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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.**

Merit

TOTAL 05

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.

**QUESTION**

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

B I U

The financial interdependence between Kawhiu Industires and Leota Transportation is a mutal profit for both sectors meaning the Kawhiu industries gives money in return for the Leota Transportation to transport their good to their customers in the christchurch and melbourne area from the Blenhiem and also they tranfer sea food to the factory using their vehicles that gives bothe the Leota Transportation profit and also the Kawhiu Industries.

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

B I U

The financial interdependence between the Government and Household in the community is that the household gives the Government taxes and in return the Government gives the Household survices such as cleaning the street, keeping the community safe, repairing roads and in case if the household lost their income government has an organization called care and courage which would support the families in needs with the government funding, and many other survices and also the Household gives the Government labour and in return the household gets wages which is a very profitable and good for the both sectors.

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

B I U

The financial interdependence between the Kawhiu Industries and the Bank is that the Bank gives the Kawhiu industries Loanes which they can use and in return they gives the Bank intrests weekly until which is a very profitable mutal interdependence between the industrial sector and financial sector.

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*.

B I U ☰ ▼ ☷ ▼ ↶ ↷ ?

A direct effect of the two major overseas customers of Kawhiu Industries got cancelled and the Kawhiu industries now focus more on the NZ market rather than exporting outside on the Leota Transportation company is that because the now they are focused more in NZ market they can transfer more to Christchurch and earn more money from that because Christchurch is in the NZ markey and another flow on effect on the Leota company is they need to transfer less goods now because Kawhiu Industreis has less goods to export outside like melbourne region, so this flow on effect is very negative on the leota Transportation company because they earn less if there is less goods to transfer.

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

B I U ☰ ▼ ☷ ▼ ↶ ↷ ?

One flow on effect of Kawahi Industries stopped exporting seafood on the Whanau is that due to Kawhiu stopped exporting there is less goods needed so they reduced their marine farms and also their proccessing factories that lead to 180 less jobs for households and also less jobs because the Leora Tranportation company is going to have less income so they might reduce their work force to so the impact of that can cause one of the parents of the whanaue to lose his/her income so the whole house hold is going to have less income making them in needs of the support from the care and courage to support their 12 years old twin children overall the decision of the Kawhiu industries can have a very negative effect on the whanau.

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

B I U ☰ ▼ ☷ ▼ ↶ ↷ ?

By using the flow on effec in the whanau in the senario, one impact that it can have on the interdependent financial relationship between the whanau and the Bank is that the Whanau is going to rely on the Bank for loans because the Whanau is in bad financial situation and in return the Bank is going to get intrest weekly from the Whanau impacting both sectors positively because with now more stablized financial situation that the whanau achived with the help of the Bank loan they can start to support their children better.

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

B I U ☰ ▼ ☷ ▼ ↶ ↷ ?

One flow in effect of the Kawhiu industry stopped exporting due to their foreign orders getting cancelled is on the government is that the Government is going to have less income from the tariff that they used to have from the exports the Kawhiu industries which can lead to government stopping or giving less services to the kawahi Industry such as cleaning, repairing and building new roads and also stop supporting people with less income using the organizations like care and courage, which can have a very large negative impact on the Kawhiu industry and Government and Government image in the media and eyes of the people.

(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.

B I U ☰ ▼ ☷ ▼ ↶ ↷ ?

One flow of effect of Government having less income and in return being forced give worsor services to the households, industries and also businesses on the businesses in the area is that they are going to get worsor services such as worsor road services, electricity services and safety of the area services and many more like the government stop supporting organizations that helps people like the care and courage which can have a very bad effect on the businesses in the area like after government stopped suporting the organizations like care and courage that supported people and if that organization shut down the less income people is going to have less income which cause them to have less trust and confidence of spending their money more freely on the businesses so the businesses in the area is going to have less income which can cause the to go bankrupt or getting way worse in terms of quality.

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.

B I U ☰ ∨ ☰ ∨ ↶ ↷ 🌐

The effect on the government, house hold and care and courage because government creating a subsidy for the organizations that hire five or more new employees in a year on the care and courage is negative due to there being more jobs and organizations are being more encouraged for hurring people so the care and courage is going to gave less people to help and in that case the government is going to shutdown or reduce the number fundings, and the impact of it on the House hold in the community is positive because there are going to be more jobs available so they can get more jobs and better jobs and they are going to have more freedom of choice in choosing their job which is very positive for the households, and the impact of it on the government is postive although the government is going to lose a lot of their money because their subsidiezing a lot of money to each organization, it is positive because the government is helping the people and the organisations which is the government's goal.

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.

B I U ☰ ∨ ☰ ∨ ↶ ↷ 🌐

The impact of the decision where kawhiu industries buy their own trucks to transport seafood on the kawhiu industries, leota Transportation and the Bank. This decision is very positive on the Bank because the Kawhiu Industries needs loans and fundings to buy this new trucks and also after that decision the Leota transportation is going to have less income so they need loans from the Bank to survive so it's a very positive decision for the Bank, The imoact of the Kawhie buying their own truck is a very negative decision from the Leota Transportation company because they are going to lose their large portion of their income and they are have to look for other companies and industries to transport their goods and use loans from the Bank to earn their living to survive and don't go bankrupt, The effect of the Kawhiu buying new trucks to transport their goods is a effect that can be positive and also negative because if the kawhiu thinks long term it's a very good investment because in long term they don't need to pay for other companies to transport their goods and also it can be negative in a short term perspective because they have to spend a lot of money and take loans to just do the thing they could have done by just paying the money to the Leota Transportation but in My opinion i see it as a positive because they don't need rely on other sectors to transport their goods and also they can expand on the transportation business to earn money by transporting other people's goods also.

## Merit

**Subject:** Commerce

**Standard:** 92030

**Total score:** 05

Q	Grade score	Marker commentary
One	M5	<p>The candidate described how the participants rely on each other in an interdependent financial relationship, including how the participants will benefit from the relationship. They needed to describe one direct effect of the closure of marine farms on Leota Transportation, rather than two opposing effects.</p> <p>The candidate has explained a flow-on effect for the whānau and explained how the interdependent financial relationship between them and their bank would impact both participants.</p> <p>To reach Excellence, the candidate needed to explain the impacts of the decision on an interdependent financial relationship, rather than just explaining the impacts on a specific participant in the case study. For example, in Part (e), they could have explained that households would now have more income to be able to purchase more goods and services or to save money in the bank. To justify the decision, the candidate needed to explain the underlying reason for making the decision, rather than restating positive and negative consequences.</p>