

Assessment Schedule – 2013

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

Evidence Statement

Q 1	Sample answers	Achievement	Merit	Excellence
(a)	<p>Definition: A business' stakeholder is a person, group, business, or organisation that has an interest in that business or is affected by any decisions that business makes.</p>	<ul style="list-style-type: none"> The term "business stakeholder" is defined. TWO examples of how the interest of the customer may conflict with that of <i>LWW</i> are described. 	<ul style="list-style-type: none"> TWO examples of how the interest of the customer may conflict with that of <i>LWW</i> are explained. 	(b) How the interest of the customer may conflict with that of <i>LWW</i> is fully explained, with TWO examples.
(b)	<p>One of the conflicts that might occur between <i>Living with Wood (LWW)</i> and the customer is that the customer wants to receive a quality product at the lowest price (Explained). However, <i>LWW</i> needs to make a profit, and low prices may mean cutting costs, leading to reduced quality (Fully explained).</p> <p>Another conflict that might occur between <i>LWW</i> and the customer is that the customer wants to have a wide range of choices (Explained). Maintaining a wide range of goods for sale, means higher storage costs for <i>LWW</i> and less opportunity to produce in bulk, and thus benefit from economies of scale (Fully explained).</p>	<ul style="list-style-type: none"> ONE external stakeholder, other than the customer and the community, is identified. The interest of the selected stakeholder in the named business is described. How the named business could maintain a positive relationship with the named stakeholder is described. TWO examples of how maintaining a positive relationship would benefit the business and the named stakeholder are described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<ul style="list-style-type: none"> How the named business could maintain a positive relationship with the selected stakeholder is explained. TWO examples of how maintaining a positive relationship would benefit the business and the selected stakeholder are explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	(c) <ul style="list-style-type: none"> ONE external stakeholder, other than the customer and the community, is identified and its interest in the named business is described. How the named business could maintain a positive relationship with the selected stakeholder is explained. How maintaining a positive relationship would benefit the business and the selected stakeholder is fully explained, with TWO examples. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>
(c)	<p><i>Sample answer 1:</i></p> <p>The supplier is an external stakeholder to the business. It earns its revenue from the business. It wants to sell profitably to the business, and in turn wants the business to pay in full and on time (Described). In order to have a positive working relationship with the supplier, the manager of the named business needs to ensure the relationship is constantly maintained. This can be achieved through many ways, including ongoing communication, contracts being adhered to, agreements being met, and payments being made on time (Explained).</p> <p>Maintaining a positive relationship with the supplier will</p>	<p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>

