

Commerce NCEA NZC Level 1

Subject Learning Outcomes for Assessment

Companion to the Commerce Learning Matrix

What are the Subject Learning Outcomes and how can I use them?

Subject Learning Outcomes identify the knowledge and skills that students need to be ready for assessment. Subject Learning Outcomes are informed by the Achievement Standards. They should be used in conjunction with the full suite of NCEA materials.

Subject Learning Outcomes do not replace any documents. This includes the External Assessment Specifications and Conditions of Assessment. All NCEA materials need to be used to fully understand the requirements of each Achievement Standard and to plan a robust teaching, learning, and assessment programme. Subject Learning Outcomes should not be used to make assessor judgments. The Achievement Standard and the Assessment Schedule for Internal Assessment Activities are used to make such judgments.

Subject Learning Outcomes, alongside other key documents, make clear to teachers what to include in their teaching and learning programmes and what student capabilities to check for, in the lead up to assessment. Each Subject Learning Outcome does not need the same amount of teaching time.

All learning should connect with students' lives in Aotearoa New Zealand and the Pacific. Teachers or students usually select the contexts. As such, contexts are not always specified in the Subject Learning Outcomes. Examples may be provided to illustrate topics and contexts, but they are not prescriptive.

Students are entitled to teaching that supports them to achieve higher levels of achievement. Subject Learning Outcomes mainly align with outcomes for the Achieved level. However, outcomes for higher levels of achievement are also included.

The knowledge and skills in the Subject Learning Outcomes are the expected learning that underpins each Achievement Standard. Students will draw on this learning during assessment. It is important to note that assessment is a sampling process so not everything that is taught will be assessed.

Achievement Standard 1.1 (92028) Demonstrate understanding of an organisation's financial decision-making (Credits: 5)

What is being assessed:	Subject Learning Outcome
Options for a financial decision	<p>Students are able to....</p> <p>When describing options available for an organisation to address a need, issue, or opportunity the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • understand different types of organisations in Aotearoa New Zealand. An organisation is a group of people who work together with a particular purpose. Examples of groups include whānau, hapū, iwi, clubs, charities, and businesses. • understand and discuss pūtake in relation to the different types of organisations in Aotearoa New Zealand. In Commerce pūtake is the reason an organisation exists. For example, maintaining an ecosystem, providing for future generations, or making a profit. • describe the need, issue, or opportunity facing an organisation. For example, the lease of the local food bank is expiring and they need to investigate different options for their relocation; a school has the issue of outdated technology and they need to upgrade their computer system in order to ensure their ākonga are prepared for life beyond the school gates; a business has discovered that their product has been recommended by a celebrity influencer on social media which leads to the opportunity of going into new markets. • research multiple options for a decision that includes financial information and a consideration of the pūtake of the organisation • using the research data gathered, describe the options that meet the need, issue, or opportunity of the organisation and its pūtake. <p>When describing a decision using supporting information from a financial tool, the following knowledge and skills would likely be covered in the learning process:</p>

	<ul style="list-style-type: none"> understand financial tools so that the information from the financial tool can be used to support their decision. For example, a price/feature comparison chart, a SWOT analysis, a budget, a cost-benefit analysis, an online calculator or form (for example, in considering finance options). a financial tool should focus on monetary aspects. For example, when using a SWOT analysis to explain that the strength of using the Windows platform is that the hardware has a lower cost to the kura, the ākonga would include researched figures to show this. <p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none"> understand internal and external stakeholders and their perspectives in relation to the decision-making process. For example, for a kura looking to upgrade their computer system, the school's IT department is an internal stakeholder and the whānau of the students are an external stakeholder because they have an interest in the decision being made without being directly involved in the decision-making process. analyse the internal and/or external stakeholders and their perspectives for each option as part of their research. For example, the school's IT department, which is an internal stakeholder, would have a set budget for the upgrade of the computer system.
Choosing an option	<p>When describing a decision using supporting information from a financial tool the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> research of the multiple options information from the financial tool used pūtake of the organisation need, issue or opportunity that needs to be met describe the decision made and ensure they include supporting information from the financial tool they used.
Analyse the decision	<p>When describing how the decision addresses the need, issue, or opportunity the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> recognise and illustrate clearly how the decision made addresses the need, issue or opportunity for the organisation and its pūtake.

