

## Friday 17 January 2020 – Morning

### Level 3 Cambridge Technical in Sport and Physical Activity

05872 Unit 21: The business of sport

Time allowed: 1 hour 30 minutes

C404/2001



No additional materials are required

Please write clearly in black ink.

Centre number

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Candidate number

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First name(s)

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Last name

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Date of birth

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#### INSTRUCTIONS

- Use black ink. You can use an HB pencil, but only for graphs and diagrams.
- Answer **all** the questions.
- Write your answer to each question in the space provided. If you need extra space use the lined pages at the end of this booklet. The question numbers must be clearly shown.

#### INFORMATION

- The total mark for this paper is **70**.
- The marks for each question are shown in brackets [ ].
- Quality of written communication will be assessed in questions marked with an asterisk (\*).
- This document has **16** pages.

#### ADVICE

- Read each question carefully before you start your answer.

FOR EXAMINER USE ONLY	
Question No	Mark
Section A: 1-12	/30
Section B: 13	/5
14	/5
15	/10
Section C: 16	/20
<b>Total</b>	<b>/70</b>

**Section A**

Answer **all** the questions.

- 1 Complete the statements below about the commercialisation of sport using appropriate terms from the word bank provided.

governing bodies	debt	fans	coverage	media
loans	interest	sponsors	revenue	players

A positive impact of commercialisation could be increased \_\_\_\_\_  
 to invest in sport. A negative impact of commercialisation could be an increased disconnect  
 between \_\_\_\_\_ and \_\_\_\_\_ .

While commercialisation can help sports to develop, there is also a risk that changes are  
 made to satisfy \_\_\_\_\_ or the \_\_\_\_\_  
 rather than because they are good for the sport.

[5]

- 2 Identify **two** characteristics of voluntary sector businesses which are different to those of any other business sector.

1 .....

2 .....

[2]

- 3 Give an example of a sports nutrition business.

.....[1]

- 4 Identify **three** reasons why sports businesses use volunteers.

1 .....

2 .....

3 .....

[3]

5 Describe a benefit of using long-term volunteers rather than short-term or one-off volunteers.

.....  
.....  
.....[1]

6 Describe the organisational structure of a local village sports team.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....[4]

7 Identify **two** measures of success for a private sector business such as an indoor trampoline park.

1 .....

2 ..... [2]

8 Draw a line to link the example of a job to the correct contract type.

A professional football player

Seasonal

Working on a beach, hiring out deckchairs and inflatable toys

Voluntary

Working as a timekeeper at a Parkrun

Contracted

[3]

9 The statements below relate to the definition of Corporate Social Responsibility (CSR). State whether they are True or False by circling the correct answer.

CSR is where a business does not consider the impact its activity has on society. True / False

CSR is where a business contributes to sustainable development. True / False

[2]

10 Identify **two** ways that a potential Olympic athlete might use the funding they receive.

1 .....

2 .....

[2]

11 Describe **one** way that sport has changed to make it more suitable for television coverage.

.....

.....[1]

12 How a sports business treats its customers can depend on whether it is following a strategy of 'transaction marketing' or of 'relationship marketing'.

Complete the table below showing how a sports business would treat the characteristics of 'time' and 'customer service' depending on their strategy. An example has been done for you.

Characteristic	Transaction Marketing	Relationship Marketing
Organisational goal	Make the sale	Retain customers
Time		
Customer service		

[4]





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**Turn over for the next question**

## Section C

Answer **all** the questions.

### **New York Rugby League: RFL considers US team and relocation of Hemel Stags**

The Rugby Football League (RFL) is the governing body for professional Rugby League in England. Rugby League is the other main 'code' of Rugby which is played, alongside Rugby Union.

The RFL operates a five-tier league system and is responsible for running the top three professional divisions (Super League, Championship and League One) as well as the National Conference League and various leagues below that.

The RFL also runs two cup competitions for professional clubs and is involved with the organisation of the World Club Challenge and World Club Series.

