effective employer/employee relationships are relationships where information can be clearly communicated between both the employer & employee. It means that both people know what they are doing and what is required because their relationship is effective //

*One impact that effective employer/employee relationships will have on *Hikoi Whenua* is that the safety of Tipene and his groups trekking etc there is an effective employer/employee relationship. Shane will be able to warn/advise Tipene of bad weather etc so that he can better prepare for the trek or can make a call as to whether to let the trek go on. //*

Explains one impact of an effective employer/employee relationship.

Another impact that it will have is that there will be less to no confusion between Shane and Ngahuia and Tipene as Shane is able to effectively communicate with both of them in all work matters. This is important as it ensures the smooth running of the business //

- (b) Fully explain TWO features of Shane being a good employer.

In your answer:

- explain why each feature indicates that Shane is a good employer
- fully explain how each feature may affect employee attitudes towards the business.

The feature of Shane being a good employer is that he offers staff with appropriate facilities with which to work from. For example, if they are often operating from a trekking hut etc it would be appropriate to have a shower /bath/wash station for the trekking guide Tipene as after a trekking with a group may well get dirty etc so having facilities where he can wash would be beneficial. This would affect employee attitudes towards the business in a positive way as Tipene will see that he is being cared for and looked after by the company, increasing his motivation and work ethic.

Another feature which indicates Shane is a good employer is by allowing leave for his employees. The number of paid leave days will have been agreed in their written employment contract, so it is important that both parties respect and stick to it. By allowing employees adequate leave from work, it is again affecting employee attitudes in a positive way as they know that they can take breaks from work every now and again, which will improve staff moral which in turn will make the employees more motivated and willing to work to the best of their abilities, increasing the productivity of the business and [essentially increasing profit].

Explains a feature of being a good employer.

Explains how the feature affects employee attitudes towards the business.

Explains feature of being a good employer.

Explains how feature affects employee attitudes towards the business.

M6

QUESTION TWO: ENTREPRENEUR

There are many entrepreneurs in New Zealand – Michael Hill, Dick Hubbard, Stephen Tindall, and Trelise Cooper are just a few well-known examples.

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Source (adapted): http://www.treasury.govt.nz/publications/research-policy/tprp/08-04/03.htm#_tocInternational_benchmarks

- (a) Fully explain TWO characteristics of being an entrepreneur.

In your answer:

- identify each characteristic of an entrepreneur
- fully explain why each characteristic is important.

One characteristic of an entrepreneur is that they are a leader. This is an essential characteristic of an entrepreneur because often entrepreneurs must take leadership of the businesses they own and in that their staff. They must take charge and make the decisions no one else is going to make. They can not follow anyone else if they want to succeed.

Identifies characteristic.

A second characteristic of an entrepreneur is that they are innovative. Entrepreneurs venture into the unknown and come up with new and innovative ideas which they believe will change the world etc. They need to be innovative and creative so that they have a product which is new and exciting which people will then want to buy. Being innovative is an essential characteristic for entrepreneurs because they need to be able to stand out in the business world in order to be successful and achieve the end goal of making a profit.

Identifies characteristic.

Describes why the characteristic is important.

Prior to completing the business course and establishing *Hikoi Whenua*, Shane was involved with other business projects, including possum hunting and alpaca farming. Shane has the skill to identify opportunities in different markets and develop small businesses to meet the demand.

- (b) *Hikoi Whenua* has benefited from Shane's skills as an entrepreneur. Fully explain how Shane's skills as an entrepreneur contribute to his business success.

In your answer:

- explain TWO entrepreneurial skills that Shane demonstrates
- fully explain how each skill contributes to his business success.

One entrepreneurial skill that Shane demonstrates is

Shane is able to identify opportunities. Identifies skill.

This skill contributes to his business success as

he is able to find and take up either an idea or a small business with potential and grow it into a successful business.

Describes how skill contributes to business success.

He is able to recognise an opportunity where others may not which gives him an advantage in the market place as he can find money making opportunities before others. //

Identifies skill.

