

# 2024 NCEA Assessment Report

<b>Subject:</b>	Commerce
<b>Level:</b>	1
<b>Achievement standards:</b>	92030, 92031

## General commentary

These assessments were completed as part of the new Level One Commerce subject in 2024, which replaced the existing stand-alone subjects of Accounting, Business Studies, and Economics. There were two assessments:

- 92030: an end-of-year examination
- 92031: a digital report submitted by late October.

Candidates were most successful when they applied important commerce concepts. They did this by using correct financial terminology, relating the concepts to the relevant organisations involved, using appropriate financial models, and analysing both positive and negative consequences of decisions made.

## Report on individual achievement standards

### **Achievement standard 92030: Demonstrate understanding of how interdependent financial relationships are affected by an event**

#### Assessment

Candidates were provided with a case study about an event: a donut store successfully using social media to gain greater awareness of their business.

Candidates were required to:

- describe the interdependent financial relationships between various participants
- describe the direct effect of the use of social media for the donut shop
- explain the flow-on effects on various participants and how these impacted the interdependent financial relationships
- explain positive and negative consequences of these decisions on various interdependent financial relationships in the case study.

The examination consisted of one structured question with parts and sub-parts.

#### Commentary

The majority of candidates demonstrated their understanding of interdependent financial relationships using the *Delectable Donuts* case study provided.

Candidates distinguished between direct effects and flow-on effects, as well as providing relevant and accurate flow-on effects for various participants. A common error, however, was in candidates'

understanding of the role of banks. Some candidates stated that banks collected taxes or paid wages for entities or mixed up when banks receive or pay interest.

Candidates were better at using the identified flow-on effect to explain the impact on the interdependent financial relationship between the other bakery and the supplier, than they were at explaining the interdependent financial relationship between the bank and the other businesses in the community.

Many candidates did not successfully explain the consequences of a decision on an interdependent financial relationship. They identified positive and negative consequences for different participants, however then did not link this to a relevant interdependent financial relationship.

## Grade awarding

Candidates who were awarded **Achievement** commonly:

- demonstrated an understanding of an interdependent financial relationship between two participants by describing how each participant relied on the other
- used correct terms for money flows such as income, wages, and sales revenue
- described the direct effect of the event on *Delectable Donuts* in terms of an increase in sales / revenue / profit.

Candidates who were awarded **Achievement with Merit** commonly:

- explained flow-on effects of the event on other participating parties
- linked the impact on the financial interdependent relationship to the flow-on effect they had explained
- used directional words to explain the impact on an interdependent financial relationship for example, increased revenue / profit)

Candidates who were awarded **Achievement with Excellence** commonly:

- explained, with reasoning, a positive or negative consequence of the decision on one or more of the participants
- linked the consequence to a change in a relevant interdependent financial relationship
- provided clear explanations of the money flows between participants in an interdependent financial relationship.

Candidates who were awarded **Not Achieved** commonly:

- did not show understanding of the role of banks and the nature of their interaction with other participants for example, referring to banks collecting the tax / being in charge of tax or taxing the businesses
  - made general comments such as “the bakery was affected” rather than specifying whether there was an increase or a decrease in revenue/profits
  - used the description ‘money’ rather than profit or revenue
  - provided contradictory answers in the same question
  - described one participant’s reliance on an interdependent financial relationship, rather than both participants.
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## Achievement standard 92031: Demonstrate understanding of the financial viability of an organisation.

### Assessment

This was a digital submission. Candidates chose an organisation they had studied in class and produced a report that showed the effects of an event on its financial viability. Candidates could use a two-page document with information about their organisation, that they produced in advance, to help them to write the report.

The assessment was in two parts:

- Section A: provided information to the markers about the organisation and was not marked
- Section B: the body of the report, which was marked.

Candidates were provided with bullet points to cover in their report. The suggested report length in the assessment specifications was 1 200 words.

### Commentary

Candidates needed to ensure that they made explicit reference to at least one financial model in their answers. This means that candidates needed to include discussion using the model, rather than simply including a model in their report and not using it to support their answers.

Discussion of the impact of the event overall was not as detailed as the actions component at the Achieved and Merit levels. At these levels in the standard, the impacts and actions have equal weighting, therefore in the future, greater emphasis needs to be placed on explaining the impacts to better reflect this equal weighting.

An important component of this assessment is the discussion of pūtake, with discussion of the impact on the pūtake being required for candidates to achieve this standard. A number of candidates did not spell pūtake correctly, often not including the macron above the u (or uu).

Although candidates were able to prepare and take a two-page document about the organisation into the assessment with them, it was paramount that they thought about and responded to the questions and prompts provided, rather than using pre-prepared answers that were not relevant to the assessment task.

### Grade awarding

Candidates who were awarded **Achievement** commonly:

- described the impact on financial viability with reference to a financial model
- described two valid actions to improve financial viability with reference to a model
- discussed the impact on the pūtake of the organisation.

Candidates who were awarded **Achievement with Merit** commonly:

- explained the impact on financial viability with reference to a financial model, specifically mentioning the effect on sales / expenses, profit, and financial viability
- explained two valid actions to improve financial viability with reference to a financial model.

Candidates who were awarded **Achievement with Excellence** commonly:

- evaluated the short term and long term impacts on financial viability for each of the valid actions, with the support of a financial model
- evaluated the positive or negative consequences of each of the valid actions, with the support of a financial model.

Candidates who were awarded **Not Achieved** commonly:

- did not refer to a financial model
  - used a prepared answer using a factor not listed in the assessment task
  - used actions that were not suitable for the organisation, including the action of “doing nothing”
  - did not discuss the impact on the pūtake of the organisation.
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