

## Assessment Schedule – 2012

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

#### Evidence Statement

Q 1	Expected coverage
(a)	Objective identified: to protect the rights of individuals; to protect information gathered and stored about individuals; to keep individual persons' information private and use it only for the purpose it is collected for.
(b)	The benefit of the Privacy Act is to protect the employees from any personal information being given about them without their permission (Described). This could include information about their salary or wages, private contact details, health information (including mental health problems), previous employment history, family circumstances (including marital status), sexual orientation, religion, criminal history, ethnic background, age or any other personal information (Explained). The exception would be if the company outlines the disclosure of any of this in its policy at the outset of employment and it is legal to do so. In this instance, the employee would feel a sense of security, knowing what information may be disclosed (Explained). Candidates may explain the benefit as either being protected or providing a sense of security, or may use an example to explain the benefit as stated above.
(c)	<i>Sample answer:</i> Compliance costs are the costs (in terms of money, time, etc) associated with complying with the Act, eg adding more security if about the Privacy Act; other Acts might require paperwork to be completed and filed, taxes to be paid, safety signage to be created and displayed, or security for information to be stored.
(d)	<i>Sample answer:</i> Storage of personal information (Identified) – the business must not use the information gathered or stored for any purpose other than that for which it was originally obtained. A consequence of not complying with the Act might be that the business is investigated, and possibly fined, by the Privacy Commission (Explained). One advantage of the business complying with the Act is that it is seen to be a reputable business (Described) that customers will feel more comfortable dealing with (Explained). If the business is seen as reputable, another advantage could be an increase in its customer base, leading to higher business profits (Fully explained).

Not Achieved	N1	Insufficient breadth by answering TWO of: <ul style="list-style-type: none"> <li>• objective of the Privacy Act is identified</li> <li>• one benefit of the Privacy Act for the employees is described</li> <li>• the term “compliance cost” is described with an example</li> <li>• privacy issue is identified</li> <li>• one consequence of not complying with the Privacy Act is described</li> <li>• an advantage of complying with the Privacy Act is 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>• objective of the Privacy Act is identified</li> <li>• one benefit of the Privacy Act for the employees is described</li> <li>• the term “compliance cost” is described with an example</li> <li>• privacy issue is identified</li> <li>• one consequence of not complying with the Privacy Act is described</li> <li>• an advantage of complying with the Privacy Act is 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>• objective of the Privacy Act is identified</li> <li>• one benefit of the Privacy Act for the employees is described</li> <li>• the term “compliance cost” is described with an example</li> <li>• privacy issue is identified</li> <li>• one consequence of not complying with the Privacy Act is described</li> <li>• an advantage of complying with the Privacy Act 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>• objective of the Privacy Act is identified</li> <li>• one benefit of the Privacy Act for the employees is described</li> <li>• the term “compliance cost” is described with an example</li> <li>• privacy issue is identified</li> <li>• one consequence of not complying with the Privacy Act is described</li> <li>• an advantage of complying with the Privacy Act is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge and/or Māori business concepts.)</p>
Merit	M5	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• a benefit of the Privacy Act for the employees is explained</li> <li>• a consequence of not complying with the Privacy Act is explained</li> <li>• ONE advantage of complying with the Privacy Act 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>• a benefit of the Privacy Act for the employees is explained</li> <li>• a consequence of not complying with the Privacy Act is explained</li> <li>• TWO advantages of complying with the Privacy Act are explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and/or Māori business concepts.)</p>
Excellence	E7	<p>ALL of:</p> <ul style="list-style-type: none"> <li>• Privacy issue is identified</li> <li>• a consequence of not complying with the Privacy Act is explained</li> <li>• ONE advantage of complying with the Privacy Act is fully explained.</li> </ul> <p>(Answers will typically integrate relevant examples, business knowledge and/or Māori business concepts into explanations.)</p>
	E8	<p>ALL of:</p> <ul style="list-style-type: none"> <li>• Privacy issue is identified</li> <li>• a consequence of not complying with the Privacy Act is explained</li> <li>• TWO advantages of complying with the Privacy Act are fully explained</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>• The answer demonstrates coherent links between concepts.</li> </ul> <p>(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)	Description: the trading of goods and services with people and businesses in different / multiple countries (importing and exporting). Could also refer to a multinational operating in more than one country.
(b)	<p><i>Sample answer:</i></p> <p>The Internet provides opportunities for businesses, allowing them to increase sales (Described) through greater access to overseas markets (Explained), while communication and transfer of funds can be instantaneous (Described), creating a more efficient and effective way of conducting business (Explained).</p>
(c)	Issues: financial risk, sabotage, access breach, privacy of customers compromised, viruses.
(d)	<p>Change identified: to register as a limited liability company; develop a specific marketing plan for a specific foreign market; obtain special export insurance.</p> <p>Positive consequences: increased sales (Described), due to greater access to larger market(s) (Explained), which may lead to business growth and economies of scale (Fully explained); ability to take advantage of peak / off-peak seasons in other countries (Described), so the equipment is used all year round (Explained), leading to more sales, revenue, and profit (Fully explained). Other advantages may include tax advantages and an opportunity to diversify.</p> <p>Negative consequences: currency fluctuations (Described), which may affect revenue (Explained) and profits (Fully explained); delay in delivery or loss of / damage to goods (Described), leading to dissatisfied customers (Explained) and damage to business reputation (Fully explained). Other negative consequences may include difficulty with communication, export compliance costs, or increased accounting costs due to complexity of export business.</p>

Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• international business is defined</li> <li>• opportunity that Internet provides is described</li> <li>• security issue is identified</li> </ul> <p>• change is identified</p> <ul style="list-style-type: none"> <li>• positive consequence of becoming an exporter is described</li> <li>• negative consequence of becoming an exporter 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>• international business is defined</li> <li>• opportunity that Internet provides is described</li> <li>• security issue is identified</li> </ul> <p>• change is identified</p> <ul style="list-style-type: none"> <li>• positive consequence of becoming an exporter is described</li> <li>• negative consequence of becoming an exporter 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>• international business is defined</li> <li>• opportunity that Internet provides is described</li> <li>• security issue is identified</li> <li>• change is identified</li> <li>• positive consequence of becoming an exporter is described</li> <li>• negative consequence of becoming an exporter 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>• international business is defined</li> <li>• opportunity that Internet provides is described</li> <li>• security issue is identified</li> <li>• change is identified</li> <li>• positive consequence of becoming an exporter is described</li> <li>• negative consequence of becoming an exporter is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge and/or Māori business concepts.)</p>
Merit	M5	<ul style="list-style-type: none"> <li>• opportunities that Internet provides is explained</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• positive consequence and a negative consequence of becoming an exporter is explained</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• TWO positive consequences of becoming an exporter is explained</li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>• TWO negative consequence of becoming an exporter is explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and/or Māori business concepts.)</p>
	M6	<ul style="list-style-type: none"> <li>• opportunities that Internet provides is explained</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• 2 positive consequences and 1 negative consequence of becoming an exporter are explained</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• 2 negative consequences and 1 positive consequence of becoming an exporter are explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and/or Māori business concepts.)</p>
Excellence	E7	<p>Change is identified</p> <p>AND</p> <p>ONE positive consequence <b>and</b> ONE negative consequence of becoming an exporter are fully explained.</p> <p>OR</p> <p>TWO positive consequences <b>or</b> TWO negative consequences of becoming an exporter are fully explained.</p> <p>(Answers will typically integrate relevant examples, business knowledge and/or Māori business concepts into explanations.)</p>
	E8	<p>Change is identified</p> <p>AND</p> <p>TWO positive consequences <b>and</b> ONE negative consequence of becoming an exporter are fully explained</p> <p>OR</p>

	<p>ONE positive consequence <b>and</b> TWO negative consequences of becoming an exporter are fully explained</p> <p><i>AND</i></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>
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**N0** = No response; no relevant evidence.

