

Assessment Schedule – 2019

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

Assessment Criteria

Describing states **what** the answer is to the question asked. Defines (states the meaning of), identifies (gives an account of the qualities or characteristics), outlines (states what the answer is).

Explaining states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs, or links ideas to provide a coherent rationale.

Fully explaining develops the explanation with further expansion of **how** the situation / action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.

Note: Each answer should be read as a whole before awarding a grade.

Evidence

| Q1 | Sample Evidence |
|-----|---|
| (a) | <p>A short-term impact of a severe weather event is that <i>Strawberry Summers</i> will have fewer strawberries to sell (Described). This is because the plants / fruit are weather-damaged, so the fruit will be of lower quality and quantity (Explained). This means that sales of strawberries will decrease, as <i>Strawberry Summers</i> will be unable to meet some customer orders (Fully explained). This could lead to reduced sales and profit for the business from the strawberry season and could involve reducing staff hours or even laying off some staff. Insurance against loss of income might mitigate in favour of the business in the short term.</p> <p>A long-term impact is that <i>Strawberry Summers'</i> expenses will increase, due to the cost of replanting the strawberry crops. Together with a fall in sales / annual income, this could mean that <i>Strawberry Summers</i> is not able to cover all of its annual expenses (Described), leading to a financial loss from its business operations. The business may have to reduce staff hours or even lay off some staff. Customers may find an alternative supplier of strawberries (Explained), which could result in sales and profits continuing to fall (Fully explained), possibly preventing <i>Strawberry Summers</i> from continuing business operations in the future.</p> |
| (b) | <p>The extreme weather event would potentially have less impact on <i>Berries and Charming Treasures</i> in comparison to <i>Strawberry Summers</i> because <i>Berries and Charming Treasures</i> has alternative income streams / sources from its operations – it is not limited to growing and selling strawberries (Described). This means <i>Berries and Charming Treasures</i> can continue to earn income from the homeware and gifts when a severe weather event happens (Explained).</p> <p>One action <i>Strawberry Summers</i> could implement would be to diversify its product range, in order to gain additional income streams (Identified). This means that <i>Strawberry Summers'</i> annual income would not be solely dependent on a good growing season (Explained). This would ensure that <i>Strawberry Summers</i> continues to earn an income, despite severe weather events (Fully explained).</p> <p>One action for <i>Strawberry Summers</i> would be to grow other produce during the remaining seven months of the year outside the strawberry season (Identified). This means that <i>Strawberry Summers'</i> annual income would not rely solely on a good growing season for strawberries (Explained). This would ensure that <i>Strawberry Summers</i> continues to earn an income despite a severe weather event in the summer (Fully explained).</p> |

One action for *Strawberry Summers* would be to offer frozen fruit ice cream or strawberry food products (Identified). This would enable the lower-quality fruit to be picked and frozen, and used in ice cream/food products (Explained). This would help *Strawberry Summers* to recover its costs from the damaged fruit in a severe weather event (Fully explained).

Evidence

| Achievement | Achievement with Merit | Achievement with Excellence |
|--|--|--|
| <p>Describes:</p> <ul style="list-style-type: none"> • ONE short-term impact on <i>Strawberry Summers</i> • ONE long-term impact on <i>Strawberry Summers</i> • how a severe weather event may have less impact on <i>Berries and Charming Treasures</i> than on <i>Strawberry Summers</i>. <p>AND</p> <p>Identifies TWO actions <i>Strawberry Summers</i> could take to minimise the impact of extreme weather conditions.</p> <p>(Answers will typically state relevant business knowledge, and / or Māori business concepts.)</p> | <p>Explains:</p> <ul style="list-style-type: none"> • ONE short-term impact on <i>Strawberry Summers</i> • ONE long-term impact on <i>Strawberry Summers</i> • how a severe weather event may have less impact on <i>Berries and Charming Treasures</i> than on <i>Strawberry Summers</i> • TWO actions <i>Strawberry Summers</i> could take to minimise the impact of extreme weather conditions. <p>(Answers will typically include relevant business knowledge, and / or Māori business concepts.)</p> | <p>Fully explains:</p> <ul style="list-style-type: none"> • ONE short-term impact on <i>Strawberry Summers</i> • ONE long-term impact on <i>Strawberry Summers</i> • how a severe weather event may have less impact on <i>Berries and Charming Treasures</i> than on <i>Strawberry Summers</i> • TWO actions <i>Strawberry Summers</i> could take to minimise the impact of extreme weather conditions. <p>(Answers will typically integrate relevant business knowledge, and / or Māori business concepts into explanations.)</p> |

