

## Assessment Schedule – 2011

### Business Studies: Demonstrate an understanding of external factors influencing a small business (90838)

#### Evidence Statement

Q 1	Expected coverage
(a)	<p><i>Damage to the environment:</i>                      Water contamination (poisoning the water, killing fish, plant life, etc).                      Air pollution – from chemical vapour, gases, smog (damaging plants, trees and animals).                      Land contamination (damaging plants, trees and soil).</p>
(b)	<p><i>Benefits:</i> aids with planning; provides useful help with resource consents; could reduce long-term operating costs; could enhance business’s reputation (being seen to be an eco-friendly business). Benefits could also include that they are either abiding by the law or no legal action could be taken against the company if they comply with law.  <i>Costs:</i> compliance can be expensive; more expensive to introduce certain equipment, processes, etc; may have to change processes more than once.</p>
(c)	<p><i>Sample answer:</i>                      The Māori concept of Kaitiakitanga is guardianship, including the responsibility to safeguard environmental resources for future generations. Also, to aid in the preservation of ancestral lands, water, sites, waahi tapu, and taonga and historic heritage.</p>
(d)	<p>Type of pollution stated – water and / or land pollution.  <i>Issue for community explained:</i> could pollute creek and poison wildlife; could be harmful to neighbours bordering the creek; could seep onto the land, contaminating the soil; could damage surrounding plants and trees. Must be a local issue and focus on the neighbours.  <i>Solution (sample answer):</i>                      To divert waste into holding tanks and have them transported to a safe disposal place or neutralise the chemicals and wash them down the drain. This solution is both safe for the environment and the business, as it would cost <i>DG Plastics Ltd</i> a lot of money if it was found at fault.</p>

Not Achieved	N1	Insufficient breadth by answering TWO of: <ul style="list-style-type: none"> <li>• one impact identified</li> <li>• a benefit or cost described</li> <li>• Māori concept described</li> <li>• type of pollution identified – must be correct (either water or land) and realistic</li> <li>• issue for community identified</li> <li>• a solution described.</li> </ul> (Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)
	N2	Insufficient breadth by answering THREE of: <ul style="list-style-type: none"> <li>• one impact identified</li> <li>• a benefit or cost described</li> <li>• Māori concept described</li> <li>• type of pollution identified– must be correct (either water or land) and realistic</li> <li>• issue for community identified</li> <li>• a solution described.</li> </ul> (Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)

Achievement	A3	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• one impact identified</li> <li>• a benefit or cost described</li> <li>• Māori concept described</li> <li>• type of pollution identified– must be correct (either water or land) and realistic</li> <li>• issue for community identified</li> <li>• a solution described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FIVE of:</p> <ul style="list-style-type: none"> <li>• one impact identified</li> <li>• a benefit or cost described</li> <li>• Māori concept described</li> <li>• type of pollution identified – must be correct (either water or land) and realistic</li> <li>• issue for community identified</li> <li>• a solution described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• a benefit and cost explained</li> <li>• an issue for the community explained</li> <li>• the solution explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• a benefit and cost explained</li> <li>• an issue for the community explained</li> <li>• the solution explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>How the issue of the leaking waste impacts on the community is explained, with an example. AND One advantage or consequence of the solution is fully explained. (Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>
	E8	<p>How the issue of the leaking waste impacts on the community is explained, with TWO examples. AND Advantages or consequences of the solution are fully explained. AND The answer demonstrates coherent links between concepts. (Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

