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90837



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NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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

## Level 1 Business Studies, 2017

### 90837 Demonstrate an understanding of internal features of a small business

2.00 p.m. Friday 24 November 2017

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 2–8 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**

**9**

ASSESSOR'S USE ONLY

## QUESTION ONE: PŪTAKE AND BUSINESS SUCCESS

David has been interested in tā moko (traditional tattoos) since seeing a moko (Māori tattooing designs on the face or body done under traditional protocols) on his kuia (grandmother). He was told by his kuia that the moko she wore on her chin tells the story of her family and her genealogy. Nowadays, tā moko is also worn as an expression of cultural pride and integrity. David is passionate about keeping this art form alive.

In 2010, David enrolled in a course at Te Wānanga o Aotearoa, to develop his knowledge and expertise of this art form. Since then, he has established a small business, named *Mataora*, in Whakatāne, providing tā moko for men and women. David employs two members of his family, who are learning the process of tā moko from him.

On occasion, customers have asked for tattoos of dragons, and he has said that he will not do those types of tattoos, as he wants to provide all his customers with tattoos that uphold the Māori art form. David would also like to employ more family members as the business grows.

### Definition: pūtake

Pūtake refers to the origin, or reason for being. Every business has a reason for being. Many Māori businesses exist for the same reason as other businesses – that is, they are there to provide goods or services at a profit and to enrich the business owner(s). A significant number, however, have very different reasons for being. Such businesses emphasise communal and social responsibilities, which may not be a priority for mainstream businesses.

- (a) Identify an example of pūtake for David's business, *Mataora*, other than making a profit.

A reason of being for David's business is to connect customers to their heritage & families, enriching the customers through family connection. —

- (b) Fully explain why David may have this as a pūtake for his business, and how he may operate his business differently than if he were solely focused on profit.

David has this as a pūtake as he wants other people to be able to tell their story & connect to their family & heritage through tā moko. This means she is more focused on his customers and making them satisfied than he is focusing on profit. —

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Instead of focusing on making profit David is focused on the happiness of his clients & for them to have a true connection to their heritage and family. This means he would run his business with more attention to the customers even if he were solely focused on profit.

- (c) Fully explain TWO ways in which your named pūtake from part (a) may contribute to the success of Mataora.

1. He would get good customer feedback which would help contribute to his success. This would help through customer's interaction with others because they would talk highly of his business and how he is focused on customer satisfaction instead of profit. Through word of mouth it will bring more customers in which will contribute to Mataora's success!!
2. He will be doing his best work as this wants is a part of his culture & he wants it to be right. Because David & his workers will be producing quality ~~tattoos~~ tā moko's this will help the success of the business because customers are interested in quality at a reasonable price. This will help the success of the business.

A3

## QUESTION TWO: SOURCES OF FINANCE AND FINANCIAL DOCUMENTS

The demand for tā moko is increasing. David has decided to expand his business to meet the increase in demand. He has identified that he needs to purchase furniture and some more tools.

- (a) Identify a short-term source of finance for purchasing the furniture and tools.

~~If he purchases the tools~~  
~~Purchasing the tools on credit.~~  
~~Bank loan!!~~

- (b) Fully explain ONE advantage and ONE disadvantage of the short-term source of finance named in part (a).

One advantage of having a bank loan is that David will have the extra finances to pay for the furniture and equipment his business needs. This is an advantage as it means David can continue to expand his business with the finances to purchase all necessary tools and equipment. This means his business will not have to close or shut down because of insufficient equipment and/or funds.

One disadvantage of having a bank loan as a source of finance is that David will have to pay the money back and the money he has to pay back may increase depending on the date interest and the funds David has. This is a disadvantage because if David can't pay the loaned amount (cont. extra page (at back))

- (c) Fully explain the importance for David of keeping financial documents for securing external sources of finance.

In your answer:

- identify a financial document that David should keep
- fully explain TWO ways in which this document would help in securing external sources of finance.