Grade Score Descriptors

| N1 | N2 | A3 | A4 | M5 | M6 | E7 | E8 |
|---|--|----------------------------|----------------------------------|----------------------|----------------------|--|---|
| Very little Achievement evidence. | Some Achievement evidence, partial explanations. | Most Achievement evidence. | Nearly all Achievement evidence. | Some Merit evidence. | Most Merit evidence. | Excellence evidence. One part may be weaker. (a) OR (b) fully explained. The other part is explained. | All points covered. (a) AND (b) fully explained. One part may be weaker. |
| N0 = No response; no relevant evidence. | | | | | | | |

| Q2 | Sample Evidence |
|-----|---|
| (a) | <p>External stakeholders are persons or groups outside the business who have an interest in its operations (Defined).</p> <p>The suppliers of <i>Strawberry Summers</i> are interested in the success of that business because they sell products to the strawberry farm to earn an income (Described). This means if <i>Strawberry Summers</i> is not having a good growing season, they will not need as many supplies, e.g. containers, to sell strawberries (Explained). If <i>Strawberry Summers</i> is not successful, the suppliers will lose a source of income and this will negatively impact on their profit (Fully explained).</p> |
| (b) | <p>The local community may oppose the government assistance to <i>Strawberry Summers</i> because not everyone in the community owns or works on strawberry farms (Described). The local community may think there is a better use or a greater need elsewhere for the government assistance – for example, a recreation centre, roading, parks, etc (Explained). This could create conflict because the government wants to assist <i>Strawberry Summers</i> to continue, but some in the local community would like the government money spent on other things in their community (Fully explained).</p> <p><i>Strawberry Summers</i> could respond by using the government assistance to repair the damage caused by the severe weather event and reinvest in the farm (Identified/Described). This may mean that <i>Strawberry Summers</i> could offer more employment opportunities to the local community (Explained). This would be of benefit to the local community, as some community members could keep their employment / get employment on the strawberry farm (Fully explained).</p> |

Evidence

| Achievement | Achievement with Merit | Achievement with Excellence |
|--|--|--|
| <ul style="list-style-type: none"> • Defines ‘external stakeholders’. • Describes why suppliers would be interested in the success of <i>Strawberry Summers</i>. • Describes why some in the local community may oppose the government assistance to <i>Strawberry Summers</i>. • Identifies a response to the opposition. <p>(Answers will typically state relevant business knowledge, and / or Māori business concepts.)</p> | <p>Explains:</p> <ul style="list-style-type: none"> • why suppliers would be interested in the success of <i>Strawberry Summers</i> • why some in the local community may oppose the government assistance to <i>Strawberry Summers</i> • a response to the opposition. <p>(Answers will typically include relevant business knowledge, and / or Māori business concepts.)</p> | <p>Fully explains:</p> <ul style="list-style-type: none"> • why suppliers would be interested in the success of <i>Strawberry Summers</i> • how the response to the opposition will be of benefit to the community. <p>(Answers will typically integrate relevant business knowledge, and / or Māori business concepts, into explanations.)</p> |

