

SPECIMEN

Advanced Subsidiary GCE
Leisure Studies

G182

Unit G182: Leisure industry practice

Specimen Paper

Candidates answer on the question paper.

Additional materials: Case Study material

| Time: | 1 | hour | 30 | minutes |
|-------|---|------|----|---------|
|-------|---|------|----|---------|

| Candidate Forename | Candidate Surname |
|-----------------------|----------------------|
| | |
| Centre Number | Candidate Number |

INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink.
- Read each question carefully and make sure you know what you have to do before starting your answer.
- Answer all the questions.
- Do not write in the bar codes.
- Do not write outside the box bordering each page.
- Write your answer to each question in the space provided.

INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- Your Quality of Written Communication is assessed in questions marked with an asterisk (*).
- The total number of marks for this paper is 100.

| FOR EXAMINER'S USE | |
|--------------------|--|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| TOTAL | |

| This document | consists of 13 | printed | pages and | d 3 blank | cpages. |
|---------------|----------------|---------|-----------|------------------|---------|
| | | | | | |

Answer all questions.

Extreme Adventure has achieved the Investors in People (IIP) quality standard. State two benefits to the staff of Extreme Adventure of having achieved the IIP quality (a) standard. Benefit 1: Benefit 2: (ii) State two benefits to Extreme Adventure of having achieved this quality standard. Benefit 1: Benefit 2:[2] (b) Discuss the benefits to Extreme Adventure of using IT-based systems rather than paper-based systems.

| | 3 |
|-----|--|
| | |
| | |
| | |
| | |
| | [8] |
| (c) | Administration systems such as: |
| | booking systems; |
| | handling and recording money; |
| | stock control; |
| | maintenance; |
| | are important to any leisure organisation. |
| | Assess how the management of Extreme Adventure could use the information gained from |
| | two of these systems in its planning and decision-making. |
| | System One: |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

| | System Two: |
|---|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | Analyse how the Disability Discrimination Act (DDA) impacts on an organisation such as |
| , | Extreme Adventure. |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |



(e) Extreme Adventure is aware of the need to review and keep its health and safety risk assessment procedures up to date. Below is an extract from the health and safety risk assessment.

Complete the health and safety risk assessment. You must:

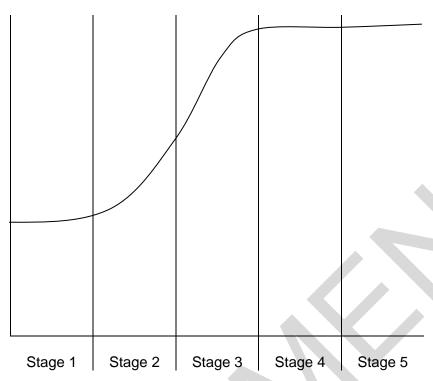
- rate the risk on severity of 1 (low) to 5 (high);
- identify who is most likely to be harmed;

(f)

- indicate a possible consequence should each hazard occur;
- propose a realistic measure to eliminate or reduce each risk.

| Hazard | Probability rating 1-5 (1=low, 5=high) | Severity rating 1- 5 (1=low, 5=high) | Who is most likely to be harmed | Consequence | Realistic measure |
|---|---|---|---|-------------|----------------------|
| Kayak turning upside down | 4 | | | | |
| Adverse weather conditions during a fell walk | 4 | | | | |

[8]



Product life cycle

| 2 (a) | (i) | Name the five stages of the product life cycle as shown on the diagram above. |
|-------|------|--|
| | | Stage 1: |
| | | Stage 2: |
| | | Stage 3: |
| | | Stage 4: |
| | | Stage 5:[5] |
| | (ii) | State at which stage of the product life cycle the aerial ropes course at Extreme Adventure would be placed. |
| | | |

(b) Extreme Adventure will take into account both internal and external influences on its business through the use of SWOT analysis.

