

## Achievement Standard

**Subject Reference** Commerce 1.2

**Title** Demonstrate understanding of price determination for an organisation

**Level** 1      **Credits** 5      **Assessment** Internal

**Subfield** Business Operations and Development

**Domain** Business Studies

**Status** Approved      **Status date** September 2024

**Planned review date** December 2028      **Date version published** December 2024

### Purpose Statement

Students are able to demonstrate understanding of price determination for an organisation.

### Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Demonstrate understanding of price determination for an organisation</li> </ul>	<ul style="list-style-type: none"> <li>Examine price determination for an organisation</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate price determination for an organisation</li> </ul>

### Explanatory Notes

- 1 *Demonstrate understanding of price determination for an organisation* involves:
- describing how a price has been determined for an organisation using financial or non-financial information
  - using a concept or model to support the description.

*Examine price determination for an organisation* involves:

- explaining how the price could be affected by a change in an internal or external factor
- explaining options for changing, or not changing, the price
- using financial or non-financial information and a concept or model to support the explanation.

*Evaluate price determination for an organisation* involves:

- justifying the determined price supported by financial or non-financial information, and a concept or model

- discussing possible consequences of the determined price with reference to impacts on the organisation and its stakeholders.

2 A *concept or model* is used to observe, understand, and make predictions about organisational behaviour.

Examples include:

- supply and demand model
- projected income statement
- cost/volume/profit analysis
- pricing strategies.

3 An *organisation* is a group of people who work together with a particular purpose.

For the purpose of this achievement standard, the organisation must be one that sets a price for either a product or service.

4 *Internal factors* refers to any circumstances within and under the control of the organisation, and which may have financial implications for the organisation.

Examples include:

- staffing
- processes
- organisational structure.

*External factors* refers to any circumstances outside and under no control of the organisation, and which may have financial implications for the organisation.

Examples include:

- legislation and regulation
- competition
- customers and suppliers.

5 For the purpose of this achievement standard, *financial or non-financial information* is information obtained from the organisation or other market participants that can be linked to price determination.

Examples include:

- pūtake, goals, and values of the organisation
- production costs
- market research data
- price data from other organisations.

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, AS92028, AS92030, and AS92031 replaced AS90837-AS90842 and AS90976-AS90988.

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**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

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