	<p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none"> • understand consequences refer to the effects of a decision made and that they can be positive or negative • identify possible positive and negative consequences of the decision made for the organisation and stakeholders. For example, one positive consequence of the kura upgrading their computer system to Windows 11 is that both kaiako and ākonga can communicate more efficiently enabling a stronger community connection. A negative consequence is that some whānau would need to purchase a new device in order to be compatible with the school system. • understand how the organisation responds to the consequences for the organisation and stakeholders. For example, the response to the whānau's unexpected costs could be that the kura negotiates with a computer hardware supplier to offer rent from the school. • analyse the perspectives and consequences for the stakeholders now that the decision is made. For example, for the external stakeholder, the whānau, when the decision to upgrade was made there may now be unexpected costs. • understand that the pūtake of the organisation will shape how they choose to respond to the consequences. For example, the kura's pūtake is that there is digital equity for all ākonga.
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Achievement Standard 1.2 (92029) Demonstrate understanding of price determination for an organisation (Credits: 5)

What is being assessed:	Subject Learning Outcome
<p>Determine a price</p>	<p>When using financial or non-financial information to determine a price supported by a model or concept the following knowledge and skills would likely be covered in the learning process:</p> <p>Students are able to...</p> <ul style="list-style-type: none"> ● understand that an organisation is one that sets a price for either a good or service ● describe the organisation and the good or service it sells ● understand and use financial or non-financial information for the organisation in relation to price setting for a good or service. Financial information includes items that can be measured in monetary terms. For example, the costs of producing the product. Non-financial information includes the organisation's pūtake and non-monetary factors such as customer preferences. This could be gathered, for example, through market research on the demographics and values of the target market. ● understand and use models or concepts can be used to determine a price. These models or concepts should conform with conventions such as titles, units, and labelling of axes. <ul style="list-style-type: none"> ○ For example, in the supply and demand model, market forces would determine the price at the equilibrium price as this where the market is cleared (a correctly labelled market diagram would support this) ○ In the projected Income Statement, the price would be determined to break even or achieve the profit objective (a classified Projected Income Statement would support this); in the cost/volume/profit analysis by determining the price that would be required to break even or achieve the profit objective (appropriate and accurate formulae would support this). ● describe how the price was determined using the information gathered from the model or concept.
<p>Decide on a potential change in price</p>	<p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none"> ● understand internal factors. For example, changing production from labour intensive to capital intensive.

	<ul style="list-style-type: none"> ● understand external factors. For example, a change in a supplier's price. ● explain how an internal or external factor could affect the price an organisation has set. For example, a new competitor, an external factor, has entered the market and sales have decreased so the organisation to remain competitive will need to explore their Projected Income Statement to see if there is a cost that can be reduced to maintain the existing price or if the selling price needs to change. ● investigate, using a model or concept, the options to change or not change the determined price in response to the internal or external factor ● explain the different options to change or not change the determined price using financial or non-financial information and the information from the model or concept. For example, explain that maintaining the current determined price is a feasible option. ● decide which pricing option to choose for the organisation ● justify why the pricing option chosen is the best pricing option for the organisation in relation to the financial or non-financial information and a model or concept. <ul style="list-style-type: none"> ○ For example, the supplier's price has increased so the recalculated Projected Income Statement shows a reduction in profit. The organisation has chosen to maintain the current determined price because this best meets their pūtake of ensuring their product is as accessible as possible for their target market despite the fall in profit. ○ For example, if the supplier's price has increased, the costs of production have increased, shifting the supply curve to the left. This creates a shortage at the originally determined price. Consumers could respond by bidding up the price. As the price increases, quantity demanded decreases and quantity supplied increases. Therefore, the organisation can restore equilibrium at a higher price. ○ For example, the supplier's price has increased so the recalculated break even now requires a greater amount of units to be sold in order to breakeven. The organisation has chosen to increase the determined price by 50 cents because the number of units to be sold in order to breakeven is not feasible in the current target market.
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Consequences of the pricing decision	For higher levels of achievement, students are able to: <ul style="list-style-type: none">• understand the different stakeholders of the organisation, for example, customers, employees• understand consequences refer to the effects of a decision made and that they can be positive or negative• discuss the consequences of the pricing decision on the organisation. For example, if the price increased, higher levels of profit could be achieved if the organisation is able to sell a similar quantity, increasing total revenue and assuming costs remain the same, profit will increase too.• discuss the consequences of the pricing decision on the organisation's stakeholders. For example, for customers with limited disposable income the price increase in the good could lead to making the good less affordable for the consumer and they are forced to buy an inferior product instead.
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Achievement Standard 1.3 (92030) Demonstrate understanding of how interdependent financial relationships are affected by an event (Credits: 5)