Identify **two**:

- strengths;
- weaknesses;
- opportunities;
- threats;

which are likely to affect Extreme Adventure.

| which are likely to affect Extreme Adventure. | | | | |
|---|------------|--|--|--|
| Strengths | Weaknesses | | | |
| 1: | 1: | | | |
| | | | | |
| 2: | 2: | | | |
| | | | | |
| | | | | |
| Opportunities | Threats | | | |
| Opportunities 1: | Threats 1: | | | |
| | | | | |
| | 1: | | | |

| mix. | e could use pricing strategies as an element of its market |
|------|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

- **3** A business such as *Extreme Adventure* uses a range of financial documents and terms such as balance sheets, profit and loss accounts and cash flow forecasts which contain financial terminology.
 - (a) Explain each of the following terms:
 - creditors as shown on a balance sheet;
 - net profit as shown in a profit and loss account;
 - revenue as shown in a cash flow forecast.

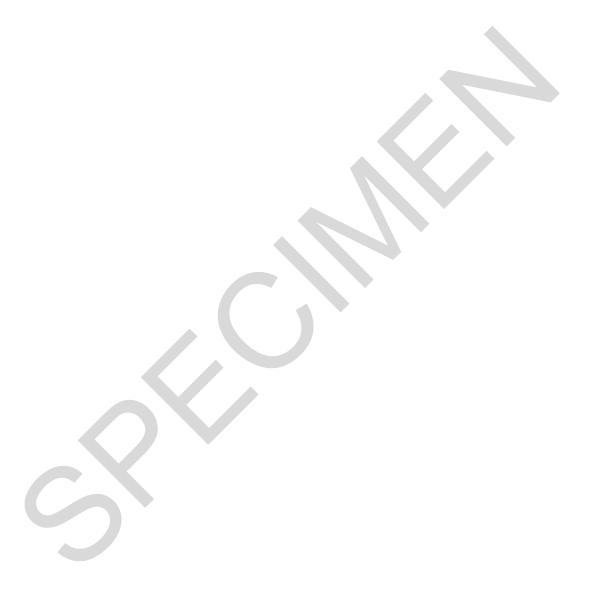
| Financial Term | Explanation |
|----------------|-------------|
| Creditors | |
| Net Profit | |
| 5 | |
| Revenue | |
| | |
| | |

| | 13 |
|-----|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | [10] |
| (c) | Analyse how the Children Act impacts on leisure organisations such as Extreme Adventure. |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | [6] |
| | |
| | Paper Total [100] |
| | |
| | |
| | |
| | |









Copyright Acknowledgements:

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (OCR) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest opportunity.

OCR is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.

© OCR 2009





OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced Subsidiary GCE

LEISURE STUDIES

G182

Unit G182: Leisure industry practice

Specimen Mark Scheme

The maximum mark for this paper is 100.

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 1(a)(i) | State two benefits to the staff of Extreme Adventures of having achieved the IIP quality standard. | |
| | One mark for each correct identification up to a maximum of two identifications. | |
| | Good quality training when required (✓). | |
| | Improved job satisfaction (✓). | |
| | Better communication (✓). | |
| | Career development opportunities (✓). | |
| | Better working environment (√). | |
| | Increased responsibility (✓). | |
| | Increased involvement (✓). | [2] |
| (ii) | State <u>two</u> benefits to Extreme Adventure of having achieved this quality standard. | |
| | One mark for each correct identification up to a maximum of two identifications. | |
| | Improved productivity (✓), profitability (✓) and earnings (✓); by attracting more customers (✓). | |
| | Help employees become customer focused (✓). | |
| | Improved staff motivation (✓). | |
| | Competitive edge (✓). | |
| | Public recognition/corporate image (✓) | |
| | Lower staff turnover (✓). | [2] |
| 1(b) | Discuss the benefits to Extreme Adventure of using IT-based systems rather than paper-based systems. | |
| | [0 mark]: response not worthy of credit | |
| | Level 1: [1-4 marks] | |
| | Candidate identifies/describes some benefits of using IT-based systems rather than paper-based systems. Candidate makes an attempt to discuss some of the benefits of using IT based systems rather paper-based systems. | |
| | Level 2: [5-8 marks] | |
| | Candidate identifies a range of benefits to Extreme Adventure of using IT-based systems rather than paper-based systems showing a detailed knowledge and understanding of the topic. Candidate is able to provide an effective discussion of the benefits. Candidate draws appropriate conclusions regarding the most important benefit to Extreme Adventure of using IT-based systems. The response will be logically developed and coherent. | |

