

92031



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 1 Commerce 2025

92031 Demonstrate understanding of the financial viability of an organisation

Credits: Five

SAMPLE ASSESSMENT

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of the financial viability of an organisation.	Examine the financial viability of an organisation.	Evaluate the financial viability of an organisation.

The resource material below and on page 3 will be provided in a separate resource booklet.

INSTRUCTIONS

Use the case study below and on page 3 OR an organisation that you have studied in class to answer the question that starts on page 4.

CASE STUDY

Plan my Dinners

Plan my Dinners is a meal subscription service that emails five dinner recipes to customers each week. It differs from other meal subscription services as the customers must buy the ingredients themselves, rather than have the food box delivered to their door.

Plan my Dinners is considerably cheaper than other services at \$9 a week, compared to around \$100 for the meal subscription boxes. *Plan my Dinners* pūtake is to support busy, time-poor families by removing the stress of deciding what to eat for dinner.

Plan my Dinners is owned by two friends, Rachel and Jess, who have built up a collection of affordable, easy recipes that satisfy their fussy-eating families. Rachel and Jess invested \$25 000 each to start the business, which included setting up the website, completing market research, and initial marketing of the business. They withdraw \$400 a week each as compensation for their time and skills.

The small business was only established six months ago, but is already proving popular, and 200 customers have signed up as regulars for the weekly service. *Plan my Dinners* provides standard family meal recipes, such as lasagna and one pot dinners, but customers have been requesting vegetarian and gluten-free options, so Rachel and Jess are looking to expand the range of recipes to increase their market size.

Financial and non-financial information

SWOT analysis for *Plan my Dinners*

Strengths	Weaknesses
<ul style="list-style-type: none"> Affordable meal planning for busy families Cheaper than standard boxes Low setup costs and ongoing expenses 	<ul style="list-style-type: none"> Customers still need to purchase the ingredients to make the meals Customers may not like the meals and choose to unsubscribe
Opportunities	Threats
<ul style="list-style-type: none"> Increase market size by offering gluten-free and vegetarian options Offer a loyalty programme 	<ul style="list-style-type: none"> New competitors entering the market Technology problems, e.g. customers may not receive their emails People could use AI to get free recipes

Plan my Dinners
Income Statement for the period 1 January 2025 to 30 June 2025

	\$	\$
Income		
Subscription sales (200 customers × \$9 per week × 26 weeks)		<u>46 800</u>
Less expenses		
Website charge (\$10 per week × 26 weeks)	260	
Internet fee (\$25 per week × 26 weeks)	650	
Ingredients for meals (\$200 per week × 26 weeks)	5 200	
Electricity (\$60 per week × 26 weeks)	1 560	
Administrative costs (\$100 per week × 26 weeks)	2 600	
Advertising and marketing costs (\$130 per week × 26 weeks)	3 380	
Total expenses		<u>13 650</u>
Profit		<u>33 150</u>
<p>Note: Rachel and Jess are withdrawing \$400 a week each as compensation for their time and skills. This is not shown in the income statement.</p> <p>The expenses above are assumed to be fixed costs.</p>		

Break-even point for *Plan my Dinners*

Based on the first six months, Rachel and Jess have calculated that the break-even point is:
59 units per week

The break-even point is calculated using the formula:

$$\frac{\text{Fixed costs}}{(\text{Selling price per unit} - \text{variable costs per unit})}$$

QUESTION**Background information**

Complete this section ONLY IF you are using an organisation you have studied in class. DO NOT complete this section if you are using the case study provided on pages 2 and 3.

Note: this section is not marked and should be brief.

Provide background information about your chosen organisation, including all of the following:

- the organisation's name
- a brief description including the goods / services it provides, sources of income, ownership structure, size, and location
- the organisation's pūtake.
