

Pilot Assessment Schedule – 2023**Commerce: Demonstrate understanding of how interdependent financial relationships are affected by an event (92030)****Assessment criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrates understanding of how interdependent financial relationships are affected by an event by describing:</i></p> <ul style="list-style-type: none"> • direct effects of the Government investment in roading • interdependent financial relationships in the scenario provided. 	<p><i>Examines how interdependent financial relationships are affected by an event by explaining:</i></p> <ul style="list-style-type: none"> • how and why the Government investment in roading has flow-on effects on the interdependent financial relationships. 	<p><i>Evaluates how interdependent financial relationships are affected by an event by analysing:</i></p> <ul style="list-style-type: none"> • the impacts of possible decisions on interdependent relationships because of the Government investment in roading and its flow-on effects.

Sample evidence

Question ONE	Evidence
(a)(i)	The whānau relies on the roading contractor to pay them wages for the labour the whānau (one parent) provides. The roading contractor relies on the whānau (one parent) to provide labour to assist with the road rebuild.
(ii)	The roading contractor relies on the local bank to provide financial services, such as loans and bank accounts, so it can continue to operate. The local bank relies on the roading contractor for deposits, interest payments on loans, and payments for financial services.
(iii)	The local businesses rely on the whānau to provide them with sales revenue from buying its goods and services. The whānau relies on the local businesses to supply them with essential goods and services.
(b)	A direct effect of the Government investment in road building on the roading contractor is the increased income from the contract, which will lead to higher profits.
(c)(i)	The flow-on effect for the whānau is increased household income so their spending on goods and services can increase and/or their savings can increase in the bank. The flow-on effect for the roading contractor from the cash invested by the Government is increased income, which can be used to expand the roading business by buying more capital goods.
(ii)	The impact on the interdependent financial relationship between the whānau and the local businesses is the increased household income from the whānau. The additional household income allows the whānau to purchase more goods and services from the local businesses. The local businesses rely on the increased income from the whānau to increase sales revenue, which they could use to provide an increased range of goods or services or offer more employment.
(d)(i)	One flow-on effect of the Government investing in roads is when the roads reopen, tourists can visit the area, which will increase local businesses' income and profits. The tourism businesses may choose to expand their businesses due to this increase. One flow-on effect for the local bank is the increased interest payments from lending and overdrafts from the tourism businesses. The local bank can provide extra financial services to the local tourism businesses.
(ii)	The local tourism industry relies on the Government for funding to allow the roads into Gisborne to remain open so tourists can visit. Local tourism businesses earn increased income and profits from more tourists spending in the local region. The Government relies on the tourism industry for increased GST and company tax payments from the increased revenue and profits earned by the local tourism businesses.

<p>(e)(i)</p> <p>(ii)</p> <p>(iii)</p>	<p>Decision: The tourism business could expand by opening another outlet.</p> <p>Positive consequences By opening another outlet, the tourism business will require additional workers. The teenager in the whānau could benefit from the increased employment so their spending on goods and services at the local businesses will increase. The local businesses' sales revenue increases due to the increased demand for its goods and services. The tourism business will require a loan for its expansion, so the local bank's revenue increases from the additional interest charges on the loan. The Government's GST and income tax revenue increases from the increased economic activity in the region.</p> <p>Negative consequences There is a risk that the new outlet might fail. Therefore, the tourism business may not be able to cover the additional debt repayments, so the bank's revenue decreases. The whānau (teenager) may lose their employment so their income decreases. The local businesses' income decreases from the decline in spending from the whānau. The Government's GST and income tax revenue decreases from the decline in economic activity. Non-economic consequences could be the increased pollution and rubbish in the local community, leading to a decline in the appeal of the area. The local infrastructure may not be able to cope with the increased demand and may miss out on income.</p>	<p>Decision: The tourism business could expand by hiring more staff.</p> <p>Positive consequences The tourism business can provide employment to the teenager in the whānau and to other individuals in the local community. Household spending increases and the whānau can increase their spending at the local businesses. The local businesses' revenue increases from the increased demand for goods and services. The local bank's revenue increases from increase in deposits and loan interest payments from the increased economic activity in the region.</p> <p>Negative consequences The other local businesses may lose workers to tourism, or be unable to hire workers and so may need to close. The existing workers would lose their jobs, so their household income decreases and their demand for local businesses' goods and services also decreases. Local businesses' revenue falls and they no longer require new loans or any extra financial services from their local bank. The local bank's revenue decreases from a decline in their deposits and interest rate payments.</p>
<p>(f)(i)</p> <p>(ii)</p> <p>(iii)</p>	<p>Decision: The Government could provide interest-free loans to small businesses.</p> <p>Positive consequences Increased investment in small businesses allows individuals to pursue a business idea/expand their hobby and increase their standard of living. It provides employment to the greater region should the small businesses start to expand and increases GST and tax revenue to the Government. The local bank's profit increases with the additional deposits and interest fees.</p> <p>Negative consequences The small businesses may fail, so the investment funds provided by the Government are lost. Therefore, the money is unable to be spent on other government spending. There is less revenue to the Government from the decrease in company tax and GST revenue. There may be a decrease in long-term economic activity in the local market. Whānau may lose their jobs and the local businesses will suffer from the decreased demand for goods and services. The local bank's revenue will decrease as they will not be lending out as many loans, therefore earning less revenue, and being unable to provide as many financial services in the long-term.</p>	

Judgment

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence, at least one explanation.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

N0 = No response; no relevant evidence.

Cut scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3 – 4	5 – 6	7 – 8