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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.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

Achievement

TOTAL

10

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 are when employer can work effectively with other employer and understand that the employer is the boss and has good relationships with them. //

Effective employer/employee relationships can impact the way the business runs. It runs smoothly when these relationships are positive and employer and employer are comfortable with each other. *(This has relationship)* //

It also impacts the business by keeping communication within the business Describes impact on the business.
on a positive and effective. The good relationship between people in the business will keep the business moving forward. Shane and his employer will allow his ideas to be spoken through good communication //

- (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.

Shane's two Features that Shane will

One feature could be that he provider all the safety measures for his employees. By law Shane must provide safety gear and clothing which Tipene will need ~~for~~ being a guide. He's a good employer when he ensures the safety of his employees and in turn the employees will feel safe at work and be positive towards work. //

Describes feature.

Describes how the feature affects employee attitudes.

Another feature is allowing two-way communication between employer and employees. Employees being able to express their thoughts and feelings gives a better outlook on the business and shows that Shane cares. Employers will feel like they're part of the business and feel like their opinion is worth while. //

Describes feature.

Candidate's response to part (b) shows that they are able to describe features of good employers and the impact of this on employee attitudes ("... feel safe at work and be positive towards work"). Response to part (a) was limited, and there is evidence of circular answers which should be avoided ("Effective employer/employee relationships are when employees can work effectively").

A3

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.

An entrepreneur needs to be creative and a risk taker. //

Identifies characteristic.

Being creative is a big part of being an entrepreneur as they are coming up with something brand new that no one has done before. Being creative helps their product or service stand out and should be unique among others. //

Describes why characteristic is important.

Being a risk taker is also important in order to pursue their idea.

As if has never been done before, there is always the risk that it won't be successful. Risking their idea could be the difference between their product being successful, not at all, or it not happening at all. //

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.

Identifying opportunities in different markets is being able to think outside the square and see different ways to improve his business in different markets. This could contribute to his business success by getting his business name out into other markets and get different people talking about it.

Identifying opportunities in different markets is seeing an opportunity and taking it. Being able to think outside the square and being creative with offering products or service to the demand. Identified skill. This allows his business to grow or become better more successful by making more money from the people who demand it.

Developing small businesses to meet demand is knowing which steps to take to make them more successful. Developing a business allows for more income and better opportunities. //

Candidate shows understanding of the characteristics of being an entrepreneur. Part (a), however, needs to avoid repeating the given information in the stimulus box in part (b). This information is there to assist when applying to the context.

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*.

Rangatiratang will allow Shane to look after the land that is being asked to him and guard it from pollution, possums etc. It's also sustaining the land and produce that is on it from things like buildings and being unused and overgrown.

Describes principle in context.

So Shane is now ~~Guard~~, 'guardian' of the land ~~there~~ is unlikely that it will be taken off him. So the success of the business ~~is~~ is improved by being able to keep one bit of land and also not having to pay to go on land or anything.

It can also improve the sustainability or kaitiakitanga of the business which may be included in a goal or aim for business.

Identifies reason.

- (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	Avon Medical centre
Good(s) sold or service(s) provided	health care
How the business measures success	Patient Providing quality health care to everyone in the area.

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.

Identifies measure of success.

They measure success by providing high quality health care to people with non-profit ~~other~~ purpose. This can be measured by survey from patients, immunisation numbers, & patient output. //

Profit can contribute to the success factor.

as it is not looking for profit.

Making the health care cheaper mean more patients and happier patients, it also means the health care is quality health care. This allows them to meet their aim of offering cheap, quality healthcare and creates more patient numbers. //

Identifies how factor contributes to success.

Although the business is non-profit, they still need to meet financial //

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

budgets ~~or~~ to not lose money
and ~~improve~~ ~~their~~ their business more.
When these financial budgets are met
they can offer better health care
options and alternatives and improve
the quality. //

Identifies factor.

Part (b) was done well, and the candidate was able to apply the question to a small business. Answers were applicable to the context. Candidate had limited understanding of "Rangatiratanga".

A4

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908370

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Achievement

TOTAL

9

ASSESSOR'S USE ONLY

QUESTION ONE: EMPLOYER/EMPLOYEE RELATIONSHIPS

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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 relationship means how fast and successful the employees and employers are working together to run their business. Two impacts that will affect *Hikoi Whenua* is that great successful relationship means more sales are being done and this relationship causes sales to go up as well as their profits. Having an effective employee could mean better recognition and better pay. This relationship has a positive impact on *Hikoi Whenua*.

