

2025 NCEA Assessment Report

Subject:	Commerce
Level:	1
Achievement standard(s):	92030, 92031

General commentary

This was the second year of Level 1 Commerce. This year, both standards were assessed through an end-of-year examination.

Candidates were most successful when they applied the big ideas of commerce to the scenarios provided. They did this by using correct and situationally appropriate financial terminology, relating the concepts to the relevant organisations involved, using suitable financial models to support their answers with evidence, and evaluating positive and negative consequences of decisions made.

The spread of performance was similar for both assessments.

Report on individual achievement standard(s)

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

Assessment

The examination consisted of one structured question with parts and sub-parts, based on a case study about an event. The case study was a seafood business that was faced with a reduction in demand from overseas customers.

Candidates were required to:

- describe the interdependent financial relationships between various participants
- describe the direct effect of the seafood business reducing their manufacturing
- explain the flow-on effects on various participants and how these impacted the interdependent financial relationships
- evaluate positive and / or negative consequences of decisions taken in response to the reduction in manufacturing
- justify why the decisions had been made.

Commentary

Overall, the vast majority of candidates displayed their understanding of interdependent financial relationships using the *Kāwhiu Industries* case study provided. Candidates commonly misunderstood the role of the Government, stating that it provided power and electricity for households or could increase tax rates at short notice.

Candidates distinguished between direct effects and flow-on effects, as well as providing relevant and accurate flow-on effects for various participants. Candidates were stronger at using the identified

flow-on effect to explain the impact on the interdependent financial relationship between the whānau and the bank than they were for the interdependent financial relationship between the Government and the other businesses in the community. Candidates frequently suggested the Government received tariffs from export sales or received the revenue from export sales.

More candidates achieved with Excellence this year due to an improvement in explaining the consequences of a decision. Many candidates identified positive or negative consequences for different participants, however candidates often missed adding detail about how the consequence could impact future income or profit, purchasing power, or the ability to complete a service.

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 terminology for money flows, such as income, wages, and sales revenue
- described the direct effect of the event on *Leota Transportation* 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
- explained how both sides of the interdependent financial relationship between two participants relied on each other
- used directional words to explain the impact on an interdependent financial relationship (e.g. increased revenue / profit), rather than the strength of the relationship (e.g. stronger reliance between the bank and the whānau).

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

- explained a positive or negative consequence of the decision on two or more of the participants with relevant reasons and examples
- explained the longer term impact of the decision for the participants
- justified the decision-making of the participant in terms of the impact on that participant, aligning with an underlying reason or big idea / concept
- used clear, concise, and well-constructed sentences
- consistently used correct financial terminology.

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

- made general comments such as “the business would be affected” rather than specifying whether there was an increase or a decrease
- used the description money rather than profit or revenue
- provided contradictory answers within the same question
- described one participant’s reliance on an interdependent financial relationship, rather than both participants
- described non-financial elements that were not relevant to the question.

Achievement standard 92031: Demonstrate understanding of the financial viability of an organisation

Assessment

The examination consisted of one structured question with various parts, based on a case study about a tiny home business *Whare Hangariki Ltd*, including financial and non-financial information. Candidates could choose to use *Whare Hangariki Ltd* or an organisation of their own choice that they had studied during the year (e.g. their own business from a market day) for their response. Candidates were also provided with four different factors, and chose one to use in their response.

Commentary

The change in assessment style from digitally submitted report completed during the school year to an end-of-year examination had minimal impact on the candidates' performance for this assessment, with results in line with 2024. The overwhelming majority of candidates chose to use the *Whare Hangariki Ltd* case study rather than their own organisation. At times, candidates who used their own organisation did not provide enough detailed evidence in their responses to gain Merit or Excellence.

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

It is essential that candidates describe and explain actions that will help the organisation overcome the selected factor and its effect on the organisation, rather than providing actions for an unrelated factor. Likewise, as this standard is centred around financial viability, candidates need to ensure that their answers are focussed on the impact to financial viability, rather than simply sales or the costs for the organisation.

Discussion on pūtake is an important component of this assessment, with discussion of the impact on an organisations's pūtake being required for candidates to achieve this standard. Pūtake with a macron over the u or puutake are both acceptable ways of spelling this term.

Grade awarding

Candidates who were awarded **Achievement** commonly:

- described the impact of the chosen factor 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 specific reference to a financial model.

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

- clearly explained the effect of their chosen factor on financial viability with explicit, clear reference to a financial model
- evaluated the short and long term impacts on financial viability for each of the valid actions, with the explicit support of a financial model
- evaluated the positive or negative consequences of each of the valid actions, with the explicit support of a financial model
- communicated consequences in a logical manner which flowed well from the action.

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

- omitted reference to a financial model
- proposed actions that were inappropriate, unclear, or incomplete
- failed to discuss the impact on the pūtake of the organisation
- stated actions, but did not describe the effect of the factor, or vice versa.