**N0** = No response; no relevant evidence.

Q 2	Expected coverage
(a)	External stakeholders – suppliers, customers (end users or retailers), financial institutions, community, potential investors, competitors, local iwi (tribe).
(b)	<p><i>Negative effect on stakeholders:</i></p> <p>Suppliers – <i>DG Plastics Ltd</i> might get cheaper stock from another supplier.</p> <p>Customers – might not like the new product and choose to shop somewhere else, causing inconvenience.</p> <p>Financial institutions – might think that <i>DG Plastics Ltd</i> is taking too much of a risk and not want to support the company financially, thereby losing business.</p> <p>Community – might be opposed to the new product if it uses up more resources or creates unemployment.</p> <p>Potential investors – might think the company is diversifying because they are in trouble financially, or it might be a product that doesn't fit the philosophy of the potential investor, so they decide not to invest.</p> <p>Iwi (tribal) concerns – local iwi (tribe) may be concerned about the impact on cultural taonga, eg land and water.</p>
(c)	Internal stakeholders – employees, manager, owner(s)/shareholder(s), director(s).
(d)	<p>Two stakeholders – employees and shareholders.</p> <p><i>Objectives:</i></p> <p>Employees – to get a good wage / salary; job satisfaction.</p> <p>Shareholders – to gain profit; grow the company.</p> <p><i>Sample answer:</i></p> <p>In order to make a satisfactory profit, wages and salaries may have to be kept to a minimum and working conditions may have to be compromised. Employees may feel they are not being appreciated. In order to minimise the conflict, <i>DG Plastics Ltd</i> may offer incentives such as productivity bonuses and hold regular meetings so the employees feel they are part of the company.</p> <p>Other stakeholders could be discussed here with realistic objectives.</p>

Not Achieved	N1	<p>Insufficient breadth by answering ONE of:</p> <ul style="list-style-type: none"> <li>• one stakeholder identified</li> <li>• negative effect on stakeholder described</li> <li>• internal stakeholder identified</li> </ul> <ul style="list-style-type: none"> <li>• one stakeholder and objective identified [may use the same stakeholder from (a) and (c)]</li> <li>• solution to minimise the conflict described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• one stakeholder identified</li> <li>• negative effect on stakeholder described</li> <li>• internal stakeholder identified</li> </ul> <ul style="list-style-type: none"> <li>• one stakeholder and objective identified [may use the same stakeholder from (a) and (c)]</li> <li>• solution to minimise the conflict described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• one stakeholder identified</li> <li>• negative effect on stakeholder described</li> <li>• internal stakeholder identified</li> <li>• one stakeholder and objective identified [may use the same stakeholder from (a) and (c)]</li> <li>• solution to minimise the conflict described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• one stakeholder identified</li> <li>• negative effect on stakeholder described</li> <li>• internal stakeholder identified</li> <li>• one stakeholder and objective identified [may use the same stakeholder from (a) and (c)]</li> <li>• solution to minimise the conflict described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• negative effect on stakeholders explained</li> <li>• how objectives may conflict explained</li> <li>• a solution to minimise the conflict explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• negative effect on stakeholders explained</li> <li>• how objectives may conflict explained</li> <li>• a solution to minimise the conflict explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>How the objectives of TWO stakeholders may conflict is explained.  AND  a solution to minimise the conflict is fully explained.  OR  How the objectives of TWO stakeholders may conflict is fully explained.  AND  a solution to minimise the conflict is explained.</p> <p>(Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>
	E8	<p>How the objectives of TWO stakeholders may conflict is fully explained.  AND  a solution to minimise the conflict is fully explained.  AND  The answer demonstrates coherent links between concepts.</p> <p>(Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