Hemel Stags, based in Hertfordshire in the UK, withdrew from the League One division in 2018.

### **Applications to establish a new club in the US city of New York and relocate Hemel Stags are being considered by the Rugby Football League board.**

The board, which has previously granted a licence to Canada-based Toronto Wolfpack, believes the proposals will "help deliver the RFL's vision". Hemel withdrew from League One last year, but retained an RFL licence. And it has been confirmed that the club's holding company has been taken over by a Canadian consortium.

An RFL statement said the New York and Hemel applications were "at different stages, but a degree of further due diligence and assessment is required on both to ensure that the financial and business plans presented are deliverable". New York consortium representative Ricky Wilby said: "We're grateful to the board of the RFL for considering our application and thankful it is deemed strong enough to present to the clubs. Hopefully this will be the first step towards getting the franchise off the ground."

Toronto's introduction into the game's structure broke new ground for Rugby League, which already had a continental horizon with French clubs Catalans Dragons and Toulouse included. Under the terms of their place in the league, the Wolfpack do not qualify for central funding, so owner David Argyle is wholly responsible for financing the venture, including covering travel costs for member clubs. Rugby League already has a place in the American sports landscape, with teams in Boston, Jacksonville, Brooklyn and New York itself.

### **Analysis**

Eric Perez, the man who was behind the creation of the Toronto Wolfpack, is believed to be behind the bid to relocate League One side Hemel Stags. He has previously suggested either Hamilton in Canada or Boston, USA, as possible locations. The New York bid comes from a separate consortium and has been in the ether for over 12 months but both still have a lot of hurdles to clear. Both will inevitably see Super League as the ultimate goal - but there is currently a huge question mark hanging over the Super League clubs' appetite for this kind of overseas expansion.

<https://www.bbc.co.uk/sport/rugby-league/47613770>



**The man behind the bid to establish a professional rugby league club in New York is confident he can win the support of clubs.**

Huddersfield entrepreneur Ricky Wilby, who represents a consortium of UK and US-based businessmen, lodged a business plan with the Rugby Football League 18 months ago and that will now be put to Championship and League One clubs.

The RFL is also considering a move by Toronto founder Eric Perez to relocate Hemel Stags to North America following his successful takeover of the former League One club.

Both Wilby and Perez have ambitions to reach Super League with their clubs but are content to enter at League One level, as Toronto did so successfully in 2017, and hope to make the start line in 2020.

An RFL delegation, led by former chief executive Nigel Wood, visited New York in January 2018 and submitted reports to the governing body. New York intend to stage matches at the Red Bull Arena, home of Major League Soccer club New York Red Bulls, and have promised to cover all travel and hotel costs of the away teams.

Wilby says the consortium has received pledges of support from the mayor of Harrison, the district of New Jersey which includes the Red Bull Arena, and have lucrative sponsorship deals lined up. He revealed the first task on getting the green light would be to appoint a head coach who has already been lined up.

Bob Brown, Hemel's founder and chairman, confirmed that ownership of Hemel Stags (2016) Ltd, the company that operates the Betfred League One team, has been acquired by a Canadian consortium but will not impact on the Stags community club at Pennine Way.

<https://www.nwemail.co.uk/sport/17513327.new-york-rugby-league-bid-chief-ricky-wilby-confident-of-winning-championship-and-league-one-clubs-round/>

**16** The bosses of Super League are keen to expand the game across the Atlantic. There is already one team, the Toronto Wolfpack, playing professional Rugby League in England.

**(a)\*** Analyse the different sources of funding likely to be available for any Super League teams based in the USA and Canada, and describe possible ways the teams could use the funding.

**[8]**

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**ADDITIONAL ANSWER SPACE**

If additional answer space is required, you should use the following lined pages. The question numbers must be clearly shown in the margins – for example, 14 or 15(a).

A large vertical rectangular area containing 25 horizontal dotted lines for writing answers.

A series of horizontal dotted lines for writing, spanning the width of the page.



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