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Draw a cross through the box (X) if you have NOT written in this booklet

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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 1 Commerce 2025

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

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how entities with interdependent financial relationships are affected by an event.	Examine how entities with interdependent financial relationships are affected by an event.	Evaluate how entities with interdependent financial relationships are affected by an event.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL parts of the question in this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–8 in the correct order and that none of these pages is blank.

Do not write in the margins (// // // //). This area will be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

QUESTION

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

Case study scenario – A decision to stop exporting

Kāwhiu Industries is a large seafood business located in the Marlborough region. It is a privately owned limited liability company. *Kāwhiu Industries* produces many types of seafood at its marine farms in the Marlborough Sounds, which it processes at its factory in Blenheim. It sells the seafood to customers throughout New Zealand and overseas. *Kāwhiu Industries* is a major employer in the Marlborough region, employing over 300 people, and contributes to the wider community by sponsoring cultural events and sporting teams.

The following participants in society are all located in the same area:

- *Leota Transportation*: a trucking company that has a contract to deliver seafood for *Kāwhiu Industries* to the factory, customers in the Marlborough region, and to Christchurch to be flown overseas
- *Care and Courage*: a non-profit organisation in Blenheim that provides support to those in need of food, clothing, and shelter, which receives money grants from the Government
- a whānau consisting of two parents with 12-year-old twins; one parent is employed as a driver at *Leota Transportation* and the other runs *Care and Courage*
- a local bank that *Kāwhiu Industries* and many other businesses and whānau bank with
- households in the community
- other businesses, for example petrol stations, supermarkets, retail stores, hairdressers, and tradespeople
- the Government.

- (a) (i) Describe the financial interdependence between *Kāwhiu Industries* and *Leota Transportation*.

- (ii) Describe the financial interdependence between the Government and households in the community.

- (iii) Describe the financial interdependence between *Kāwhiu Industries* and the bank.

Recently, two of *Kāwhiu Industries*' major overseas customers have closed down and cancelled their orders. As a result, *Kāwhiu Industries* has decided to stop exporting seafood and focus on the New Zealand market. Therefore, they will have to close some of their marine farms and reduce the size of their processing factory, leading to a loss of 180 jobs.

- (b) Describe a direct effect *Kāwhiu Industries*' decision to stop exporting seafood has on *Leota Transportation*.

- (c) (i) Explain ONE flow-on effect *Kāwhiu Industries'* decision to stop exporting seafood has on the whānau.

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

- (d) (i) Explain ONE flow-on effect *Kāwhiu Industries'* decision to stop exporting seafood has on the Government.

- (ii) Using the flow-on effect for the Government, explain ONE impact on the interdependent financial relationship between the Government and the other businesses in the area.

The Government offers a one-off \$100 000 payment (e.g. subsidy) to organisations that hire five or more new employees in a year.

- (e) Evaluate the Government's decision to offer a one-off \$100 000 payment (e.g. subsidy) to organisations that hire five or more new employees in a year. In your answer you should:
- explain a positive or negative consequence for each of:
 - the Government
 - households in the community
 - *Care and Courage*
 - justify why the Government would make this decision.

Answer space continues on the next page ➤

As a result of the decision to stop exporting seafood, *Kāwhiu Industries* purchases its own trucks to transport seafood within New Zealand.

- (f) Evaluate *Kāwhiu Industries*' decision to purchase their own trucks to transport seafood. In your answer you should:
- explain a positive or negative consequence for each of:
 - *Kāwhiu Industries*
 - *Leota Transportation*
 - the bank
 - justify why *Kāwhiu Industries* would make this decision.

Extra space if required.
Write the question number(s) if applicable.

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