| Question Number | Answer | Max Mark |
|--------------------|---|-------------|
| 1(b) cont | Benefits – indicative content: | |
| () | faster than paper based; | |
| | a centralised overview can be taken; | |
| | information can be easily accessed to help improve management planning; | |
| | can easily be updated; | |
| | can be accessed at multiple points; | |
| | provides information on demand; | |
| | space saving. | |
| | | |
| | Exemplar Response: | |
| | Due to the greater speed and storage capacity most organisations choose to have a computer based system. A computerised system will allow a huge amount of information together (L1) – details of costs, bookings, customers details, although a power cut would make this information inaccessible. If the organisation decided to change the process of activities this could be done at the touch of a button, rather than having to work it out by hand – saving time (L2). The computer system would also mean that more than one member of staff could access the information at one time, and it would be safer than paper based information as security would be provided with pass words etc (L2). Although computerised systems have many positives, they also have | |
| | areas, which may deter organisations choosing them over paper based. The initial set up cost of a computerised system is much larger than that of a paper based, however in the long term this cost will be paid back through increased efficiency within organisations such as Extreme Adventure, it would ensure that no double bookings could take place (L2) thus ensuring better customer service. (L2). | |
| | Another downside would be staff training, most people can read and write, however if using an IT based system, staff would have to be trained in its use, again costly in the short term (L2), but once trained staff at Extreme Adventure should be able to use the system to provide accurate and up to date information to both customers and managers (L2). Information collected on the IT based systems could also be used to help other parts of the organisation, such as marketing – using customer details in a mail shot (L2). Although the IT system will cost more initially, the benefits for the organisation in the long run would out weigh these (L2). | [8] |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 1(c) | Administration systems such as: booking systems; handling and recording money; stock control; maintenance; are important to any leisure organisation. Assess how the management of Extreme Adventure could use the information gained from two of these systems in its planning and | |
| | decision-making. | |
| | For each system: | |
| | [0 mark]: response not worthy of credit | |
| | Level 1: [1-2 marks] | |
| | Candidate identifies/describes some ways in which information from one or more systems could be used by Extreme Adventure to assist planning and decision-making. The candidate makes some attempts to assess how the management of Extreme Adventure could use the information gained. | |
| | Level 2: [3-4 marks] | |
| | Candidate identifies a range of ways in which information from two systems could be used by Extreme Adventure to assist planning and decision-making, showing a detailed knowledge and understanding of the topic. Candidate is able to provide an effective assessment and draws appropriate conclusions as to how the management of Extreme Adventure could use information from a system to assist planning and decision-making. The response will be logically developed and coherent. | |
| | Stock control: | |
| | Extreme Adventure could use the information generated from the stock control system to ensure they keep as little stock as possible (L1) as stocks are a cost to the business (L2). | |
| | The system will also allow Extreme Adventure to work out the value of stock held within the organisation at any point in time (L1). | |
| | With the information generated from this it would allow them to carry out a stock analysis, such as identifying items that are selling well, and may need extra stock (L1), in the short term or vice versa and need cutting back, providing Extreme Adventure with a good system of ensuring they are using their money to best advantage (L2). | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 1(c) cont | When a booking is made and paid for the customer will be issued with a receipt or invoice for the given activity, this provides Extreme Adventure with information regarding usage (L1) that could be used to influence | |
| | future planning (L2). They will gain information about which activity has been selected (L1), from this they can determine trends in popularity (L1) and take appropriate action such as reducing or marketing a particular activity (L2). Within the payment system coding will allow Extreme | |
| | Adventure to create an audit trail identifying who took payment (L1), this would help them prevent and investigate possible fraud (L2). Information generated from this system could be used in | |
| | many ways, daily updates on cash inflow, popularity of activities (L1) whilst safeguarding the organisation and would prove very useful (L2). It will allow the management to gather information on patterns of use which can be used to modify the facilities programme (L2). | |
| | Booking systems: | |
| | The information from the booking system can provide Extreme Adventure with information that will allow them to organise their resources (L1) so all customer needs are met (L2), and provide them with information about their users (L1). | |
| | This information will allow Extreme Adventure to allocate time slots for particular activities (L1), useful when there are limited resources available (L2). | |
| | It will also allow them to programme in special events (L1) which may have an impact on the day to day operations of the facility (L2). | |
| | It will allow the management to gather information on patterns of use (L1) which can be used to modify the facilities programme (L2). | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 1(c) cont | Extreme Adventure must carry out maintenance to make sure the facility is kept to an acceptable standard. Information from the maintenance system can allow Extreme Adventure to have a planned system of preventative maintenance (L1). If done in a planned manner it can prevent large bills for the facility if not included in the plan (L2). The information allows Extreme Adventure to budget for repairs or replacements (L1) without causing unexpected financial problems (L2). It allows Extreme Adventure to have planned deployment of staff either internal or external on maintenance tasks (L1) at times which would cause least disruption (L2). Daily or weekly maintenance checks (L1). Analyse how the Disability Discrimination Act (DDA) impacts on an organisation such as Extreme Adventure. [0 mark]: response not worthy of credit | [8] |
| | Level 1: [1-4 marks] Candidate identifies/describes some impacts of the DDA on an organisation such as Extreme Adventure. Candidate makes an attempt to analyse some of the impacts of the DDA on an organisation such as Extreme Adventure. Level 2: [5-8 marks] Candidate identifies a range of impacts of the DDA on an organisation such as Extreme Adventure showing a detailed understanding of the topic. Candidate effectively analyses a range of impacts of the DDA in relation to Extreme Adventure. The response will be logically developed and coherent. Impacts – indicative content: • giving people equal opportunities; • access – ramps, lifts, specialist equipment; • costs to change; • staff development and training. | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| | Exemplar Response: The DDA's aim is to ensure that no person is discriminated against on the basis of disability (L1). Extreme Adventure must make changes to their facility where possible to make sure people with disabilities are able to get in (L2). An organisation must not discriminate against anyone based on disability (L1). In order to comply with the DDA Extreme Adventure must first of all understand the requirements of the act. They may need to make a number of modifications, which are seen as reasonable to ensure everyone is able to access the organisation. This may include adding ramps, automatic doors and changing things such as lowering the reception desk (L2). They also need to consider things such as how they issue their marketing materials – can their website be read by people with disabilities, do marketing materials come in other formats such as large print and Braille (L2). The day to day impact of the act could be the management having to think about modifications to the building, but also having to think about how they could modify the activities to make them more accessible. The DDA act does throw up a number of problems for Extreme Adventure due to the nature of the service they offer, unlike a traditional leisure facility, many of the activities offered are based in the outdoors and therefore need modifying in other ways, this may be having to look at specially adapted canoes, or climbing equipment (L2). Complete the health and safety risk assessment. One mark for each correct identification up to maximum of eight identifications. Severity: If linked to consequence 5 = drowning, otherwise accept anything 3 and under. | |
| | under. | |
| | Who is most likely to be harmed: | |
| | person inside the kayak (✓); | |
| | anybody doing outdoor activities (✓). | |
| | Consequence: | |
| | drowning (✓); | |
| | hypothermia (✓); | |
| | dehydration (✓); | |
| | disorientation in poor weather (✓); | |
| | falling / slipping on the fell – breaking bones (✓). | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 1(e) cont | Realistic measure: | |
| | helmets to be worn (✓); | |
| | all people using kayak must undergo training (✓); | |
| | safety boat to be used whenever groups on the water (✓); | |
| | buoyancy aids to be used by all on the water (✓). | |
| | correct outdoor clothing to be worn or carried for changes in weather (√); | |
| | all groups on the fell to be accompanied by a suitably qualified leader (✓); | |
| | alternative routes to be planned to be used if necessary (✓). | |
| | cancel activity (✓). | [8] |
| 1(f) | State <u>two</u> responsibilities that employees at Extreme Adventure have under the Health and Safety at Work Act. | |
| | One mark for each correct identification up to maximum of two identifications. | |
| | Take sensible care of their own health and safety (✓). | |
| | Take reasonable care of others health and safety (✓). | |
| | Cooperate with appropriate organisations in regard to health and safety (√). | |
| | Use equipment provided to maintain health and safety (✓). | [2] |
| (ii) | State <u>two</u> responsibilities that Extreme Adventure as an employer has under the Health and Safety at Work Act. | |
| | One mark for each correct identification up to maximum of two identifications. | |
| | To provide equipment that is not a risk to health (✓). | |
| | To ensure work systems and practices are safe (✓). | |
| | To provide safe storage for substances that could pose a threat to safety and ensure their safe use (√). | |
| | Employers must consult employees about health and safety arrangements (✓). | |
| | Employers must prepare a written health and safety statement (✓). | |
| | Adequate information about work related hazards and the precautions needed are made available (√). | [2] |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 2(a)(i) | Name the <u>five</u> stages of the product life cycle as shown on the diagram above. | |
| | One mark for each correct identification up to a maximum of five identifications. | |
| | Stage 1 – Research/development (✓). | |
| | Stage 2 – Introduction (✓). | |
| | Stage 3 – Growth (✓). | |
| | Stage 4 – Maturity (✓). | |
| | Stage 5 − Saturation (✓). | [5] |
| (ii) | State at which stage of the product life cycle the aerial ropes course at Extreme Adventure would be placed. | |
| | Stage 1 – Research/development (✓). | [1] |
| 2(b) | Identify two: | |
| | strengths; | |
| | weaknesses; | |
| | opportunities; | |
| | threats; | |
| | which are likely to affect Extreme Adventure. | |
| | One mark for each correct identification up to a maximum of eight identifications. | [8] |
| | Strengths: | |
| | reputation (✓); | |
| | close to motorway (✓); | |
| | local environment (√); | |
| | low staff turnover – less training costs(✓). | |
| | Weaknesses: | |
| | physical location along winding roads (✓); | |
| | limited target market (✓); | |
| | low staff turnover – limited new ideas (✓); | |
| | no online booking (√). | |
| | | |