	<p>lead to benefits for both the business and the supplier. There are many benefits for the supplier. They will be the preferred supplier, and therefore get the majority of the business' orders. The business will make sure it pays the supplier in full and on time, and the business will recommend the supplier to other businesses. The business benefits as well. The supplier will treat them with preference, ensuring there are no delays with supply; that they get the product at a good price; and that the business' concerns are addressed in a prompt and professional manner (Fully explained).</p> <p><i>Sample answer 2:</i></p> <p>The bank is an external stakeholder to the business. It earns its income from the business. The bank uses the business' deposits to lend to others, and receives interest from the business' borrowing money. It wants to be paid in full and on time (Described). In order to have a positive working relationship with the bank, the manager of the named business needs to be open and honest about the business' finances and their business dealings. Should the business expect difficulty in repaying loans, the bank should be contacted to arrange an overdraft facility or have the loan re-structured, so that it can be paid off (Explained).</p> <p>Maintaining a positive relationship with the bank will lead to benefits for both the business and the bank. The bank will get the company's banking business, and the business may also use other banking services such as insurance and foreign exchange. The business may also recommend the bank to other businesses. The benefits for the business include a trusting relationship where the business knows its money is secure; the business will get good rates on the services provided; and if the business has financial difficulties, they will be able to utilise this relationship to get effective support from the bank (Fully explained).</p> <p>Other external stakeholders may be referred to.</p>			
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N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers	Achievement	Merit	Excellence
(a)	<p>Definition: Citizenship from a business perspective is action taken by a business or organisation that involves the business acting ethically and taking care of its employees, the local community, the environment and its stakeholders, in the way they conduct business and operate within the economy. For example, <i>LWW</i> becomes part of the community by employing local people, rather than employing people from a nearby city.</p>	<ul style="list-style-type: none"> • Citizenship from a business perspective is defined. • TWO benefits for <i>LWW</i> of demonstrating good citizenship are described. • ONE consequence for the community if <i>LWW</i> reduces its involvement in the community is identified. 	<ul style="list-style-type: none"> • TWO benefits for <i>LWW</i> of demonstrating good citizenship are explained. • ONE benefit for <i>LWW</i> of reducing its involvement in the community is explained. • TWO possible negative consequences for <i>LWW</i> of becoming less involved in the community are explained. 	<p>(b)</p> <p>The benefits for <i>LWW</i> of demonstrating good citizenship are fully explained.</p>
(b)	<p>The benefits for <i>LWW</i> of demonstrating good citizenship are that it will gain loyal customers who will be satisfied with the business (Described). Its employees will trust <i>LWW</i> and therefore display commitment to the organisation. The business will gain a good reputation, which might attract new investors (Explained). By practicing good citizenship, the business will gain respect, leading to a positive impact on the business (Fully explained).</p>	<ul style="list-style-type: none"> • ONE benefit for <i>LWW</i> of reducing its involvement in the community is described. • TWO possible negative consequences for <i>LWW</i> of becoming less involved in the community are described. 	<p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> • ONE benefit for <i>LWW</i> of reducing its involvement in the community is explained. <p><i>AND</i></p> <ul style="list-style-type: none"> • TWO possible negative consequences for <i>LWW</i> of becoming less involved in the community are fully explained.
(c)	<p>If <i>LWW</i> reduces its involvement with the community, one consequence is that the community has less support; this may be in the form of receiving less funding, meaning they would have less to spend on initiatives (Identified). The benefit for <i>LWW</i> of reducing its involvement in the community is that it would have more time to concentrate on its core business of producing wood products, which could lead to increased sales and hopefully increased profits (Explained).</p> <p>A negative consequence of <i>LWW</i> becoming less involved in the community is that its reputation could be damaged (Explained), which could lead to a further downturn in business (Fully explained). Another negative consequence for the business is that it may lose skilled employees (Described), who might want to leave to work in another business that is demonstrating greater citizenship (Explained). Losing valuable skilled employees can impact on productivity, which in turn can negatively</p>	<p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>

	affect the business' bottom line (Fully explained).			
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N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 3	Sample answers	Achievement	Merit	Excellence
(a)	<p>Description: The objectives of the Health and Safety in Employment Act are to promote the prevention of harm to all people at work, and others in, or in the vicinity of, places of work.</p>	<ul style="list-style-type: none"> • The objective of the Health and Safety in Employment Act is described. • TWO consequences for <i>LWW</i>, other than prosecution and having to pay fines, of continuing to have a poor health and safety record are identified. 	<ul style="list-style-type: none"> • TWO consequences for <i>LWW</i>, other than prosecution and having to pay fines, of continuing to have a poor health and safety record are explained. 	(b)
(b)	<p>A consequence, <i>for LWW</i>, other than prosecution and having to pay fines, of continuing to have a poor health and safety record is that the business receives bad publicity, leading to a bad reputation (Described). This could lead to a loss of customers (Explained). Another consequence could be that it becomes difficult to attract good employees (Described). This could mean the business could lose skilled and motivated employees, and attract employees who have no interest in being productive (Explained). Both of these consequences could lead to a decrease in sales and therefore profit, negatively impacting on the business (Fully explained). Other consequences may include:</p> <ul style="list-style-type: none"> • other businesses might not want to deal with the business • the business loses work days, reducing productivity (impacting on profit levels) • workers may fall ill or get injured, taking time off, thereby reducing productivity (impacting on profit levels) • staff morale might be negatively affected • insurance premiums might be higher. 	<ul style="list-style-type: none"> • ONE action <i>LWW</i> could take to provide a safer working environment for their staff is identified. • ONE possible cost for <i>LWW</i> of making these improvements is described. • TWO possible positive consequences for the employees if <i>LWW</i> provides a safer work place are described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<ul style="list-style-type: none"> • ONE possible cost for <i>LWW</i> of making these improvements is explained. • TWO possible positive consequences for the employees if <i>LWW</i> provides a safer work place are explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>TWO consequences for <i>LWW</i>, other than prosecution and having to pay fines, of continuing to have a poor health and safety record are fully explained.</p> <p>(c)</p> <ul style="list-style-type: none"> • ONE action <i>LWW</i> could take, to provide a safer working environment for their staff is identified. • ONE possible cost for <i>LWW</i> of making these improvements is explained. <p>AND</p> <ul style="list-style-type: none"> • TWO possible positive consequences for the employees if <i>LWW</i> provides a safer work place are fully explained. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>
(c)	<p>Actions <i>LWW</i> could take to provide a safer working environment for their staff are identified as:</p> <ul style="list-style-type: none"> • ensuring that hazardous areas are identified (with signage, or cordoned off) • that health and safety policy manuals are up-to-date • regular communication from the health and safety officer, outlining any concerns 			