**N0** = No response; no relevant evidence.

Q 3	Expected coverage
(a)	<p><i>Identify stages:</i>                      X – slump or recession (trough)                      Z – boom (peak)</p>
(b)	<p><u>Stage Z</u>: high employment; increased spending; prices rise sharply; business costs rise, business cannot afford to trade.  <u>Consequences</u>: businesses may not be able to source enough highly skilled workers; businesses experience increased economic activity, leading to higher profits; rising demand for business' products, and demand cannot be met.</p>
(c)	<p><i>Description of slump or recession:</i>                      A serious and sometimes prolonged downturn in economic activity, leading to high levels of unemployment, decreased spending and lower prices (possibly higher prices due to lack of sales).</p>
(d)	<p>Name of small business and the goods or services it provides is given.  <i>Government control:</i>                      Government may impose limits or other restrictions on production of certain products (eg what and where produced); use of certain raw materials or natural resources, regulatory pricing (to control unfair competition); competition regulation (to reduce or avoid monopolies); employment legislation (Employment Relations Act); consumer legislation (Consumer Guarantees Act, Fair Trading Act, etc); environmental legislation (Resource Management Act), including location decisions and zoning (where to locate, industrial vs. residential zoning); unsafe practices, taxes (eg excise tax, GST); subsidies; tariffs (on imports); quotas (on imports).  <i>Impacts:</i>                      Costs to comply, implement and /or maintain in terms of transport, legalities, paperwork, building, safety, etc; restricts production; equal rights for workers; promotes company as reputable because they are seen to be complying with government laws and regulations.  <i>Effects on community:</i>                      Unsafe products are sold; no competition, therefore higher prices; increased distribution costs passed on to consumers; unsafe, unhealthy working conditions and practices; exploitation of workers; too much competition; depleted resources.</p>

Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• both stages identified</li> <li>• occurrence or consequence at Stage Z described</li> <li>• slump or recession described in relation to business cycle / economy.</li> <li>• one government control is described</li> <li>• one impact on the business is described</li> <li>• one effect on the community, if the control was not in place is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering THREE of:</p> <ul style="list-style-type: none"> <li>• both stages identified</li> <li>• occurrence or consequence at Stage Z described</li> <li>• slump or recession described in relation to business cycle / economy</li> <li>• one government control is described</li> <li>• one impact on the business is described</li> <li>• one effect on the community, if the control was not in place is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• both stages identified</li> <li>• occurrence or consequence at Stage Z described</li> <li>• slump or recession described in relation to business cycle / economy</li> <li>• one government control is described</li> <li>• one impact on the business is described</li> <li>• one effect on the community, if the control was not in place is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FIVE of:</p> <ul style="list-style-type: none"> <li>• both stages identified</li> <li>• occurrence or consequence at Stage Z described</li> <li>• slump or recession described in relation to business cycle / economy</li> <li>• one government control is described</li> <li>• one impact on the business is described</li> <li>• one effect on the community, if the control was not in place is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• occurrence and consequence at Stage Z explained</li> <li>• one impact on the business is explained, with an example</li> <li>• one effect on the community, if the control was not in place, is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• occurrence and consequence at Stage Z explained</li> <li>• one impact on the business is explained, with an example</li> <li>• one effect on the community, if the control was not in place, is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>How the government control might impact on the named business is explained, using at least one example.</p> <p>AND</p> <p>One effect on the community, if the control was not in place, is fully explained.</p> <p>(Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	E8	<p>How the government control might impact on the named business is explained, using more than one example.</p> <p>AND</p> <p>More than one effect on the community, if the control was not in place, is fully explained.</p> <p>AND</p> <p>The answer demonstrates coherent links between concepts.</p> <p>(Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

