

## Assessment Schedule – 2014

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

#### Evidence Statement

Q 1	Sample answers	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>An employment agreement is a document, entered into between an employer and an employee at the time the employee is hired, that outlines the exact nature of their business relationship – the pay, specific work to be performed, hours of work, etc. It must be signed by both parties.</p>	<ul style="list-style-type: none"> <li>• The term “employment agreement” is described.</li> <li>• ONE benefit of an employment agreement to the employee is identified.</li> <li>• ONE benefit of an employment agreement to the employer is identified.</li> </ul>	<ul style="list-style-type: none"> <li>• ONE benefit of an employment agreement to the employee is explained.</li> <li>• ONE benefit of an employment agreement to the employer is explained.</li> </ul>	<p>(b)</p> <ul style="list-style-type: none"> <li>• The benefits of having an employment agreement are fully explained.</li> </ul>
(b)	<p>There are benefits for both the employee and employer in having an employment agreement.</p> <p>One benefit for the employee is that they know their obligations, rights, and entitlements (Described). This means they are clear about their job description and hours of work, etc (Explained). It also means they have a document to refer to if they feel they are not being treated fairly (Fully explained).</p> <p>One benefit for the employer is that the employee is very clear about their role and their obligations to the business (Described). This can be useful if the employee is not performing as expected/reducing conflict (Explained). The employer can use the agreement to ascertain or correct any action or behaviour that has not been agreed to/there would not be lost time due to disputes (Fully explained).</p>	<ul style="list-style-type: none"> <li>• The 90-day trial period is described.</li> <li>• The reason why the 90-day trial period was introduced is stated.</li> <li>• ONE advantage of the 90-day trial period for the employer of the named business is described.</li> <li>• ONE disadvantage of the 90-day trial period for the employee of the named business is described.</li> </ul>	<ul style="list-style-type: none"> <li>• ONE advantage of the 90-day trial period for the employer is explained.</li> <li>• ONE disadvantage of the 90-day trial period for the employee of the named business is explained.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> <li>• The 90-day trial period is described.</li> <li>• ONE advantage of the 90-day trial period for the employer of the named business is fully explained.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>• ONE disadvantage of the 90-day trial period for the employee of the named business is fully explained.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>
(c)	<p>The 90-day trial period is the initial period of employment when the employer can dismiss an employee without the employee being able to take a personal grievance case against the employer for reasons of unjustified dismissal (Described). The government introduced the new trial period to encourage employers to hire people who might not otherwise be offered a job.</p> <p>An advantage to the employer is that during the first 90 days of employment, they can dismiss the employee</p>	<p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		

<p>without any further problems (Describe), if the employee does not perform (Explained). The employee has no right or ability to pursue a personal grievance in relation to that termination (Fully explained).</p> <p>A disadvantage to the employee of the named business is that they have no certainty regarding job security for 90 days (Described). The lack of job security results in an increase in pressure and stress (Explained). The named business can dismiss them at any time within that period without any warning or notice (Explained), as long as they are dismissing them only for non-performance or inadequate performance, and not for discriminatory reasons (Fully explained).</p>							
<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
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	Achievement with Merit	Achievement with Excellence
(a)	<p>Similar businesses may locate in the same area, as it is close or important to the target market and the suppliers (Described). It might be easy to access resources from that particular area (Described). Being close to other similar businesses also attracts their customers (Described).</p>	<ul style="list-style-type: none"> <li>• Why similar businesses locate in the same area is described.</li> <li>• ONE benefit for the customer of good customer service is described.</li> </ul>	<ul style="list-style-type: none"> <li>• ONE benefit for the customer of good customer service is explained.</li> <li>• ONE benefit for the business of good customer service is explained.</li> </ul>	(b) The benefits of having good customer service when operating in a competitive environment are fully explained.
(b)	<p>One benefit to the customer of being provided good customer service is that the customer will feel valued (Described). The customer will be satisfied knowing their needs are being attended to, even if there is a problem with the product (Explained). The customer will know that the business genuinely cares about them, and will enjoy the experience of dealing with this business (Fully explained). Providing good customer service will give the business a good reputation (Described). The customers are likely to continue to shop there and spread the word about good customer service (Explained). This could lead to an increase in loyal customers and sales, and ultimately an increase in profit (Fully explained).</p>	<ul style="list-style-type: none"> <li>• ONE benefit for the business of good customer service is described.</li> <li>• “Market share” is defined.</li> <li>• A relevant example of market share for <i>Macey’s</i> is provided.</li> <li>• A likely short-term effect of the entry of the larger competitor on <i>Macey’s</i> is described.</li> <li>• A possible long-term effect if <i>Macey’s</i> does not respond effectively is described.</li> </ul>	<ul style="list-style-type: none"> <li>• A likely short-term effect of the entry of the larger competitor on <i>Macey’s</i> is explained.</li> <li>• A possible long-term effect if <i>Macey’s</i> does not respond effectively is explained.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>	(c) • “Market share” is defined <i>OR</i> a relevant example of market share is provided. <i>AND</i> • A likely short-term effect of the entry of the larger competitor on <i>Macey’s</i> is fully explained. <i>AND</i> • A possible long-term effect if <i>Macey’s</i> does not respond effectively is fully explained.
(c)	<p>Market share is the percentage of sales that a business has out of the total sales for the entire industry (Defined). For example in the paint industry, <i>Macey’s</i> would probably have only a small market share, whereas a larger business such as <i>Resene</i> coming into the area would have a greater market share (Described).</p> <p><i>Macey’s</i> may lose customers to the new larger competitor, who could compete on price (Described). This may result in <i>Macey’s</i> having lower sales (Explained), and in turn, less profit/struggle to survive (Fully explained).</p> <p>The long-term effect on <i>Macey’s</i> might be that the business would have to cut costs (Described) and maybe lay off workers (Explained), and if the issue was bad enough <i>Macey’s</i> might end up closing or declaring bankruptcy (Fully explained).</p>	<p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts into explanations.)

