

Level 1 Business Studies

Fair Trading Act 1986

The Fair Trading Act 1986 is included in the Senior Secondary Teaching and Learning Guidelines for Business Studies. It is delivered as part of Legal Influences (taught in conjunction with other compliance acts) under the Business Environment theme at Level 6 of the curriculum. The Fair Trading Act 1986 may be selected for examination under Level 1 NCEA.

Learning Objective 1:

Understand how, as a result of internal and external factors, small business owners make operational decisions that have consequences for the success of their businesses.

May be examined as part of:

Achievement Standard 90838v1 Demonstrate an understanding of external factors influencing a small business (4 credits), and / or;

Achievement Standard 90839v1 Apply business knowledge to an operational problem(s) in a given small business context (4 credits)

Teacher Guidelines:

The following unit (2/3 lessons) has been developed in alignment with the Commerce Commission's DVD – An Evening with the Fair Trading Act. The DVD is available free at www.comcom.govt.nz (Commerce Commission website). The excerpts – see titles below are also available to view on You Tube www.youtube.com – Search: An Evening with the Fair Trading Act. Fact sheets corresponding to the DVD segments are also available on the Commerce Commission website.

If time permits there are also some FTA scenarios and articles under the Yr 9 /10 Social Studies Unit on the Commerce Commission website that the teacher can refer to if further information is required.

Activity:

Teachers divide students into small groups or pairs and provide each group with an excerpt of the Fair Trading Act 1986 fact sheets (Resource 1) or direct them to the different chapters of the DVD (either on disc or on the Internet on You Tube). Students then create a presentation to feed back FTA information to the class. Other students in the class should be given the opportunity to ask questions at the end of each presentation. The presentations can be in a variety of forms (e.g. PowerPoint,

Poster, Role Play, Video, etc). Research and preparation should take one lesson, presentation and feedback should take one to two lessons.

Excerpts from You Tube / DVD:

1. An evening with the Fair Trading Act intro
2. Bait Advertising
3. Fine Print
4. Made in NZ claims
5. Health and Nutrition claims
6. Environmental claims
7. Misleading as to rights
8. Online selling
9. Half-truths and omissions (no fact sheet available but is on DVD and referred to on Commerce Commission website)
10. Use of agents and telemarketers
11. Pricing
12. Add-ons and hidden fees
13. Comparative advertising
14. Compliance (no fact sheet available but is on DVD and referred to on Commerce Commission website) – the presentation on compliance should also include information on actions taken against sellers / producers.