

## Achievement Standard

<b>Subject Reference</b>	Commerce 1.4		
<b>Title</b>	Demonstrate understanding of the financial viability of an organisation		
<b>Level</b>	1	<b>Credits</b>	5
		<b>Assessment</b>	External
<b>Subfield</b>	Business Operations and Development		
<b>Domain</b>	Business Studies		
<b>Status</b>	Approved	<b>Status date</b>	September 2024
<b>Planned review date</b>	December 2028	<b>Date version published</b>	December 2024

### 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"> <li>Demonstrate understanding of the financial viability of an organisation</li> </ul>	<ul style="list-style-type: none"> <li>Examine the financial viability of an organisation</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate the financial viability of an organisation</li> </ul>

### Explanatory Notes

- 1 *Demonstrate understanding of the financial viability of an organisation* involves:
- describing the effects of a factor on the financial viability of an organisation
  - describing actions that the organisation could take to sustain financial viability
  - using a concept or model to support the description.

*Examine the financial viability of an organisation* involves:

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

*Evaluate the financial viability of an organisation* involves:

- evaluating actions that the organisation could take to sustain financial viability
- using a concept or model to support the evaluation.

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

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## Replacement Information

This achievement standard and AS92028-AS92030 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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