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
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.

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Q 3	Sample answers	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>Description: The business cycle describes the phases of growth and decline in an economy. It highlights the occurrence of a recession, slump, or boom, and shows upturns and downturns in an economy (Described).</p>	<ul style="list-style-type: none"> <li>The business cycle is described.</li> </ul>	<ul style="list-style-type: none"> <li>A positive consequence for <i>Macey's</i> if there are a greater number of houses being built, is explained.</li> </ul>	<p>(b)</p> <p>Possible positive and negative consequences for <i>Macey's</i> if there are a greater number of houses being built are fully explained.</p>
(b)	<p>A positive consequence for <i>Macey's Paint Shop</i> of more houses being built is that customers will demand more paint (Described), so sales will increase (Explained) and in turn, <i>Macey's</i> might continue to grow (Fully explained).</p> <p>A negative consequence for <i>Macey's Paint Shop</i> of more houses being built could be that they are not able to keep up with customer demand / attract competition / overworked staff (Described). This could lead to <i>Macey's</i> getting a bad reputation and losing customers, and maybe suppliers / losing market share (Explained). The impact of this would be loss of sales and a decrease in profit (Fully explained).</p>	<ul style="list-style-type: none"> <li>A positive consequence for <i>Macey's</i> if there are a greater number of houses being built, is described.</li> <li>A negative consequence for <i>Macey's</i> if there are a greater number of houses being built, is described.</li> <li>The term "recession" is defined.</li> <li>An example of how a recession may affect <i>Macey's</i> is described.</li> </ul>	<ul style="list-style-type: none"> <li>A negative consequence for <i>Macey's</i> if there are a greater number of houses being built, is explained.</li> <li>An effect of the recession on <i>Macey's</i> is explained with ONE example.</li> <li>How <i>Macey's</i> could deal with the effect of a recession is explained.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>(c)</p> <ul style="list-style-type: none"> <li>The term "recession" is defined.</li> <li>An effect of the recession on <i>Macey's</i> is fully explained with ONE example.</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>How <i>Macey's</i> could deal with the effects of a recession is fully explained.</li> </ul>
(c)	<p>A recession is a period of economic decline in which business activity is reduced (Defined). This is usually identified by a reduction in GDP over two consecutive quarters (Described).</p> <p>One effect a recession might have on <i>Macey's</i> is a reduction in sales (Described). This could be due to a lack of demand, as consumers are not spending as much on paint (Explained), affecting <i>Macey's</i> overall profit (Fully explained). For example, in a positive economy a consumer might be able to purchase their child's school uniform and purchase paint for their house, but due to the recession they would prioritise and only purchase the school uniform (Fully explained).</p> <p><i>Macey's</i> could deal with this effect by reducing labour costs / decreasing prices (Described). They could ask for voluntary redundancy, or if that wasn't feasible, could reduce employees' hours from full-time to part-time / maintain sales or get rid of existing stock (Explained). This isn't ideal, but it would mean that employees still have a job, and their hours could go back to normal when the economy improves / might be able to recover (Fully explained).</p>	<ul style="list-style-type: none"> <li>How <i>Macey's</i> could deal with the effects of a recession is described.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>

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**Cut Scores**

	<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
<b>Score range</b>	0 – 7	8 – 12	13 – 18	19 – 24