Describes effective relationship.

Another ~~possi~~ impact on *Hikoi Whenua* is reputation. The business will get a good brand image and gain a larger customer base. This is a positive impact as *Hikoi Whenua* is attracting more customers. More customers mean more sales. //

Impact described.

Impact described.

- (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.

Shane is a good employer as he has done a course (business course) so he knows about business and employees and employees rights. A feature that shows Shane is a good employer is by assigning his employees to a specific role. Ngahuiia may be good at interacting with others so he has a job that meets his speciality and that is to greet clients and manage bookings. This shows that Shane is a good employer because he knows how to set up a business and he knows how to get his business started. Another feature that indicates that Shane is a good employer is that he is employing people from his local iwi to work. This will have a positive attitude towards the business just in case if someone from his local iwi can't speak English, they can perhaps communicate in Maori to build a bigger trust. //

Describes feature.

The candidate is able to describe effective relationships ("working together") and able to explain the impact of these ("sales increase" and "positive impact on reputation"). Response to part (b) is very limited.

A3

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.

A characteristic of an entrepreneur is risk taking. Risk taking is an important characteristic for an entrepreneur because they need to show determination and they need to accept the fact that the entrepreneurs may suffer a loss or a success depending on the decisions they make. Risk taking decisions could lead to a successful business. Another characteristic of an entrepreneur is ~~bravery~~ determination. Determination ~~bravery~~ is an important characteristic for an entrepreneur as they need to be brave enough to endure sufficient loss and to keep trying to put their business out there so it becomes a success.

Identified characteristic.

Characteristic identified.

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.

Shane demonstrates the entrepreneurial skill of risk taking by opening up his own business called *Hikoi Whenua*. This entrepreneurial skill was a success to his business as his other business projects made him gain some skills and from these skills, Shane will have opportunities in different markets. This is a success for *Hikoi Whenua*. Another entrepreneurial skill that Shane demonstrates is commitment. Shane's entrepreneurial skill of commitment, by participating in business projects such as possum hunting and alpaca farming made him gain courage and to open his business, called *Hikoi Whenua* which contributed to the success of his business that he established. //

Skill identified.

Candidate shows understanding of the characteristics of being an entrepreneur. Part (a) however, repeats one of the characteristics in part (b); this has resulted in the candidate only achieving a grade of N2.

N2

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*.

The rangatiratanga in the concept of shane and *Hikoi Whenua* is that shane takes guardianship, leadership, authority and ownership rights for his business *Hikoi Whenua*. A reason that shane's rangatiratanga status over the land may contribute to his success is his knowledge of the environment and to sustain his business *Hikoi Whenua* in the longer run for the future generation. Another reason shane's rangatiratanga status over the land may contribute to his success of *Hikoi Whenua* is his entrepreneurial skills of the business that shane has established. His entrepreneurial skills got shane the authority and guardianship (rangatiratanga) of his land. This contributes to the success of *Hikoi Whenua*! //

Describes principle in context.

Identifies reason.

- (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	Habitual Fix
Good(s) sold or service(s) provided	Healthy food and drinks.
How the business measures success	Profits.

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.

A way that Habitual Fix measures the success of the business is that they compare their last years profit to what they have now. For example in 2014, they may have gained profit (\$3000). This year in 2015, they may have gained a profit of \$5500. This tells us that ~~the~~ the business Habitual Fix is gaining profits and sales and that Habitual Fix as a small business is surviving and also growing. A factor that contributes to this success is advertising and getting sales. This contributes to the success of the business as by using their unique attribute selling only smoothies and not soft /

Identified measure of success.

Identifies factor.

Identifies how this contributes to success.

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

(drinks), Habitual Fix is gaining a large amount of customers. Customers bring sales that cause Habitual Fix to succeed. Another factor that lead to success is communication with their customers. This builds trust and a relationship with their customers. This means that Habitual Fix has a loyal customer base. This contributes to the success of Habitual Fix and also their survival and growth of the business. //

Candidate is able to identify factors of success for a small business, and is able to apply these factors within the context. Candidate's understanding of "Rangatiratanga" was limited, resulting in insufficient responses for part (a).

PA4