

Achievement Standard

Subject Reference Commerce 1.4

Title Demonstrate understanding of the financial viability of an organisation

Level 1 **Credits** 5 **Assessment** External

Subfield Business Operations and Development

Domain Business Studies

Status Approved **Status date** December 2023

Planned review date December 2028 **Date version published** December 2023

Purpose Statement

Students are able to demonstrate understanding of the financial viability of an organisation.

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none">Demonstrate understanding of the financial viability of an organisation	<ul style="list-style-type: none">Examine the financial viability of an organisation	<ul style="list-style-type: none">Evaluate the financial viability of an organisation

Explanatory Notes

- 1 *Demonstrate understanding of the financial viability of an organisation* involves:
- describing a factor that affects the financial viability of an organisation
 - describing actions that the organisation could take to sustain financial viability
 - using a relevant model or concept in the response.

Examine the financial viability of an organisation involves:

- explaining a factor that affects the financial viability of an organisation
- explaining actions that the organisation could take to sustain financial viability
- using a model or concept to support the response.

Evaluate the financial viability of an organisation involves:

- analysing the effects of a factor on the financial viability of an organisation
- evaluating actions that the organisation could take to sustain financial viability
- using a model or concept to develop the response.

2 As part of the evidence provided, students must include discussion of pūtake in the context of demonstrating understanding of an organisation's financial viability.

3 *Financial viability* means the ability of an organisation to continue operating from a financial perspective over time.

Sustaining financial viability means strengthening or supporting this ability. This may mean capitalising on the positive effects or mitigating the negative effects of factors affecting an organisation.

4 *Models or concepts* are used to observe, understand, and make predictions about economic behaviour.

Examples include:

- supply and demand model
- income statement
- cost/volume/profit analysis
- cost/benefit analysis.

5 *Factors* are circumstances which may have financial implications for an organisation.

Examples include:

- legislation and regulation
- staffing
- competition.

6 Refer to the NCEA [glossary](#) for Māori, Pacific, and further subject-specific terms and concepts.

7 This achievement standard is derived from the Social Sciences Learning Area at Level 6 of *The New Zealand Curriculum*: Learning Media, Ministry of Education, 2007.

Replacement Information

This achievement standard and AS92028-AS92030 replaced AS90837-AS90842 and AS90976-AS90988.

Quality Assurance

- 1 Schools and institutions must have been granted consent to assess by NZQA before they can register credits from assessment against achievement standards.
- 2 Schools and institutions with consent to assess must engage with the moderation system that applies to those achievement standards.

Consent and Moderation Requirements (CMR) reference 0233
