

Assessment Schedule – 2025**Commerce: Demonstrate understanding of how entities with interdependent financial relationships are affected by an event (92030)****Assessment criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding of how entities with interdependent financial relationships are affected by an event involves describing:</i></p> <ul style="list-style-type: none"> • a range of interdependent financial relationships between entities • a direct effect of an event on an entity involved in an interdependent relationship. 	<p><i>Examine how entities with interdependent financial relationships are affected by an event involves explaining:</i></p> <ul style="list-style-type: none"> • the flow-on effects of the event on entities • the impact each flow-on effect has on interdependent financial relationships. 	<p><i>Evaluate how entities with interdependent financial relationships are affected by an event involves:</i></p> <ul style="list-style-type: none"> • justifying a decision an entity could make in response to the impact of the event on interdependent financial relationships • discussing consequences of the decision for the entities.

Sample evidence

Question	Sample evidence
(a)(i)	<i>Kāwhiu Industries</i> relies on <i>Leota Transportation</i> to transport seafood to its factory and customers, allowing <i>Kāwhiu Industries</i> to sell products and earn revenue. <i>Leota Transportation</i> relies on <i>Kāwhiu Industries</i> to use it to transport the seafood, so that <i>Leota Transportation</i> can earn revenue.
(ii)	<p>The Government relies on the households in the community to pay income tax and / or GST on purchases so it can spend money on essential services.</p> <p>Households rely on the Government for various things, including:</p> <ul style="list-style-type: none"> • making transfer payments to unemployed or retired people so they have money to spend on goods and services • providing essential services, such as public schools and hospitals.
(iii)	<p><i>Kāwhiu Industries</i> relies on the bank to provide financial services, such as</p> <ul style="list-style-type: none"> • loans to finance large capital expenditure, for example for equipment and trucks • bank accounts, so it can safely store its cash and / or earn interest on payments. <p>The local bank relies on <i>Kāwhiu Industries</i> for:</p> <ul style="list-style-type: none"> • deposits so it can lend money to other borrowers • interest payments on loans and payments for financial services so it can earn revenue.
(b)	<i>Kāwhiu Industries'</i> decision to stop selling seafood overseas will result in less demand for <i>Leota Transportation's</i> services, as less seafood is being processed and sold following 180 people being laid off at the factory. The reduced demand for transport services will lead to a decrease in revenue / profit for <i>Leota Transportation</i> .

<p>(e) continued</p>	<p>The Government offering payments to organisations that employ five or more new employees would have positive and negative consequences for households in the community.</p> <p>Positive consequences include:</p> <ul style="list-style-type: none"> • some businesses will look to expand their business and employ more workers so households will have more work and income • the increased income means they will be able to purchase more goods and services and / or save part of their money • the subsidy could result in lower prices and an increase in households' spending power. <p>A negative consequence is that the Government may also reduce funding for organisations such as <i>Care and Courage</i>, arguing that it is no longer needed because of the subsidy. If <i>Care and Courage</i> receives less funding, it may not be able to provide as many services for people in need in the community. <i>Care and Courage</i> may need to look for alternative funding sources, such as a fundraising drive. However, if more people are employed because of the payment, fewer people may need to access the services provided by <i>Care and Courage</i>. This means that, even with reduced Government money, <i>Care and Courage</i> will still be able to meet the needs of the people using their service.</p> <p>The Government would want to do this as a way to meet its aim to support ongoing job creation and reduce unemployment, as it would encourage businesses to employ more people every year. The policy may also reduce the number of people leaving New Zealand for work overseas, as it makes it clear to New Zealanders that new jobs will be created as businesses will use the funding to do so. The Government may also want to do this because it wants to support businesses, thinking that businesses are the backbone of the economy: they generate, production, jobs, and income in New Zealand.</p>
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(f)	<p>Negative consequences for <i>Kāwhiu Industries</i> of purchasing its own trucks to transport seafood include:</p> <ul style="list-style-type: none"> • it would need to employ drivers and pay vehicle costs like petrol and maintenance, which will increase its expenses • it will need to purchase the trucks, which will either mean reducing its bank balance or getting a loan from the bank so it will have to make loan and interest repayments, reducing profit. <p>Positive consequences include:</p> <ul style="list-style-type: none"> • the reduced cost of paying <i>Leota Transportation</i>, as it will be able to transport its own seafood for less, which will mean fewer expenses and increased profit • having more control / certainty about where and when deliveries happen, as it is not reliant another transport company that has other customers. <p>Negative consequence of <i>Kāwhiu Industries</i> purchasing its own trucks to transport seafood for <i>Leota Transportation</i> include:</p> <ul style="list-style-type: none"> • reduced income and profits because of losing a customer; <i>Leota Transportation</i> will need to consider how to reduce its expenses and / or look for other transportation contracts to earn income to compensate for the loss of the <i>Kāwhiu Industries</i>' income • if <i>Leota Transportation</i> has a loan with the bank, it may struggle to pay it because of its reduced income, so might face extra bank charges or risk liquidation. <p>If <i>Kāwhiu Industries</i> was a challenging customer, its decision to provide its own transport could have positive consequences for <i>Leota Transportation</i>. For example, it may not have to wait for or chase payments.</p> <p>The consequences for the bank could be both positive and negative. It would be positive if <i>Kāwhiu Industries</i> need to borrow money to purchase the trucks, as the bank will receive additional interest when the loan is repaid, increasing income and profit. However, it could have a negative impact because <i>Leota Transportation</i>'s bank deposits may decline, reducing the bank's available funds it would use create loans, and so generate interest income for itself.</p> <p>Reasons <i>Kāwhiu Industries</i> would do this include:</p> <ul style="list-style-type: none"> • it has lost income from exporting seafood overseas and would be looking for ways to reduce costs, and so maintain financial viability and generate profit • it could be looking for a way to diversify its business to reduce risk in case of future changes in the seafood industry • to create jobs for the whānau, iwi, or local community members to provide them with opportunities to develop new skills or careers.
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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.	Nearly all Achievement level evidence.	Some Merit level evidence.	Most Merit level evidence.	Excellence level evidence. One part may be weaker.	All points covered at Excellence level.

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