| Question Number | Answer | Max Mark |
|--------------------|---|-------------|
| 2(b) cont | Opportunities: | |
| () | expand into other markets – management team (✓); | |
| | building (✓); | |
| | expansion into new areas –ropes course (✓); | |
| | on line booking (✓). | |
| | Threats: | |
| | changing demographic pattern (✓); | |
| | competition (√); | |
| | DDA implications (√); | |
| | management of schools – less outdoor adventure used following a number of well publicised incidents and deaths (✓). | |
| 2(c) | Discuss how Extreme Adventure could use pricing strategies as an element of its marketing mix. | |
| | [0 mark]: response not worthy of credit | |
| | Level 1: [1-4 marks] | |
| | Candidate identifies/describes some ways in which Extreme Adventure could use pricing strategies as an element of its marketing mix. Candidate makes some attempts to discuss some of the ways in which pricing strategies can be used by Extreme Adventure. | |
| | | |
| | Level 2: [5-8 marks] | |
| | Candidate identifies a range of ways in which Extreme Adventure could use pricing strategies as an element of its marketing mix showing a detailed understanding of the topic. Candidate is able to provide an effective discussion and draw appropriate conclusions as to the most effective ways in which Extreme Adventure could use pricing strategies as an element of its marketing mix. The response will be logically | |
| | developed and coherent. | |
| | Ways – indicative content: | |
| | cost plus pricing; | |
| | cost plus pricing; competitive pricing; | |
| | discount pricing; | |
| | discount pricing, variable pricing. | |
| | variable priority. | |

