

Assessment Schedule – 2024

Commerce: Demonstrate understanding of the financial viability of an organisation (92031)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p>Demonstrating understanding of the financial viability of an organisation involves:</p> <ul style="list-style-type: none"> describing a factor that affects the financial viability of an organisation describing actions that the organisation could take to sustain financial viability using a relevant model or concept. 	<p>Examining the financial viability of an organisation involves:</p> <ul style="list-style-type: none"> explaining a factor that affects the financial viability of an organisation explaining actions that the organisation could take to sustain financial viability using a relevant model or concept. 	<p>Evaluating the financial viability of an organisation involves:</p> <ul style="list-style-type: none"> analysing the effects of a factor on the financial viability of an organisation evaluating actions that the organisation could take to sustain financial viability using a relevant model or concept.

Sample evidence

Names the organisation; identifies its goods and services, sources of income, ownership structure, size, and location; identifies its pūtake.

	Evidence
<p>Explain the effects of the factor on the financial viability and pūtake.</p>	<p>A relevant model or concept is required to support the response. Possible responses include:</p> <p>New competitor enters the market</p> <p>The effects on the organisation of a new competitor entering the market are a loss of customers as those customers choose to purchase products from the new competitor, decrease in sales and profits, and a loss of financial viability for the organisation. The pūtake of the organisation may be affected as it may be unable to donate to / support the local community.</p> <p>New regulations require organisations to use recyclable packaging</p> <p>The new regulations requiring the organisation to use recyclable packaging will increase the costs of packaging as they need to find another system or supplier to comply with the new packaging regulations. This will cause an increase in costs and a decrease in profits and will lead to a decrease in financial viability in the short term. The pūtake of the organisation may be affected as it may be unable to donate to / support the local community.</p> <p>Due to illness, a highly skilled employee is unavailable to work for two months</p> <p>The effects on the organisation of a highly skilled employee being unavailable for two months due to illness could include products not being able to be produced, and a possible loss of sales as customers cannot purchase their chosen products. The unavailability of a key employee could result in a decline in profits and financial viability in the long term for the organisation. The pūtake of the organisation could be affected as it may be unable to donate to / support the local community.</p> <p>Organisation awarded ‘Employer of the Year Award’ by the local community</p> <p>The organisation being awarded ‘Employer of the Year Award’ by the local community should result in an increase in customers and brand loyalty from the local community, resulting in an increase in sales and profits. The increase in profits will increase the financial sustainability of the organisation in the long term. The pūtake of the organisation will be fulfilled from the additional profits.</p>

Explain TWO actions that the organisation could take to sustain financial viability.

Responses need to refer and relate to the organisation's pūtake and include a relevant model or concept. Possible responses include:

New competitor enters the market

The organisation can:

- Reduce prices to compete with the new competitor in the market and retain current customers. This will allow the organisation to maintain its current financial viability and continue to operate in the future. However, the decrease in prices could reduce their profits if the sales do not increase by a certain amount or the organisation does not reduce costs in other areas.
- Increase advertising to attract customers and increase sales. The amount of sales needs to cover the cost of the advertising campaign. Advertising could include radio, social media, or letter drop to increase customer awareness and sales. The risk for the organisation is that the cost of the advertising does not lead to an increase in sales. This could decrease the financial viability of the organisation. The advertising must be relevant to their organisation.

New regulations require organisations to use recyclable packaging

The organisation can:

- Source a new suitable supplier for its packaging, which could result in an increase in costs for the organisation. In the short term, this could reduce profits and financial viability. However, the sourcing of the new recycled packaging could be delayed, the amount could be limited, or it may not be of suitable quality. Should the organisation not comply with the new regulations, it may be fined or lose customers due to a lack of support. These factors may cause a reduction in sustaining financial viability.
- Change packaging systems to reduce the amount of packaging its products require. This may lead to a decrease in costs and an increase in profits, which will sustain financial viability. Additionally, a decrease in packaging may increase customer support for its products and therefore, increase sales and brand loyalty. However, a change in packaging systems may not suit all customers and the organisation has a decrease in sales as customers choose to purchase their goods and services elsewhere. Furthermore, the organisation may be committed to a contract with a packaging supplier for an extended period, or current leftover packaging might need to be disposed of or stored as it fails to comply with the new regulations.

Due to illness, a highly skilled employee is unavailable to work for two months

The organisation can:

- Employ a similarly skilled worker, so it can continue to produce the same products and continue sales. It may increase costs to pay for a replacement, which would decrease profit and financial viability. The organisation would also need to train the new staff member, which could reduce the amount it can produce, meaning it earns less revenue and profit, which decreases financial viability.
- Decide to sell different products, which it can reliably produce without the highly skilled worker, so it retains sales and profits and sustains financial viability. However, loyal customers may not continue to purchase the new products and services, which would lead to a decrease in sales, profits, and financial viability. Staff may not be familiar with the new products so they will require additional training causing an increase in costs, which would reduce the financial viability of the organisation.

Organisation awarded 'Employer of the Year Award' by the local community

The organisation can:

- Capitalise on its success from the 'Employer of the Year Award'. The award could lead to increased sales for the organisation, which should lead to increased profits and financial viability. The organisation may need to hire additional employees to cope with the increase in demand for their products. However, the organisation will need to spend time and money on recruitment and training of the new employees, which may lead to an increase in costs and a decrease in profits and financial viability in the short term. The organisation may also lose customers if the organisation is

	<p>unable to cope with the increased demand. However, the increased awareness of the organisation from winning the award will attract high quality applicants to apply for the positions, which should lead to satisfied customers, increased sales and profits, and long-term financial viability.</p> <ul style="list-style-type: none"> • Use the success from the award in its advertising and promotional material, leading to an increase in customer numbers, sales, and profits. Long term, this positive brand awareness and customer loyalty will lead to an increase in financial viability. However, the change in advertising material will cause an increase in costs, which the increase in sales may not cover. If the organisation continues to win awards, they will have ongoing costs to continually update their marketing. Also, if the organisation fails to win the award in the future, it may not retain their high-quality staff or keep their loyal customers, resulting in a decline in profits and financial viability.
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N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement level evidence.	Some Achievement level evidence, partial explanations.	Most Achievement level evidence, at least one explanation. Discussion of pūtake.	Nearly all Achievement level evidence. <i>One action can be weaker.</i> Discussion of pūtake.	Some Merit level evidence. Discussion of pūtake.	Most Merit level evidence. Discussion of pūtake.	Excellence level evidence. One part may be weaker. Discussion of pūtake.	All points covered at Excellence level. Discussion of pūtake.

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

N0 = No response; no relevant evidence.

Appendix: Authenticity of candidate work.

To assess whether a candidate's evidence is genuine, the marker uses their professional judgement, considering all the evidence provided. Where the marker believes there is a possibility the work is inauthentic, they must raise a 'malpractice exception', flagging the issue for further review.

Evidence might be considered inauthentic if:

- large portions of the text are identical to other candidates' work
- the evidence does not match the assessment prompt or task
- the response shows evidence of someone else's input other than the candidate's (e.g. teacher feedback)
- the style or voice of the writing is inconsistent with the rest of the candidate's work
- complex pieces of evidence are copied from other sources but are presented as the candidate's own work, or the evidence is deemed significantly unnatural.

Properly referenced, relevant, and integrated information is acceptable. Uncertainty about the authenticity of evidence should be resolved in favour of the candidate.