What is being assessed:	Subject Learning Outcome (Students are able to...)
Events and interdependent financial relationships	<p>When describing a range of interdependent financial relationships that are affected by the event the following knowledge and skills would likely be covered in their learning process:</p> <ul style="list-style-type: none"> • understand that interdependence is when entities are mutually dependent • describe different interdependent financial relationships which are money flows between entities that are dependent on each other • describe a range of interdependent financial relationships that are affected by the event. <p>When describing a direct effect of an event on an entity involved in an interdependent financial relationship the following knowledge and skills would likely be covered in their learning process:</p> <ul style="list-style-type: none"> • understand differing types of events that has economic significance to an organisation. Examples of events include a change in market conditions, a natural event such as a <i>cyclone</i>, sporting event such as <i>the FIFA Women's World Cup</i>, and a political event such as <i>a change in legislation or a regulation</i>. • understand that the direct effect is the initial effect following an event and it will have economic significance • describe the direct effect of an event on an entity in an interdependent financial relationship. For example, the direct effect on an orchard of a cyclone is loss of potential income from the sale of their apples.
Flow-on effects	<p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none"> • understand that the flow-on effect is the secondary effect following the direct effect and it will have economic significance • explain the flow-on effects of an event. For example, the flow-on effect of the cyclone is that due to the loss of income, the Government will receive less tax revenue from the orchard. • for each flow-on effect, explain the impact on the interdependent financial relationships. For example, due to the orchard having less to spend on business operations they may look to the Government to apply for a business

	subsidy; due to the Government receiving less tax revenue they have less available for government spending such as upgrading the road to the orchard.
Responses	<p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none"> • understand the differing responses that entities could make to the impacts of an event • understand the impact the differing responses have on the interdependent financial relationship • analyse decisions that could be made by entities, in response to the event's impact on interdependent financial relationships. For example, the Government's response to having less tax revenue available for government spending is to decide to delay infrastructure projects in other parts of the country. Delaying projects will have an impact on the economy in those areas such as reduced employment. • analyse positive consequences of the decision • analyse negative consequences of the decision.

Achievement Standard 92031 (1.4) Demonstrate understanding of the financial viability of an organisation (Credits: 5)

What is being assessed:	Subject Learning Outcome (Students are able to...)
Organisations and factors that affect their viability	<p>As per the Subject Learning Outcomes for AS1.1, understand and discuss pūtake in relation to the different types of organisations in Aotearoa New Zealand. In Commerce, pūtake is the reason an organisation exists. For example, maintaining an ecosystem, providing for future generations, or making a profit.</p> <p>When describing a factor that affects the financial viability of an organisation the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • understand different types of organisations in Aotearoa New Zealand such as local businesses and local non-profit organisations • describe an organisation's goods or services • understand sources of income • understand ownership structures • understand organisations' stakeholders • understand financial viability • understand differing factors that positively affect the financial viability of an organisation. For example, a petfood factory decides to supply the local animal shelter at a discounted rate. • understand differing factors that negatively affect the financial viability of an organisation. For example, road closure due to infrastructure upgrades restricting access to the local business. • state the features of the factor in terms of the context of the organisation and its financial viability. For example, the road closure due to infrastructure upgrades restricting access will mean less customers entering the local business.

	<p>For higher levels of achievement, students are able to:</p> <p>When explaining a factor that affects the financial viability of an organisation the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • understand the details of the factor in relation of the organisation and its financial viability. For example, the road closure means less customers, means a decrease in sales for that business (this details the impact on the business). <p>When analysing a factor that affects the financial viability of an organisation the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • understand the nature of the factor, by explaining the parts, in relation to the organisation and its financial viability. For example, the road closure means a decrease in sales for the business and sales is a part of the income of the business so profit will decrease as a result if costs remain constant.
<p>Actions</p>	<p>When describing actions that the organisation could take to sustain financial viability the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • understand and describe differing actions that an organisation that could take to enable financial viability. <p>For higher levels of achievement, students are able to:</p> <p>When explaining actions that the organisation could take to sustain financial viability the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • explain differing actions, within the context of the organisation, to enable financial viability. <p>When evaluating actions that the organisation could take to sustain financial viability the following knowledge and skills would likely be covered in the learning process:</p> <ul style="list-style-type: none"> • analyse differing actions, within the context of the organisation, to enable financial viability • analyse positive consequences of the differing actions



	<ul style="list-style-type: none">• analyse negative consequences of the differing actions
Using models or concepts	<ul style="list-style-type: none">• understand models or concepts that illustrate financial viability. For example, the supply and demand model; income statement, cost/volume/profit analysis, cost/benefit analysis. <p>For higher levels of achievement, students are able to:</p> <ul style="list-style-type: none">• use the model or concept to support their response• use the model or concept to develop their response.