| Question Number | Answer | Max Mark |
|--------------------|---|-------------|
| 2(c) cont | Extreme Adventure could use a range of pricing policies to get as many customers as possible. One method they could use is competitive pricing (L1); they have to compete with other facilities for the school and college business so have to offer a price which is similar to the competition (L1). Getting the pricing policy right determines the long term success of an organisation. Extreme Adventure must make sure it gets its pricing policy right or it could not get enough customers if the price is too high, or may not make sufficient profit if the price is too low (L2). As part of the marketing mix they need to make sure that the offer they make in terms of price is viewed as part of the overall marketing offer. When introducing a new activity such as the ropes course, they could link discount pricing in with the marketing aspect, using the price, product and promotion together to get the best outcome (L2). A range in pricing policies is probably the best option for an organisation such as Extreme Adventure, as they have a wide range of customers. As their largest customers are schools and colleges, they should look at competitive pricing. The reason for this would be that there are many providers who offer similar activities for schools so in order to retain and gain customers they need to remain competitive (L2). However, the downside of this is that they may be cutting their profit margins to remain competitive and this could affect the overall profitability of the organisation (L2). They could also look at variable pricing (L1), where they can vary price according to customer types, times and days and seasons (L1) This would ensure that they could provide special offers when the off season, again the downside of this could be it reduces profits (L2). They also need to look at pricing as part of the whole picture - is the price charge appropriate to the product offered and the promotion taking place (L2). | [8] |
| 3(a) | Explain each of the following terms: creditors as shown on a balance sheet; net profit as shown in a profit and loss account; revenue as shown in a cash flow forecast. Up to two marks for each explanation. Creditors: These are individuals or organisations () to which a business owes money (</).</td <td></td> | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 3(a) cont | Net profit: | |
| o(e) com | The difference between a business's sales revenue and total costs (\checkmark). The amount of money earned after all expenses, including overheads, employee salaries, manufacturing costs, and advertising costs, have been deducted from the total revenue (\checkmark). | |
| | Revenue: | |
| | This is the income of an organisation (\checkmark) derived from its main activities (\checkmark) , sales (\checkmark) , interests (\checkmark) , from loans and other investments (\checkmark) . | [6] |
| 3(b) | Assess the importance of budgeting to a leisure organisation such as Extreme Adventure. | |
| | [0 mark]: response not worthy of credit. | |
| | Level 1: [1-4 marks] | |
| | Candidate identifies/describes some reasons why it is important to use budgeting techniques. Candidate makes some attempt to assess their importance. | |
| | Level 2: [5-8 marks] | |
| | Candidate identifies a range of reasons why it is important to use budgeting techniques showing a detailed understanding of the topic. Candidate is able to effectively assess the importance of budgeting to a leisure organisation such as Extreme Adventure, drawing appropriate conclusions about its relative importance. The response will be logically developed and coherent. | |
| | Importance of budgeting – indicative content: | |
| | financial control; | |
| | help avoid overspending; | |
| | used to plan ahead;reduce fraud. | |
| | • reduce nadd. | |
| | | |
| | Exemplar Response: A budget is a plan that outlines organisations financial or operational goals. It is an action plan. It helps a business allocate resources, evaluate performance, and formulate plans (L1). Budgets are used to help the financial control of businesses; it provides a plan for future operations within a facility (L1). Budgets allow organisations to monitor their cash flow and avoid possible financial difficulties (L1). | |

