

Assessment Schedule – 2023**Business Studies: Demonstrate an understanding of external factors influencing a small business (90838)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding</i> involves:</p> <ul style="list-style-type: none"> describing the external factors stating relevant business knowledge stating relevant examples. <p><i>Describing</i> states what the answer is to the question asked. It defines (states the meaning of), identifies (gives an account of the qualities or characteristics), and outlines (states what the answer is).</p>	<p><i>Demonstrate detailed understanding</i> involves:</p> <ul style="list-style-type: none"> explaining the external factors including relevant business knowledge when discussing external factors and linking these to relevant ideas using relevant examples to support explanations. <p><i>Explaining</i> 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.</p>	<p><i>Demonstrate comprehensive understanding</i> involves:</p> <ul style="list-style-type: none"> fully explaining the external factors integrating relevant business knowledge to explore external factors with an awareness of impact integrating relevant examples to fully support explanations. <p><i>Fully explaining</i> 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.</p>

Note: Each answer should be read as a whole before awarding a grade.

Question One: Economic influences

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> • ONE negative consequence for <i>Remarkable Spaces</i> of increased interest rates • ONE action that <i>Remarkable Spaces</i> could take to reduce the effects of increased interest rates • the term 'consumer confidence' • ONE impact that decreasing consumer confidence might have on <i>Remarkable Spaces</i> • how decreasing consumer confidence could have a flow-on effect on the employment of Cam and the future of <i>Remarkable Spaces</i>. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> • ONE negative consequence for <i>Remarkable Spaces</i> of increased interest rates • ONE action that <i>Remarkable Spaces</i> could take to reduce the effects of increased interest rates • ONE impact that decreasing consumer confidence might have on <i>Remarkable Spaces</i> • how decreasing consumer confidence could have a flow-on effect on the employment of Cam and the future of <i>Remarkable Spaces</i>. <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 negative consequence for <i>Remarkable Spaces</i> of increased interest rates AND an action that <i>Remarkable Spaces</i> could take to reduce the effects of increased interest rates. • ONE impact that decreasing consumer confidence might have on <i>Remarkable Spaces</i> AND how this could have a flow-on effect on the employment of Cam and the future of <i>Remarkable Spaces</i>. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. (a) OR (b) is fully explained.	All points covered. (a) AND (b) are both fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q1	Sample Evidence
(a)(i)	<p><i>Negative consequence for Remarkable Spaces of increased interest rates</i></p> <p>One negative consequence for <i>Remarkable Spaces</i> of increased interest rates is that it will have higher costs, because more interest will now be paid on its borrowings (Described). This may lead to reduced profit for <i>Remarkable Spaces</i> (Explained). Also, impact on cash flow / paying bills; negative growth and reduced funding of training / recruitment / re-investing in the business.</p>
(ii)	<p><i>Action that Remarkable Spaces could take to reduce the effects of increased interest rates</i></p> <p>One action that <i>Remarkable Spaces</i> could take is to fix the interest rates on its business loan (Described). This would keep interest costs at the same level each month (Explained), which would aid financial planning and help to maintain profits by protecting the business from further interest rate rises (Explained). Another action that <i>Remarkable Spaces</i> could take is to reduce other operational costs, such as advertising, or find a cheaper supplier of gardening materials (Described). This would enable Kendall to reduce costs in other areas, which would offset the increased interest costs, and thus help to stabilise profits (Explained). Other options include negotiating a longer loan period to reduce the size of repayments, selling off any surplus assets, and extending credit lines with suppliers to improve cash flow.</p>
(b)(i)	<p><i>Describe the term 'consumer confidence'</i></p> <p>Consumer confidence is when consumers feel positive about their personal financial status and may increase spending (Described). For example, if consumers feel that their jobs are secure, they may be willing to borrow more and spend more.</p>
(ii)	<p><i>Impact of decreasing consumer confidence on Remarkable Spaces</i></p> <p>One impact that decreasing consumer confidence might have on <i>Remarkable Spaces</i> is a decrease in demand / fewer people wanting to pay for gardening services (Described). People may choose to do the gardening work themselves to save money (Explained), and this would lead to a decrease in sales and profit for <i>Remarkable Spaces</i> (Explained).</p>
(iii)	<p><i>How decreasing consumer confidence could have a flow-on effect on the employment of Cam and the future of Remarkable Spaces.</i></p> <p>Decreasing consumer confidence may lead to fewer people wanting their lawns mowed / fewer gardening services, which would mean fewer work hours for Kendall and Cam (Described). This could lead to Cam being made redundant / losing his job / not being required, as there would be less work for him to do (Explained). This may make it difficult for <i>Remarkable Spaces</i> to increase its services again in the future, when consumer confidence returns (Explained). Staff costs are a major expense for any business, so there will be little or no growth if sales are reducing.</p>