### \* Bank Statements

1 A bank statement would allow the bank to see how David's business is if they would be able to approve a loan for David's business. A bank statement would allow the business to see how David spends his business finances and see if they think he spends the business' money responsibly and safely.

By seeing how David spends the business' money this would help that David be able to secure a bank loan.

2 A bank statement allows the bank to keep track and see David's business' incomes where they come from, how much income is being (the income) made. By seeing the bit of the business is making a sustainable amount of money this helps the bank to decide whether or not they think the business will be able to pay the money back. If the business sees that David's business is making good income (cont. extra page (at back))

A3

## QUESTION THREE: ENTREPRENEURSHIP

- (a) Discuss the entrepreneurial characteristics that David shows in starting his small business, Mataora. (Characteristics are qualities that occur naturally in the person.)

In your answer:

- describe the role of the entrepreneur
- explain TWO entrepreneurial characteristics that David shows
- fully explain ONE way in which each of the characteristics has enabled David to start a small business.

*It's all  
on you  
Jack*

An entrepreneur is someone who runs a business. They are in charge of ~~the~~ employees and the running of the business. In this business David is the entrepreneur. *entrepreneurship*

The first characteristic David shows of ~~this is~~ is leadership. David leadership is a needed entrepreneur skill as it allows the entrepreneur to show their role as the person in charge. Leadership is shown in this business by delegating jobs to employees and making sure everyone has something to do. Leadership is a key characteristic for an entrepreneur as they have to run the business.

Another characteristic David shows is resilience/determination. This is an characteristic that is needed because it proves you are willing to try make the business work. Determination is when something happens but you don't give up. You continue to make the business thrive.

- (b) Fully explain the impact of entrepreneurial skills on a named small business you have studied (maximum of 20 workers and/or with local or community significance).  
 (Note: skills are abilities that are learnt or trained for.)

Name of the small business	Tangibles
Good(s) sold or service(s) provided	Home decor

In your answer:

- identify TWO entrepreneurial skills = teamwork
- fully explain how EACH entrepreneurial skill impacts on the named business.

Tangibles is a local business in Damaru that uses the entrepreneurial skills of communication and teamwork.

Communication between staff and staff with customers has had a positive impact on this business. Through communication the store has been given feedback which has helped the owners to communicate and decide what needs to be done to improve the business.

Teamwork is another skill that is being used within the business. Through teamwork with the stores suppliers the store business has been able to bring in a wide variety of different items which helps to expand the customer range of the business.

A3

QUESTION  
NUMBER

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

- 2b. Of Money interest will occur meaning he will have to pay more and more Money until it is all paid off. This is a disadvantage as if David cannot pay it off his business will be in debt and in the future if that debt continues to build David may struggle to keep the business open.
- 2c. They are more likely to put faith in the business and approve a loan for David's business, which will be securing an external short term source of finance for David.
- 3a Leadership has helped David to start a business because it has helped him ensure that his employees are working and that jobs are being done. Leadership has helped David to take charge of the business which is helping him to succeed. Determination has helped David create this business because he overcame anything that was put in the way of him starting a business. He knew the business is what he wanted and determination helped make it happen.

<b>Subject:</b>		<b>Level 1 Business Studies</b>	<b>Standard:</b>	<b>90837</b>	<b>Total score:</b>	<b>9</b>
<b>Q</b>	<b>Grade score</b>	<b>Annotation</b>				
1	A3	The candidate has provided a basic explanation of pūtake and how this would impact on David's business. The candidate has attempted to explain how the identified pūtake would help the business to succeed. The candidate has used some good business terminology throughout the question.				
2	A3	The candidate has provided a basic explanation of a short-term source of finance; advantages and disadvantages were not developed to any degree. A financial record that could be used to support external financing was identified, but the explanation was brief and lacked detail.				
3	A3	The candidate has provided a basic explanation of the characteristics David shows as an entrepreneur. The identified skills of a local entrepreneur were explained, but not in sufficient detail to award A4.				