| Question Number | Answer | Max Mark |
|--------------------|---|-------------|
| 3(b) cont | Budgets could also be used by Extreme Adventure to control its cash flow, an issue for the organisation, ensuring that no one within the organisation overspends by comparing actual figures with budgeted figures (L2). This also allows them to plan for major changes within the organisation (L2). Knowing the exact state of their budgets, and being in control of them, allows Extreme Adventure to take advantage of opportunities that they might otherwise miss (L2). Budgeting is a management tool for controlling and effecting change in an organisation such as Extreme Adventure. Budgeting would force Extreme Adventure to think ahead and plan, without budgeting they may work on a day to day basis, which may happen in a family run business, without anticipating what the future may bring (L2). With this planning and coordination it would mean that all areas of Extreme Adventure would be working together in order to achieve the organisation's aims rather than pulling in different financial directions (L2). Budgets and forecasts could be used by Extreme Adventure to find funding. They demonstrate the potential of business to investors and lenders (L2). Although budgets are positive in many ways, they also have limitations. External influences may affect the budget, should an unpredictable event | |
| 3(c) | occur this may affect the outcome of the budget (L2). Should the initial objectives for the organisation be over ambitious, then the budgeting that follows on from this may have little or no value (L2). Extreme Adventure has experienced some cash flow problems (see | [8] |
| 3(0) | Fig. 2). Analyse the possible reasons for these cash flow problems. | |
| | [0 mark]: response not worthy of credit | |
| | Level 1: [1-3 marks] | |
| | Candidate identifies/describes some possible reasons for cash flow problems. Candidate makes some attempts to analyse some possible reasons for these cash flow problems. | |
| | Level 2: [4-6 marks] | |
| | Candidate identifies a number of possible reasons for cash flow problems in the context of Extreme Adventure showing a detailed knowledge and understanding of the topic. Candidate is able to effectively analyse a number reasons for these cash flow problems. The response will be logically developed and coherent. | |