Question Two: Competition

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> ONE benefit for <i>Remarkable Spaces</i> of increased competition ONE negative consequence for <i>Remarkable Spaces</i> of increased competition the difference between price competition and non-price competition the cost of the response to <i>Remarkable Spaces</i> ONE positive consequence of the response for <i>Remarkable Spaces</i>' customers. <p>(Answers will typically state relevant business knowledge and / or Māori business concepts.)</p>	<p>Explains:</p> <ul style="list-style-type: none"> ONE benefit for <i>Remarkable Spaces</i> of increased competition ONE negative consequence for <i>Remarkable Spaces</i> of increased competition the cost of the response to <i>Remarkable Spaces</i> ONE positive consequence of the response for <i>Remarkable Spaces</i>' customers. <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 benefit and ONE negative consequence for <i>Remarkable Spaces</i> of increased competition the cost of the response to <i>Remarkable Spaces</i> and ONE positive consequence for <i>Remarkable Spaces</i>' customers. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. (a) OR (b) is fully explained.	All points covered. (a) AND (b) are fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q2	Sample Evidence
(a)(i)	<p><i>Benefit for Remarkable Spaces of increased competition</i></p> <p>One positive impact of increased competition on <i>Remarkable Spaces</i> is that it might focus on improving its customer service or introduce a new gardening service (Described). This is because <i>Remarkable Spaces</i> will want to keep its share of the market, so will have to make improvements wherever it can (Explained). The impact of this on <i>Remarkable Spaces</i> is that it may attract new customers with its new, wider range of gardening services / better customer service, leading to increased sales and profit (Explained). A competitive advantage from operating six days a week may increase market share. Comparison with competitors may make the business more innovative or strategic in its operations.</p>
(ii)	<p><i>Negative consequence for Remarkable Spaces of increased competition</i></p> <p>One negative impact of increased competition on <i>Remarkable Spaces</i> is that some of its customers may prefer the lower prices being offered by the competition and no longer use <i>Remarkable Spaces</i> for gardening services (Described). If <i>Remarkable Spaces</i> does not want to lower its prices, its customer base, and hence its sales, may decrease, leading to reduced profits (Explained). A decision to revise its pricing structure could lead to a price war.</p>
(b)(i)	<p><i>Difference between price competition and non-price competition</i></p> <p>Price competition is where a business reduces its price in some way, whereas non-price competition is where a business competes in other ways, without changing its prices (Described). Businesses encourage their customers to buy a good or service by making it appear different or better than other products / services (Described). Examples of price competition: discount, interest-free loan, loss leader. Examples of non-price competition: product differentiation, variation, or modification.</p>
(ii)	<p><i>Cost of the response to Remarkable Spaces</i></p> <p>The cost of this response to <i>Remarkable Spaces</i> would be purchasing new tools to be able to perform the new services / training costs for Kendall / Cam to learn how to perform the new services (Described). Kendall / Cam would need additional tools / training in order to perform the new services at an acceptable level to keep clients satisfied. The additional tools would increase costs, leading to a decrease in profit / decrease in cash available for the business (Explained).</p> <p>Another cost of this response to <i>Remarkable Spaces</i> is that it would take longer to perform the extra / better / improved service, and therefore wage costs would increase (Described). Kendall / Cam would not be available for as many other jobs if each job takes longer, which may mean fewer sales (Explained). Lower sales would lead to a decrease in profits (Explained). Alternatively, if Kendall / Cam were unavailable for jobs, customers may use the competition (Explained), which would lead to fewer customers / lower sales in the future (Explained). If Cam is unable to meet customer demand, it may be better to take on more staff than risk losing sales.</p>
(iii)	<p><i>A positive consequence for Remarkable Spaces' customers</i></p> <p>A positive consequence for <i>Remarkable Spaces'</i> customers of offering new services (e.g. pruning hedges) is that this may better enable it to keep its existing customers, and attract new clients (Described). A customer may choose <i>Remarkable Spaces</i> to perform all their gardening services rather than using two different businesses for different services. This would increase sales and profit for <i>Remarkable Spaces</i>, by providing increased customer choice (Explained).</p> <p>Another positive consequence for <i>Remarkable Spaces'</i> customers of receiving better / improved service is that they will feel more valued (Described). Customers would feel they are getting better value for money, as they would not need to remove the garden waste themselves (Explained). Due to this better service, existing customers may recommend <i>Remarkable Spaces</i> to other people, leading to increased sales and profit (Explained).</p>

