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Draw a cross through the box (X) if you have NOT written in this booklet

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Mana Tohu Mātauranga o Aotearoa

New Zealand Qualifications Authority

## Level 1 Business Studies 2023

### 90838 Demonstrate an understanding of external factors influencing a small business

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate an understanding of external factors influencing a small business.	Demonstrate a detailed understanding of external factors influencing a small business.	Demonstrate a comprehensive understanding of external factors influencing 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 2–12 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (DO NOT WRITE). This area will be cut off when the booklet is marked.

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

*Remarkable Spaces* is a landscape design and garden maintenance business that has been operating in Arrowtown for five years. The owner, Kendall, grew up in the area and completed a Certificate in Landscape Design after she finished high school. At first, her clients were mostly private home-owners, but they now include rental and business properties. Due to this growth, she now employs her brother, Cam, to assist her on her two busiest days, Friday and Saturday. She offers a wide variety of services such as lawn mowing, hedge trimming, and regular garden maintenance, as well as landscape design, planting, and building stone walls.

- (i) Explain ONE negative consequence for *Remarkable Spaces* of increased interest rates.

- (ii) Explain ONE action that *Remarkable Spaces* could take to reduce the effects of increased interest rates.

- (i) Describe the term 'consumer confidence'.

- (ii) Explain ONE impact that decreasing consumer confidence might have on *Remarkable Spaces*.



Recently, Kendall has noticed two new lawn mowing businesses advertising in the area for new clients. Both new businesses are small and operate only two or three days per week. They are both offering to mow lawns for less than the amount Kendall charges.

☐ New services      ☐ Pruning hedges      ☐ Improve quality of existing customer services

### QUESTION THREE: Legal influences

- (a) When Kendall employed her brother, Cam, to assist her on her two busiest days, she investigated the requirements of the Health and Safety at Work Act 2015.
- (i) Describe the purpose of the Health and Safety at Work Act.
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- (ii) 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.
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- (iii) Explain ONE disadvantage for *Remarkable Spaces* of following the requirements of the Health and Safety at Work Act.

*Remarkable Spaces*, like all businesses, benefits from following and having a good understanding of consumer laws such as the Fair Trading Act 1986 and the Consumer Guarantees Act 1993.

In the box below, enter the details of a small business (maximum 20 workers and/or with local or community significance) that you have studied. **Do not use *Remarkable Spaces*.**

Name of the small business: \_\_\_\_\_

Good(s) sold or service(s) provided: \_\_\_\_\_

\_\_\_\_\_

Name of the small business: \_\_\_\_\_

Good(s) sold or service(s) provided: \_\_\_\_\_

\_\_\_\_\_

- (b) Explain how following and having a good understanding of the Consumer Guarantees Act OR the Fair Trading Act could affect the named business.

Select (✓) ONE of the following Acts:

## Fair Trading Act

## Consumer Guarantees Act

- (i) Describe an example of your named business demonstrating compliance with your selected Act.



- (iii) Explain ONE consequence for the named business if it does not comply with your selected Act.

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

QUESTION  
NUMBER

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