Another entrepreneurial skill that Shane demonstrates is risk taking and the ability to take risks in a business environment. Again, this is a very important skill as with opportunity comes risk. If he was not a risk taker he could see all of these business opportunities, but not be able to take them on because of the risk of the business failing etc. Yes, he still has to be aware of the risks but he is able to seize the opportunities and use the risk of failing as motivation to make the business succeed. //

If he was not a risk taker he could have missed out on many money making opportunities in the past. //

A4

QUESTION THREE: BUSINESS SUCCESS

Shane was entrusted with knowledge of the environment from his koro (grandfather). The people of the iwi have also recognised this by supporting Shane in his latest business venture. They have allowed him full access to all the surrounding land that is owned by the iwi.

They have also recognised Shane as having rangatiratanga status over the land. Rangatiratanga is the exercise of leadership, authority, guardianship, and ownership rights for current and future requirements.

- (a) Fully explain how the principles of rangatiratanga may help to make *Hikoi Whenua* a successful business.
- In your answer:
- explain the principle of rangatiratanga in the context of *Hikoi Whenua* and Shane
 - fully explain, with TWO reasons, how Shane's rangatiratanga status over the land may contribute to the success of *Hikoi Whenua*.

Rangatiratanga is similar to entrepreneurship as both share similar principles and skills.

*Rangatiratanga is about having leadership and using that to guard over what you have, so in Shanes case it is the land his business *Hikoi Whenua* has access to, allowed by the local iwi. He is then entrusted in guarding and preserving this land both in the present and for the future generations to utilise.*

*One reason how Shanes rangatiratanga status over the land will be beneficial to *Hikoi Whenua* is that he is the only business that will have access to that land, and so will give him a competitive advantage, and a point which makes his business unique and stand out as no other business will be able to offer that land to trek on off his business and treks gain a good and popular reputation then more and more people will come to *Hikoi Whenua* for trekking [continues] //*

Explains principle of rangatiratanga in the context.

Fully explains how rangatiratanga contributed to success of business.

- (b) There are many factors that affect the success of a business. Using a named small business (maximum of 20 workers and/or with local or community significance), fully explain TWO factors, other than rangatiratanga, that may contribute to its success.

Name of the small business	Howick Childrens and Youth Theatre (HCYT)
Good(s) sold or service(s) provided	Drama and speech classes
How the business measures success	By the enjoyment of its customers and by its positive effect on the community.

In your answer:

- identify how the business measures success
- identify TWO factors, other than rangatiratanga, that may contribute to the success of the business
- fully explain how each of the TWO factors may contribute to the success of the business.

I believe that HCYT measures its business success on the enjoyment of its customers (students attending the drama and speech classes) and seeing them grow in confidence etc and by the positive effect their business has on the local community.

This is done by performances throughout the year where members of the community can come and see well known and unknown plays performed locally and ~~near~~ at much less of a cost as well as easier to access and go to. //

One factor that may contribute to the success of ~~the~~ HCYT is the passion that the tutors there have. It is a family run business so the staff are either family, close friends who have been with the business a long time or are past pupils of the HCYT. All of the staff //

More space for this answer is available on the next page.

are passionate about the business and the growth in confidence and character in the next generation. As ~~they~~ the business' main objective's not to make massive profit, they don't make lots of money from their job which shows their passion as they are still there teaching. Another factor that may affect the success of the HCYT is the positive ~~related~~ work relationships they have. ~~the~~ HCYT ~~has~~ projects that family owned and operated' image which ~~shows~~ ~~extremely~~ the local community likes. The staff all have very good relationships as they are either family or closely associated with the family which is beneficial to the business greatly as they are able to communicate well and voice opinions in the work space, meaning the business is constantly improving and growing //

Explains how the factor has contributed to the success of the business.

Candidate shows good knowledge of "Rangatiratanga" and its application to the business, and was able to fully explain how this contributed to success. Part (b) provides adequate description, and candidate was able to explain how the factor contributed to success.

MV

Extra space if required.
Write the question number(s) if applicable.

3a Another way Shane's rangatiratanga status over the land may help the the success of

Hikoi Whenua is that Shane knows that he has the permission of the iwi and the people in it to use the land. Cll is beneficial as it means there is no bad blood between him and the iwi.

If for example he was using the land without their permission he might have to be secretive about it, meaning advertising it less for fear of the iwi finding out, yet because he knows that he has permission he is able to confidently advertise more and spread the word of the trekking and the land it is done on. Because also of his ^{rangatiratanga}
leadership he may feel more like a partner to the iwi than someone just trying to use their land which will also be beneficial to the business as they will build up a good relationship //

for