

Achievement Standard

Subject Reference Commerce 1.3

Title Demonstrate understanding of how entities with interdependent financial relationships are affected by an event

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

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 how entities with interdependent financial relationships are affected by an event.

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Demonstrate understanding of how entities with interdependent financial relationships are affected by an event 	<ul style="list-style-type: none"> Examine how entities with interdependent financial relationships are affected by an event 	<ul style="list-style-type: none"> Evaluate how entities with interdependent financial relationships are affected by an event

Explanatory Notes

1 *Demonstrate understanding of how entities with interdependent financial relationships are affected by an event* involves:

- describing a range of interdependent financial relationships between entities
- describing a direct effect of an event on an entity involved in an interdependent financial relationship.

Examine how entities with interdependent financial relationships are affected by an event involves:

- explaining the flow-on effects of the event on entities
- explaining the impact each flow-on effect has on interdependent financial relationships.

Evaluate how entities with interdependent financial relationships are affected by an event involves:

- justifying a decision an entity could make in response to the impact of the event on interdependent financial relationships
- discussing consequences of the decision for the entities.

2 *Interdependent financial relationships* are real flows and money flows between entities that are financially reliant on each other.

3 *Direct effect* refers to a first-round effect following an event.

Flow-on effects refers to a second round of effects following a direct effect.

4 An *event* is something that happens that has economic significance to an organisation.

Examples include:

- a change in market conditions
- a natural event
- a change for a stakeholder.

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

6 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, AS92029, and AS92031 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