Q 3	Expected coverage
(a)	<p>Description: Improves reputation of the business; protects resources for future use; increases customer base; increases customer loyalty.</p>
(b)	<p><i>Sample answer:</i> Costs to society of businesses not operating in an environmentally sustainable manner include: damage to or depletion of natural resources; water, air or land pollution (Described) from over-consumption; irresponsible waste disposal practices (Explained).</p>
(c)	<p>Regulations regarding recycling; waste disposal; filtration; carbon or emissions tax; withdrawal of subsidies; location restrictions (zoning); compliance costs.</p>
(d)	<p>Actions identified: conservation of electricity, water; recycling; responsible waste practices; reduction of paper use; use of environmentally friendly products and materials; use of environmentally friendly suppliers; replanting or regeneration of resources affected.</p> <p>Positive consequences for <i>Merino Living</i>: If <i>Merino Living</i> practices environmental sustainability, they may improve their reputation (Described), attracting more customers (Explained), which can lead to increased profit (Fully explained). Another advantage could be reduction in costs (Described) due to less waste generated (Explained), which could ensure a greater supply of resources for the business in the long term (Fully explained).</p> <p>Negative consequences for <i>Merino Living</i>: Practising environmental sustainability can cost money and time (Described), as methods have to be reviewed and changed as the new practices are implemented (Explained). Spending this money will have a negative impact on profit in the short term (Fully explained).</p> <p>Putting in systems to reduce waste could be expensive in the short term (Described), possibly using funds needed elsewhere in the business (Explained), which could have a negative flow-on effect for the finances of the business in the long term (Fully explained).</p>

Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• importance of environmental sustainability is described</li> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is described</li> <li>• a regulation is identified</li> <li>• one action <i>Merino Living</i> may have taken / can take is identified</li> <li>• positive consequence for <i>Merino Living</i> is described</li> <li>• negative consequence for <i>Merino Living</i> 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>• importance of environmental sustainability is described</li> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is described</li> <li>• a regulation is identified</li> <li>• one action <i>Merino Living</i> may have taken / can take is identified</li> <li>• positive consequence for <i>Merino Living</i> is described</li> <li>• negative consequence for <i>Merino Living</i> 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>• importance of environmental sustainability is described</li> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is described</li> </ul>

	<ul style="list-style-type: none"> <li>• a regulation is identified</li> <li>• one action <i>Merino Living</i> may have taken / can take is identified</li> <li>• positive consequence for <i>Merino Living</i> is described</li> <li>• negative consequence for <i>Merino Living</i> is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge and / or Māori business concepts.)</p>
	<p>A4</p> <p>Answers FIVE of:</p> <ul style="list-style-type: none"> <li>• importance of environmental sustainability is described</li> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is described</li> <li>• a regulation is identified</li> <li>• one action <i>Merino Living</i> may have taken / can take is identified</li> <li>• positive consequence for <i>Merino Living</i> is described</li> <li>• negative consequence for <i>Merino Living</i> is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge and / or Māori business concepts.)</p>
<p>Merit</p>	<p>M5</p> <p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is explained</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• a positive consequence and a negative consequence for <i>Merino Living</i> are explained</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• TWO positive consequences for <i>Merino Living</i> are explained</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• TWO negative consequences for <i>Merino Living</i> are explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and / or Māori business concepts.)</p>
	<p>M6</p> <ul style="list-style-type: none"> <li>• a cost to society of businesses not operating in an environmentally sustainable manner is explained</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• TWO positive consequences and 1 negative consequence for <i>Merino Living</i> are explained</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• TWO negative consequences and 1 positive consequence for <i>Merino Living</i> are explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and / or Māori business concepts.)</p>
<p>Excellence</p>	<p>E7</p> <p>One action is identified</p> <p>AND</p> <p>ONE positive consequence <b>and</b> ONE negative consequence for <i>Merino Living</i> are fully explained</p> <p>OR</p> <p>TWO positive consequences <b>or</b> TWO negative consequences for <i>Merino Living</i> are fully explained.</p> <p>(Answers will typically integrate relevant examples, business knowledge and / or Māori business concepts.)</p>
	<p>E8</p> <p>One action is identified</p> <p>AND</p> <p>TWO positive consequences <b>and</b> ONE negative consequence for <i>Merino Living</i> are fully explained</p> <p>OR</p>