Question Three: Legal influences**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Describes:</p> <ul style="list-style-type: none"> the purpose of the Health and Safety at Work Act ONE advantage for Cam, as an employee of <i>Remarkable Spaces</i>, of the business following the requirements of the Health and Safety at Work Act ONE disadvantage for <i>Remarkable Spaces</i> of following the requirements of the Health and Safety at Work Act an example of the named business demonstrating compliance with the selected Act ONE positive consequence for the customer of the named business complying with the selected Act ONE consequence for the named business if it does not comply with the selected Act. <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 for Cam, as an employee of <i>Remarkable Spaces</i>, of the business following the requirements of the Health and Safety at Work Act ONE disadvantage for <i>Remarkable Spaces</i> of following the requirements of the Health and Safety at Work Act ONE positive consequence for the customer of the named business complying with the selected Act ONE consequence for the named business if it does not comply with the selected Act. <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 for Cam, as an employee of <i>Remarkable Spaces</i>, of the business following the requirements of the Health and Safety at Work Act, and ONE disadvantage for <i>Remarkable Spaces</i> of following the requirements of this Act. ONE positive consequence for the customer of the named business complying with the selected Act, and ONE consequence for the named business if it does not comply with the selected Act. <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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. (a) OR (b) is fully explained.	All points covered. (a) AND (b) are fully explained. One part may be weaker.
N0 = No response; no relevant evidence.							

Q3	Sample Evidence
(a)(i)	<p><i>Describe the purpose of the Health and Safety at Work Act</i></p> <p>The main purpose of the Health and Safety at Work Act is to provide legislation to ensure the health and safety of workers and workplaces (Described), by eliminating/ minimising risk of injury/ death.</p>
(ii)	<p><i>Explain ONE advantage for Cam, as an employee of Remarkable Spaces, of the business following the requirements of the Health and Safety at Work Act</i></p> <p>An advantage for Cam is that he is safer when performing his gardening services, and may have fewer injuries/ illnesses (Described). This means he will not have to take as much sick leave from work (Explained), preventing a loss of income for the business from staff not being available to carry out the gardening services (Explained). More productivity = more revenue/ profit.</p>
(iii)	<p><i>Explain ONE disadvantage for Remarkable Spaces of following the requirements of the Health and Safety at Work Act</i></p> <p>A disadvantage for <i>Remarkable Spaces</i> is that providing a safe work environment can be costly/ time-consuming (Described), as training staff and providing staff with a safe work environment increases costs and takes time – for example, purchasing safety clothing and equipment, training on safely using tools, or the cost of flu vaccinations (Explained). These increased costs, and other compliance costs, may lead to lower profits for <i>Remarkable Spaces</i> (Explained).</p>
(b)	<p><i>An example of the named business demonstrating compliance with the selected Act</i></p> <p>(i) An example of displaying good business practice that complies with the Consumer Guarantees Act is giving refunds, carrying out repairs, or replacing faulty goods in relation to items that have been sold (Described).</p> <p>Good business practice that complies with the Fair Trading Act avoids giving false or misleading information to customers, and does not use unfair trading practices (Described).</p> <p>(ii) <i>ONE positive consequence for the customer of the named business complying with the selected Act</i></p> <p>One positive consequence is that the customer could be confident that the product/ service they are buying is fit for purpose (Described). This could lead to greater customer satisfaction and retention, and repeat purchases (Explained), leading to higher sales and profit (Explained).</p> <p>One positive consequence for the customer if the business complies with the Fair Trading Act is that the customer will be confident they have not been misled or given false information (Described). This could lead to greater customer satisfaction and repeat purchases (Explained), leading to higher sales and profit (Explained).</p> <p>(iii) <i>ONE consequence for the named business if it does not comply with the selected Act</i></p> <p>If the named business does not comply with either Act, it could suffer bad publicity – for example, negative social media posts (Described). This could result in the business getting a poor reputation with consumers (Explained), leading to reduced sales and greater difficulty in attracting good employees (Explained).</p> <p>Also, if the named business does not comply with either Act, an unhappy customer could take the business to court/ the Commerce Commission (Described), possibly resulting in the business being fined and/ or having other penalties imposed (Described). This could have a further negative impact on the reputation, sales, and profit of the business (Explained).</p>

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 19	20 – 24