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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 1 Commerce 2024

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

Credits: Five

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

Achievement

TOTAL 04

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

Case study scenario – Successful social media campaign

Delectable Donuts has stores throughout the country. It has been using social media to promote its business. Recently, several of its videos were shared by social media influencers, increasing the number of views on the *Delectable Donuts* website and social media.

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

- a *Delectable Donuts* store that employs five staff
- another bakery that employs three staff
- suppliers of ingredients and packaging for *Delectable Donuts* and the other bakery
- a whānau consisting of a single parent, a six-year-old, and an eight-year-old; the parent works in the *Delectable Donuts* shop part-time and is considering increasing their hours
- a local bank that most of the families and businesses in the area bank with
- other organisations in the local community, for example a primary school, petrol station, health food shops, and a marae
- the Government.

QUESTION

- (a) (i) Describe the financial interdependence between the local *Delectable Donuts* store and the whānau.

Financial interdependence is a mutual reliance between two in which one cannot survive without the other. *Delectable donuts* rely on whānau to purchase their goods and to provide labour to stay financially viable. Whānau rely on *Delectable donuts* to provide income for their labour in order to stay financially viable, as well as donuts for purchase.

- (ii) Describe the financial interdependence between the local *Delectable Donuts* store and its suppliers.

Financial interdependence is a mutual reliance ~~between~~ between two in which one cannot survive without the other. *Delectable donuts* rely on its suppliers to provide the ingredients and packaging in order to be able to sell the donuts staying financially viable. Suppliers rely on *Delectable donuts* to provide income for their goods and services in order for them to stay financially viable.

- (iii) Describe the financial interdependence between the bank and the suppliers.

Financial interdependence is a two way mutual reliance in which one ~~the~~ cannot survive without the other. The suppliers rely on the bank to provide loans for purchasing any new expensive equipment that ~~is~~ increases the productivity and efficiency of their business keeping them financially viable. The bank relies on Suppliers to take loans and pay them off with ~~the~~ interest.

- (b) Describe a direct effect the social media campaign will have on the local *Delectable Donuts* store.

A direct effect the social media campaign will have on the local *Delectable donuts* is the increase of sales and popularity. Due to increase in popularity *Delectable donuts* will need to expand their ~~business~~ business to other stores to make the most of the new customers.

- (c) (i) Explain ONE flow-on effect the social media campaign has on the bank.

~~Due to~~ Due to the increase in popularity one flow-on effect would be the increase in how frequently the suppliers and *Delectable donuts* will be taking loans for expanding ~~the~~ *Delectable donuts* business, as they need to employ more ~~staff~~ staff, purchase more equipment, ingredients and land to build stores.

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

One impact on the interdependent financial relationship between other businesses ~~is~~ and the bank is the decrease in available loans ready to take out as Delectable donuts is frequently taking ~~B~~ out loans to cover for their expanding business.

- (d) (i) Explain ONE flow-on effect of the social media campaign on the other bakery.

One flow-on effect for the social media campaign on the other bakery would be the decrease of frequent customers and sales as more will be purchasing goods from the Delectable donuts.

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

One impact on the financial relationship between the other bakery and the suppliers would be the decrease in ingredients and packaging being purchased from the suppliers as less stock is being purchased from the bakery. The suppliers will have ~~more~~ an increase in stock (ingredients and packaging) that can be sold to the Delectable donuts that has expanded.

As a response to concerns about unhealthy eating, the Government decides to start a healthy eating campaign including a tax on unhealthy foods, such as donuts, fast food, and sugary sweets.

- (e) (i) Explain ONE positive consequence of the Government's decision to tax unhealthy food on ONE interdependent financial relationship involving any of the participants in the case study.

One positive consequence to the Government's decision is the interdependent financial relationship between Whānau and other organisations for example health food shops. Whānau will have an increase in overall health as they won't be eating as much unhealthy foods. Other organisations will have an increase in sales and popularity as more customers are shopping there. As well as Whānau ^{who} lost their Delectable donut job may be hired at other organisations.

- (ii) Explain ONE negative consequence of the Government's decision to tax unhealthy food on ONE interdependent financial relationship involving any of the participants in the case study.

One negative consequence to the Government's decision is the interdependent financial relationship between Whānau and Delectable donuts. Whānau rely on Delectable donuts to supply unhealthy food for example donuts. With this tax Delectable donuts will have a decrease in income as their unhealthy donuts will not be sold. Due to this loss of income cuts in employees wages may occur or employees let go to make up for the loss of income.

Due to the increased popularity of the *Delectable Donuts* store, the local primary school decides to use the *Delectable Donuts* fundraising programme to raise money for sun umbrellas at the school.

- (f) (i) Explain ONE positive consequence of the school's decision to use the *Delectable Donuts* fundraising programme on ONE interdependent financial relationship involving any of the participants in the case study.

One positive consequence ~~between~~ between whānau and Delectable donuts is the positive view whānau will have on Delectable donuts, helping raise money for sun umbrellas for children at school. This will lead to an increase in customers as whānau views Delectable donuts as business that tries to help when it can.

- (ii) Explain ONE negative consequence of the school's decision to use the *Delectable Donuts* fundraising programme on ONE interdependent financial relationship involving any of the participants in the case study.

One negative consequence of this decision is the relationship between Delectable donuts and whānau. As whānau may think Delectable donuts could've used the fundraising programme for a more useful use for example children who are sick with a disease.

Subject: Commerce

Standard: 92030

Total score: 04

Q	Grade score	Marker commentary
One	A4	<p>The candidate described how the participants rely on each other in an interdependent financial relationship, including how each participant will benefit from the relationship. The candidate described the direct effect of the social media campaign on <i>Delectable Donuts</i>.</p> <p>To reach Merit, the candidate needed to focus more on the flow-on effect for the bank instead of focusing on the impact for <i>Delectable Donuts</i>. They also needed to explain how both participants in the interdependent financial relationship would be impacted by the flow-on effect, rather than just one of the participants.</p>