	<p>ONE positive consequence <b>and</b> TWO negative consequences for <i>Merino Living</i> are fully explained.          (Answers integrate relevant examples, business knowledge and /or Māori business concepts into explanations.)</p>
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**N0** = No response; no relevant evidence.

Q 4	Expected coverage
(a)	Term defined: local business competition refers to other businesses selling the same or similar products/services in the same region.
(b)	<p><i>Sample answer:</i></p> <p>When selling similar products or services, customer service is often the one factor that is different. If a business delivers poor customer service, the consumer will be less likely to purchase their product from them (Described). Even if the product is faulty or does not function in the way it was intended, many consumers will be satisfied if the business attempts to rectify any issue or provides on-going support (Explained). This is important for the business, because poor customer service could mean a decrease in sales and therefore a decrease in profit (Explained).</p>
(c)	<p><i>Other ways:</i></p> <ul style="list-style-type: none"> <li>• cost leadership by lower costs through the design, production or distribution stages, reflected in lower prices for customers</li> <li>• differentiation of product offering better/different features and functions</li> <li>• through the practice of environmental sustainability, by using environmentally friendly materials and production methods, and using this as part of its marketing.</li> </ul>
(d)	<p><i>Methods described:</i> monitoring competitors' promotional material and advertising; checking out prices of products or services; sending in customer spy (similar to mystery shopper); analyse competitors' annual reports; analysing public research conducted by competitors; read news clippings, industry journals, magazines; attend trade shows; check out their websites; talk to retailers or suppliers of competitors' products; join trade or industry organisations that competitors belong to.</p> <p><i>Second part of answer:</i></p> <ol style="list-style-type: none"> <li>1. Monitoring competitors' promotional material or advertising – this can indicate where the product is positioned (Identified); may provide some insight into why the product is on promotion or sale; provides information on the product or service features/functions (Explained).</li> <li>2. Sending in customer spy – by having someone purchase the product directly, the business can analyse the service delivery provided, or any after-sales service (Identified). This allows a first-hand inspection of the product to see what is unique or different about it (Explained).</li> <li>3. Check out the website – this allows the business to find out how its competitors see themselves in the market; any special deals or inside information they might store on their website; the philosophy of the company (Identified), which may provide the business with some information on how to upsell their own product (Explained).</li> <li>4. Annual report – this provides a lot of information and can give some insight into the business and its marketing plans. It also provides financial information that shows whether the company is making a profit or loss, and whether the business can use this to its advantage. Also provides the annual aims and objectives of the company, and may indicate the philosophy of the competitor(s) (Explained).</li> </ol> <p>Any other reasonable answer.</p> <p><i>Third part of answer:</i></p> <ol style="list-style-type: none"> <li>1. The business can use the information gathered from the promotional material or advertising to enhance its competitive position in two ways (Described) – firstly, by reducing its own prices or offering greater sales incentives (Explained), to entice customers away from the competitor(s) (Fully explained). Secondly, the business could incorporate new advertising that positively highlights the functions and features of its own products, in an effort to convince customers that they are the most desirable ones (Fully explained).</li> <li>2. The business can use the information gathered from the customer spy to assess the customer service delivery of its competitors and provide a differentiated service delivery in two ways (Described) – firstly, by offering better customer support (Explained) to entice customers (Fully explained). It can</li> </ol>