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

| Q3 | Sample Evidence |
|-----|--|
| (a) | <p><i>Strawberry Summers</i> could lose market share and/or customer base as competitors enter the market (Identified).</p> <p>One response for <i>Strawberry Summers</i> would be to ensure that the quality of the strawberries, and their service, matches those of their competitors – this could include cutting the price of their product although <i>Strawberry Summers</i> would not want to create a price war (Explained).</p> <p><i>Strawberry Summers</i> could offer free deliveries or online ordering of their strawberries, so that they continue to attract a wide range of customers – this could include offering a loyalty scheme (Fully explained).</p> <p><i>Strawberry Summers</i> could lose skilled staff to the competition (Identified).</p> <p>One response that <i>Strawberry Summers</i> could make is to ensure they pay their staff the same or more than their competitors (Explained).</p> <p>This would help to keep the staff happy, so that they remain with <i>Strawberry Summers</i> rather than leaving for the competition (Fully explained).</p> |
| (b) | <p>River Road Café.</p> <p>One response that <i>River Road Café</i> could use to compete is to introduce a loyalty scheme, where customers are rewarded for repeat purchases of coffee (Described).</p> <p>The cost of this response to <i>River Road Café</i> would be that every fifth coffee purchased by the customer would be free, so no sales revenue would be gained from those coffees (Described). Therefore, operational costs incurred in making this coffee would have to be absorbed by <i>River Road Café</i> (Explained). Also, administration of the loyalty scheme would be an additional cost to <i>River Road Café</i>, which could impact on profitability (Explained).</p> <p>One benefit of a loyalty scheme is that customers would receive rewards or incentives from <i>River Road Café</i> (Described). Rewards could be that every fifth coffee would be free, therefore saving the customers money (Explained). Repeat purchases would result in this reward being given again, thus giving customers an ongoing incentive to remain with <i>River Road Café</i> (Fully explained).</p> <p>One approach that <i>River Road Café</i> could use to compete is by providing a better service than its competitors. An example of this is to accept text order coffees (Described).</p> <p>The cost of this response to <i>River Road Café</i> is that some additional staff time will be needed to handle text orders (Described). This means that an existing employee could become less available for other duties in the business, particularly during busy periods, possibly resulting in fewer sales and less profit (Explained).</p> <p>One benefit for customers of receiving better service is that they would feel more valued (Described), and therefore more satisfied with their experience at <i>River Road Café</i>. Its customers would feel they were getting better value for money, as they would not need to wait for their coffee to be ready – it would be ready to collect on pick-up (Explained). Due to this better service, existing customers may recommend <i>River Road Café</i> to family and friends, which may encourage customers of the competitors to return/purchase from <i>River Road Cafe</i> (Fully explained).</p> |

Evidence

| Achievement | Achievement with Merit | Achievement with Excellence |
|---|--|--|
| <ul style="list-style-type: none"> Identifies ONE negative consequence for <i>Strawberry Summers</i> of increased competition. Describes ONE response that <i>Strawberry Summers</i> may use to compete. Identifies ONE changed business operation the named business may implement, or has implemented, to compete. Describes the cost to the named small business of the changed business operation. Describes ONE benefit of the response for the business and its customers. <p>(Answers will typically state relevant business knowledge, and / or Māori business concepts.)</p> | <p>Explains:</p> <ul style="list-style-type: none"> ONE response that <i>Strawberry Summers</i> may use to compete the cost to the named small business of the changed business operation ONE benefit of the response for the business and its customers. <p>(Answers will typically include relevant business knowledge, and / or Māori business concepts.)</p> | <p>Fully explains:</p> <ul style="list-style-type: none"> ONE response that <i>Strawberry Summers</i> may use to compete the cost to the named small business of the changed business operation ONE benefit of the response for the business and its customers. <p>(Answers will typically integrate relevant business knowledge, and / or Māori business concepts into explanations.)</p> |

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Cut Scores

| Not Achieved | Achievement | Achievement with Merit | Achievement with Excellence |
|--------------|-------------|------------------------|-----------------------------|
| 0 – 7 | 8 – 13 | 14 – 19 | 20 – 24 |