**N0** = No response; no relevant evidence.

Q 4	Expected coverage
(a)	Act identified – Consumer Guarantees Act 1993.
(b)	<p><i>Legal entitlements of the Act:</i></p> <p>To have the service carried out with reasonable care and skill and in reasonable time – service provider has a duty of care. If candidates refer to the product (rather than the service), this would be acceptable if they discuss the product being of acceptable quality and fit for the purpose as described, eg the haircut or hairstyle may be poorly executed, the hair products may have an adverse effect on the client, or the outcome may look very different from what was intended or what the client was expecting.</p>
(c)	<p><i>Remedies of refund/repair/replacement – sample answers:</i></p> <p>Client is compensated by Sophia for medical treatment; client gets compensation for pain and suffering; client doesn't have to pay (or gets refund); client is given free hair (head) treatment and offered more hairdressing services as compensation, either at Sophia's salon or at a salon of the client's choice; Sophia pays for a wig. The agreed remedies must be carried out within a reasonable time.</p>
(d)	<p>Other legislation – Fair Trading Act 1986; Health &amp; Safety Act 1992; Privacy Act 1992.</p> <p><i>Reasons and examples in relation to business:</i></p> <p><u>Fair Trading Act</u> – to ensure consumers are not misled and are treated fairly when purchasing products and/or services, eg hair product information must not be misleading. Posters depicting colours or styles must reflect the end product. The Act prohibits misleading or deceptive conduct, false representations, and unfair practices.</p> <p><u>Health and Safety Act</u> – is to promote the prevention of harm to all people at work, and others in, or in the vicinity of, places of work. It applies to all New Zealand workplaces and places responsibility on employers, the self-employed, employees, principals and others who are in a position to manage or control hazards, eg Sophia must take care to ensure that clients, staff and any visitors to the salon are not harmed or unsafe at any time while they are in the salon. This could relate to the hair service being carried out, or the physical surroundings.</p> <p><u>Privacy Act</u> – is to promote and protect an individual's privacy in terms of collection, use and disclosure of information. It also deals with the individual's right to access any public information about the individual. Sophia will collect and store private information belonging to her clients, staff, suppliers, etc. This information may not be disclosed and may be used only for the purpose it was collected for.</p> <p><u>Consequences</u> – could be fined or prosecuted and possibly forced to shut down operations, or the entire business; could damage the reputation of the company; could lose customers; other firms (e.g. suppliers) may not want to deal with them; might have to pay compensation.</p>

Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• Act is identified</li> <li>• legal entitlement under the Act for the consumer is described</li> <li>• one remedy is described (may state refund or repair)</li> <li>• one other Act / law is identified</li> <li>• how the law may be applied to Sophia's hair salon is described</li> <li>• one consequence of not complying with the law is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	N2	<p>Insufficient breadth by answering THREE of:</p> <ul style="list-style-type: none"> <li>• Act is identified</li> <li>• legal entitlement under the Act for the consumer is described</li> <li>• one remedy is described (may state refund or repair)</li> <li>• one other Act / law is identified</li> <li>• how the law may be applied to Sophia's hair salon is described</li> <li>• one consequence of not complying with the law is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>

Achievement	A3	<p>Answers FOUR of:</p> <ul style="list-style-type: none"> <li>• Act is identified</li> <li>• legal entitlement under the Act for the consumer is described</li> <li>• one remedy is described (may state refund or repair)</li> <li>• one other legislation is identified</li> <li>• how the law may be applied to Sophia’s hair salon is described</li> <li>• one consequence of not complying with the law is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	A4	<p>Answers FIVE of:</p> <ul style="list-style-type: none"> <li>• Act is identified</li> <li>• legal entitlement under the Act for the consumer is described</li> <li>• one remedy is described (may state refund or repair)</li> <li>• one other legislation is identified</li> <li>• how the law may be applied to Sophia’s hair salon is described</li> <li>• one consequence of not complying with the law is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Merit	M5	<p>Answers TWO of:</p> <ul style="list-style-type: none"> <li>• legal entitlement under the Consumer Guarantees Act is explained in the context of Sophia’s hair salon</li> <li>• how the other law may be applied to Sophia’s hair salon is explained, using one example</li> <li>• one consequence of the salon not complying with the law is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
	M6	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• legal entitlement under the Consumer Guarantees Act is explained in the context of Sophia’s hair salon</li> <li>• how the other law may be applied to Sophia’s hair salon is explained, using one example</li> <li>• one consequence of the salon not complying with the law is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge AND / OR Māori business concepts.)</p>
Excellence	E7	<p>How the other law may be applied to Sophia’s hair salon is explained, using at least one example.</p> <p>AND</p> <p>One consequence of the salon not complying with the law is fully explained.</p> <p>(Answers will typically integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>
	E8	<p>How the other law may be applied to Sophia’s hair salon is explained, using more than one example.</p> <p>AND</p> <p>More than one consequence of the salon not complying with the law is fully explained.</p> <p>AND</p> <p>The answer demonstrates coherent links between concepts.</p> <p>(Answers integrate relevant examples, business knowledge AND / OR Māori business concepts into explanations.)</p>

**N0** = No response; no relevant evidence.