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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 1 Commerce RAS 2023

**92030 Demonstrate understanding of how
interdependent financial relationships are affected
by an event**

EXEMPLAR

Achievement

TOTAL 04

Page 1 – Pilot Assessment

Read the case study scenario below and use it to answer the question that follows.

Case study scenario – Rebuilding roads

The New Zealand Government is going to invest money to help rebuild roads into Gisborne that were damaged by Cyclone Gabrielle.

The following participants are all located in the same area:

- the Government
- a local roading contractor that has a contract with the Government to build roads
- a whānau – one parent works for the roading contractor, the other parent works at the local petrol station, and two teenagers are looking for employment
- local banks that most of the families and businesses in the area bank with
- other local businesses such as supermarkets, restaurants, and tourism businesses.

Road access is important for transporting supplies in and out of Gisborne and for tourists visiting the area.

QUESTION

(a) (i) Describe the financial interdependence between the whānau and the roading contractor.

B I U

The financial interdependence between the whānau and the roading contractor is between the government sector. This is because the whānau pays taxes to the government, this money has now gone to the roading contractor for him to rebuild the road. if the road didn't get rebuilt the whānau wouldn't be able to get around since the roads would be to damaged. this would cause them to make no income, but since the road contractor gets payed for rebuilding roads that would have a postivie impact on them.

(ii) Describe the financial interdependence between the bank and the roading contractor.

B I U

The financial interdependence between the bank and the roading contractor is the since the road contractor is rebuilding all these roads he is getting more money. So once he gets payed he puts his money into the financial sector (bank) so he can save his money. this would have a positive impact on the bank because when you put money into specific accounts like a saving account they make money because there is a charge for each account.

(iii) Describe the financial interdependence between the other local businesses and the whānau.

B I U





the financial interdependence between the local business and the whānau is that once the roads will reopen because they have been rebuilt by the roading contractor the local business will be able to sell there goods and the whānau will have goods that they brought for the shops. this has a positive impact on both the local business and the whānau because they both get to have the things they need. The mother that family works at a local petrol station so rebuilding the roads will also provide the whānau with more income.

(b) Describe a direct effect the Government's investment in road building will have on the roading contractor.

B I U    

A direct effect the governments investment will have on the roading contractor is that the roading contractor will have more income as he has lots of roads to rebuild. This could provide the roading contractor to have more saving in the financial sector or more goods from the firms sector. this could also give the roading contractor to have less time to do other things as they would pick up a higher quantity of hours.

(c) (i) Explain ONE flow-on effect of the Government investing in road building for each of the whānau and the roading contractor.

B I U    

A flow on effect of the government investing in road rebuilding for the whanua is that they would have to spend more on petrol because they would use there car to get around more than they did when the road was damaged. A flow on effect of the government investing in road rebuilding for the roading contractor is that the business would have to focus on these roads and turn down other jobs that aren't for the government.

(ii) Using the flow-on effect for the whānau, explain ONE impact on the interdependent financial relationship between the local businesses and the whānau.

B I U    

An impact on the interdependent financial relationship between the local business and the whanua is that the mum might have to pick up more shifts at work because now the whanua has to pay for both of the cars that the family uses. This would cause the mum to provide more labour to the firm she works for. This would effect the local business because then they would have to pay the whanua more money then before causing them to make a lower capital.

(d) (i) Explain ONE flow-on effect of the Government investing in road building for each of the local tourism industry and the local bank.

B I U    

A flow on effect of the government investing in road rebuilding for the local tourism industry is that the local tourism industry would have more people coming to Gisborne. This would make the town have more money as they would all be more busy and the more people there are the more money they get. A flow on effect of the government investing in road rebuilding for the local bank is that the bank would have a might amount of money because the households will be saving more money as they are earning a higher income and the firms will be making investment so they can have enough goods and services for the increase in people that are gonna be around town.

- (ii) Using the flow-on effect for the local tourism industry, explain ONE impact on the interdependent financial relationship between the local tourism industry and the Government.

B I U    

A impact on the interdependent financial relationship between the local tourism industry and the government is that since the local tourism business has a higher income they will pay more business tax to the government. this causes that government to be able to have more money since the local tourism business is making more money.

There are other local businesses affected by the road rebuilding, including tourism businesses such as skydiving and whale watching. A large increase in tourism spending is expected in the local economy when the roads are rebuilt. This will lead to further decisions being made by the Gisborne tourism industry and the Government.

- (e) Using the resource information above and the flow-on effects from part (d), analyse a decision that a Gisborne tourism business could make.

- (i) State a decision a Gisborne tourism business could make:

The Gisborne tourism business could hire new workers.

- (ii) Evaluate positive consequences of the decision on at least TWO of the case study participants.

B I U    

A postive consequence of hiring more workers is that the teenages in the whanua could have a job and could start saving there money for future things. This would alos have a potive consequence on the local banks because then they would have more people signing up for there bank and more people opening accounts for savings.

- (iii) Evaluate negative consequences of the decision on at least TWO of the case study participants.

B I U    

(f) Using the resource information above and the flow-on effects from part (d), analyse a decision that the Government could make.

(i) State a decision the Government could make:

the government could stop other projects and focus on rebuilding the roads.

(ii) Evaluate positive consequences of the decision on at least TWO of the case study participants.

B I U [List icon] [List icon] [Undo] [Redo]

this would have a postive impact on the mother in the whanua because the faster the roads are rebuild the more she will be able to work because there wont be many shirts available till the roads are rebuilt. this would also have a postive impact on the roading contractor because then he will be able to make lots of money well there are rebuilding but also not spend to much time not doing othere jobs.

(iii) Evaluate negative consequences of the decision on at least TWO of the case study participants.

B I U [List icon] [List icon] [Undo] [Redo]

Achievement

Subject: Commerce

Standard: 92030

Total score: 04

Q	Grade score	Marker commentary
One	A4	<p>The candidate correctly described two interdependence scenarios and described one incorrectly.</p> <p>The interdependence of the whanau and roading contractor was not correct because the candidate added a third party (Government) to their answer. The more obvious, and correct, answer is the employment link between the two sectors</p> <p>The interdependence of the bank and roading contractor was correct because the candidate stated the need for the contractor to use the bank, and the bank to earn revenue from the roading contractor.</p> <p>The interdependence of the local businesses and the whanau was correct, though weak. The candidate stated the need for the local businesses to have the whanau purchase from them and the whanau needing the local businesses for goods / services and employment.</p> <p>The candidate correctly described a direct effect on the roading company – the extra income earned from increased investment by the Government.</p> <p>The candidate would have reached Merit had they explained flow-on effects correctly and how those flow on effects might impact on the interdependent relationships.</p>