



Oxford Cambridge and RSA

Wednesday 18 January 2023 – Morning

Level 3 Cambridge Technical in Sport and Physical Activity

05872 Unit 21: The business of sport

Time allowed: 1 hour 30 minutes

C404/2301



No extra materials are needed.



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

Candidate number

First name(s) _____

Last name _____

Date of birth

INSTRUCTIONS

- Use black ink. You can use an HB pencil, but only for graphs and diagrams.
- 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.
- Answer **all** the questions.

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.

Section A

Answer **all** the questions.

1 Outline what Corporate Social Responsibility involves for sports businesses.

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.....
.....
..... [2]

2 Identify **three** sources of funding for sports clubs.

1
2
3 [3]

3 Name **one** QUANGO involved with sports businesses.

..... [1]

4 State **four** ways that a school might use funding that it receives for sport or physical activity.

1
2
3
4 [4]

5 Describe **three** positive impacts of commercialisation on a professional sports club.

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[3]

6 Sports development is one responsibility of sports organisations in the UK.
Identify **four** other responsibilities of these organisations.

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[4]

7 Name **three** international governing bodies which have an impact on sport in the UK.

1

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[3]

8 Which of the following are measures of success for sports businesses?

Put a tick (✓) next to the **three** correct responses.

Benchmarking/best practice

Growth of product/service

Local needs/demographics

Loyalty/reward schemes

Share price

Winning trophies and competitions

[3]

9 Which of the following is a benefit to a sports business of customer loyalty/retention?

Put a tick (✓) in the box next to **one** correct answer.

It can have a negative impact on reputation

It makes employees' jobs easier

It makes other businesses lower their prices

It requires them to offer more discounts

[1]

10 Identify **two** rights of volunteers who work in sports businesses.

- 1
- 2 **[2]**

11 Describe **two** ways that a village football club could demonstrate their eligibility for funding.

- 1
-
- 2
- **[2]**

12 Identify **two** parts of the macro-environment of a sports business.

- 1
- 2 **[2]**

Section B

Answer **all** the questions.

13 Use the word bank to complete the sentences.

developed

engagement

executives

exploited

finances

improved

leisure

money

players

profit

sociable

statement

Commercialisation is sometimes defined as being managed or
in order to make a

It can be seen as the transformation of sport from a activity to
a paid spectator/performer activity.

It also leads to sports businesses realising the importance of customer/fan
.....

Commercialisation is important to sport and physical activity.

It can lead to an improvement in facilities and in the recruitment and development
of

[5]

14 Discuss the reasons why a cycling club might use volunteers to help organise and run a competitive race that they are hosting.

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[5]

15 Draw a line to link each of the examples of contract types described below to the correct job in a sports business.

Contract type	Job
Voluntary	Works in a gym at weekends.
Part-time	Paid stewards for a one-off sports event.
Seasonal	Working on the drinks stall at a community fun run.
Permanent	Works in a sports retail shop during the Christmas holidays.
Outsourcing	Manager of a leisure centre.

[5]

16 Describe **five** methods of staff retention used by sports businesses.

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[5]

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Turn over for the next question

Section C

Answer **all** the questions.

Nike fights on two fronts as brand is linked to bribery and doping allegations

Bribery and doping allegations in football and athletics have dragged sportswear maker Nike into two simultaneous public relation crises in recent years. While the company, currently valued at almost \$90 bn, is used to battling threats to its reputation, having to defend its globally recognised brand on two fronts is unwelcome.

Dr Leah Donlan, lecturer in marketing at Manchester Business School said, “it is reasonable to expect that customers might start to develop negative associations about the Nike brand”.

Nike agreed to pay \$40 m in “marketing fees” to the sports marketing firm responsible for marketing the Brazilian football team “on top of the \$160 m it was obligated to pay”, to secure the sponsorship of the team. Nike has strongly defended itself against suggestions that these overpayments were a form of kickback, saying that the legal claim does “not allege that Nike engaged in criminal conduct” or that “any Nike employee was aware of or knowingly participated in any bribery or kickback scheme”.

However, Nike appeared to have an extraordinary influence over the Brazilian team. Under its sponsorship deal, Nike was allowed to arrange five friendly matches a year for the team. It was even allowed to select the opponents and players for the so-called “Nike games”.

Whilst football is a big earner for Nike, the brand was actually established to make running shoes in Portland, Oregon. It is here that the Nike Oregon Project started, where Alberto Salazar, considered America’s most powerful running coach, has trained a number of highly successful competitors, including Britain’s Mo Farah.

The Nike Oregon Project has been closed down after head coach Alberto Salazar was banned for four years after being found guilty of doping violations. In a statement, a Nike spokesperson said the Salazar situation had become “an unfair burden” on athletes on the elite training programme. “Nike has always tried to put the athlete and their needs at the front of all of our decisions.”

Nike said: “We take the allegations very seriously, as Nike does not condone the use of performance-enhancing drugs in any manner.” The company’s share price has hardly moved since the bribery and doping scandals emerged. However, the company is well aware that scandals can provide opportunities.

In the past, Nike has promoted its association with two of sport’s biggest bad boys – footballer Eric Cantona and tennis star John McEnroe. Even reformed dope cheats are not considered out of bounds for Nike. They caused a controversy by signing Justin Gatlin, the US sprinter who has served two bans in the past for doping.

Sources:

<https://www.theguardian.com/sport/2015/jun/06/nike-fifa-salazar-brazil-football-athletics-doping-allegations>

<https://www.bbc.co.uk/sport/athletics/50011044>

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(b) Analyse the negative impacts of commercialisation on sports businesses in relation to:

Who controls sport:

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Over-reliance on funds/money from commercial sources:

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Pressure on players:

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[6]

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 17(a)*.

A vertical line on the left side of the page is followed by 25 horizontal dotted lines, providing a ruled area for writing answers.



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