	<p>also assess the products and adapt its own products to provide better functions or features. Secondly, the business can use the information gathered to create advertising that positively highlights the functions and features of its own products, in an effort to convince customers that they are the most desirable ones (Fully explained).</p> <p>3. The business can use the information gathered from the website to assess how the competitor displays itself to the public (Described). This information could be valuable, because it may provide the business with some ammunition should it want to put the competitor or its products down (Explained). This allows it to highlight its own product as the preferred one, so that customers will buy that product rather than the competitor's product (Fully explained). The business can also use the information gathered from the website to ensure it is not only competing on functions and delivery, but also on price (Fully explained).</p> <p>4. The business can use the information from the annual report to analyse the company in depth (Described). This will give the business an idea of the competitor's strengths and weaknesses (Explained). It will also enable the business to position itself to take advantage of those strengths and weaknesses, and capture some of the competitor's customers (Fully explained). Another action the business may be able to take is to use the financial information from the annual report to work out the competitor's pricing or costing strategies. If the business owners can understand this, they could gain a competitive advantage in terms of cost leadership (Fully explained).</p> <p>Any other reasonable answer.</p>
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Not Achieved	N1	<p>Insufficient breadth by answering TWO of:</p> <ul style="list-style-type: none"> <li>• local business competition is defined</li> <li>• importance of customer service is described</li> <li>• one way <i>Merino Living</i> could differentiate itself (other than customer service) from other producers is described</li> <li>• one method used to analyse competition is described</li> <li>• information from the analysis and how it may assist the business is described</li> <li>• one action the business has taken / may take to become more competitive 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>• local business competition is defined</li> <li>• importance of customer service is described</li> <li>• one way <i>Merino Living</i> could differentiate itself (other than customer service) from other producers is described</li> <li>• one method used to analyse competition is described</li> <li>• information from the analysis and how it may assist the business is described</li> <li>• one action the business has taken / may take to become more competitive 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>• local business competition is defined</li> <li>• importance of customer service is described</li> <li>• one way <i>Merino Living</i> could differentiate itself (other than customer service) from other producers is described</li> <li>• one method used to analyse competition is described</li> <li>• information from the analysis and how it may assist the business is described</li> <li>• one action the business has taken / may take to become more competitive 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>• local business competition is defined</li> <li>• importance of customer service is described</li> <li>• one way <i>Merino Living</i> could differentiate itself (other than customer service) from other producers is described</li> <li>• one method used to analyse competition is described</li> <li>• information from the analysis and how it may assist the business is described</li> <li>• one action the business has taken / may take to become more competitive is described.</li> </ul> <p>(Answers will typically state relevant examples, business knowledge and / or Māori business concepts.)</p>
Merit	M5	<p>Answers THREE of:</p> <ul style="list-style-type: none"> <li>• the importance of customer service when operating in a competitive market is explained</li> <li>• how information from the analysis may assist the named business to improve its position in the market is explained</li> <li>• ONE action the business has taken / may take to become more competitive 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>• the importance of customer service when operating in a competitive market is explained</li> <li>• how information from the analysis may assist the named business to improve its position in the market is explained</li> <li>• TWO actions the business has taken / may take to become more competitive are explained.</li> </ul> <p>(Answers will typically include relevant examples, business knowledge and / or Māori business concepts.)</p>
Excellence	E7	<p>One method is described  <i>AND</i>                      how information from the analysis may assist the named business to improve its position in the market is explained  <i>AND</i>                      ONE action the business has taken / may take to become more competitive is fully explained.                      (Answers will typically integrate relevant examples, business knowledge and / or Māori business concepts into explanations.)</p>
	E8	<p>One method is described  <i>AND</i>                      how information from the analysis may assist the named business to improve its position in the market is explained  <i>AND</i>                      TWO actions the business has taken / may take to become more competitive is fully explained  <i>AND</i>                      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.

**Judgement Statement**

	<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
<b>Score range</b>	0 – 10	11 – 18	19 – 25	26 – 32