<ul style="list-style-type: none"> • ensuring that all legal compliance is completed • ensuring that regular inspections take place • ensuring that tools and equipment are regularly checked for damage or wear and tear • ensuring that employees are properly trained and instructions are clearly understood. <p>The possible costs for <i>LWW</i> of making these improvements are financial and time-consuming (Described). Implementing new procedures and purchasing new machinery can all add to the financial cost of running a business. There can be even greater expenditure if the business decides to hire a consultant to advise and help with the improvements (Explained). Changing policies and making improvements can also be time-consuming, as clear processes need to be followed, and employees or managers might be directed away from their normal work routines to ensure improvements occur (Explained).</p> <p>A positive consequence for the employees, if <i>LWW</i> provides a safer workplace, is that they are less likely to be injured or get sick on the job (Described). This means they are less likely to have days off work (Explained), thus avoiding possible reductions in their pay (Fully Explained). Another positive consequence for the employee of working in a safe environment is that they feel valued by the business (Described). Feeling valued can lead to motivation and increased productivity (Explained), which can leave the employee experiencing greater job satisfaction (Fully explained).</p>							
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Q 4	Sample answers	Achievement	Merit	Excellence
(a)	<p>Definition: the global business environment refers to the worldwide business economy, where businesses conduct transactions on an international basis.</p>	<ul style="list-style-type: none"> • The term “global business environment” is defined. • TWO benefits for <i>LWW</i> of becoming an exporter are described. 	<ul style="list-style-type: none"> • TWO benefits for <i>LWW</i> of becoming an exporter are explained. • ONE possible risk for <i>LWW</i> of becoming an importer is explained. 	<p>(b)</p> <p>TWO benefits for <i>LWW</i> of becoming an exporter are fully explained.</p>
(b)	<p>A benefit of becoming an exporter is that the business is able to grow its target market (Described), allowing small businesses to reach national or global consumers with their products, thereby increasing sales (Explained). An increase in sales will lead to increased revenue, which may result in higher profits (Fully explained).</p> <p>Reduced risk from not having all of your eggs in one basket/market. So if NZ is in a recession, <i>LWW</i> would have a better chance of survival, as its products are also being supplied to other markets, which will help to keep sales up (Fully explained).</p>	<ul style="list-style-type: none"> • ONE change <i>LWW</i> would need to make to become an importer is described. • ONE possible risk for <i>LWW</i> of becoming an importer is described. • TWO possible benefits for <i>LWW</i> of becoming an importer are described. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<ul style="list-style-type: none"> • TWO possible benefits for <i>LWW</i> of becoming an importer are explained. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> • ONE change <i>LWW</i> would need to make in becoming an importer is identified. • ONE possible risk for <i>LWW</i> of becoming an importer is explained. <p>AND</p> <ul style="list-style-type: none"> • TWO possible benefits for <i>LWW</i> of becoming an importer are fully explained.
(c)	<p>One change that <i>LWW</i> would need to make when becoming an importer is to be aware of foreign currency fluctuations (Identified).</p> <p>Not being aware of the fluctuating exchange rate could pose a risk for the importer (Described), which could change the price of the imported product (and costs) negatively for the business (Explained). Another risk could be that the goods are delayed in transit (Described). If the goods are delayed, <i>LWW</i> might have to hold up production until the goods arrive, which would impact on its ability to fulfil orders (Explained).</p> <p>A benefit for <i>LWW</i> is possible reduced costs (Described). Lower materials costs would enable the business to reduce the final price of its products (Explained). This reduction is then passed on to the customer, increasing demand, sales, and profit (Fully explained). Another benefit of becoming an importer is that <i>LWW</i> will have more wood varieties to choose from (Described). This can provide the business with an advantage over its competitors (Explained). This could potentially lead to greater market share and in turn increased sales and</p>	<p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>

	revenue, and therefore increased profit (Fully explained).						
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	(b) <i>OR</i> (c) fully explained. The other part is explained.	(b) <i>AND</i> (c) fully explained. One part may be weaker.

N0 = No response; no relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 9	10 – 16	17 – 24	25 – 32