| Question Number | Answer | | | | | |
|--------------------|--|-----|--|--|--|--|
| 3(c) cont | Reasons – indicative content: | | | | | |
| , , | costs greater than expected; | | | | | |
| | insufficient cash during the start up period; | | | | | |
| | insufficient revenue; | | | | | |
| | highs and lows in cash flow; | | | | | |
| | poor planning; | | | | | |
| | seasonality of activities; | | | | | |
| | seasonality of groups; | | | | | |
| | discounts to schools. | | | | | |
| | | | | | | |
| | Exemplar Response: | | | | | |
| | Cash flow problems are the main reason why businesses fail, often during start up the owner will fail to put in enough cash to meet the needs of a new venture (L1), costs may be higher than anticipated (L1), and revenue low, or intermittent (L1), causing the organisation problems as they have no constant cash flow (L1). | | | | | |
| | Extreme Adventure has cash flow problems due to a number of different reasons. The main reason for cash flow problems is their main customers are school groups, this means they only come at certain times of the year which is when Extreme Adventure will get a large part of their income for the year in a small space of time and have to mange this throughout the year (L2). The other issue with this group is that in order to obtain their custom they have to offer a very competitive rate, which means they are possibly not getting the best rate for the activities offered (L2), so not only are they getting the money at one time it is also at a lower level (L2). | | | | | |
| | A further problem with the customer group being mainly schools is that Extreme Adventure may have become over reliant on the income from this group and feel unable to make changes that would increase the income in case they go elsewhere (L2). Due to the centre being outdoors there is the effect of seasonality on cash flow. They are already affected by the seasonality of school groups working around the school holidays, however the other impact is that as an outdoor centre it remains quieter over the colder winter period, as people are less inclined to visit when it is cold (L2). These issues will continue unless Extreme Adventure looks at modifying its product, maybe offering activities that could be accessed all | | | | | |
| | year round, or that would appeal to a wide customer base (L2). | [6] | | | | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 4(a) | Suggest two qualitative methods that Extreme Adventure could use. | |
| | One mark for each correct identification up to a maximum of two identifications. | |
| | Feedback from customers via: | |
| | comments card (✓); | |
| | post event positive/negative letters (✓); | |
| | focus groups, mystery shoppers (√); | |
| | questionnaires or survey (√); | |
| | observation (✓). | [2] |
| 4(b)* | Discuss a suitable promotional strategy that Extreme Adventure could develop to encourage greater use of the centre during off peak times. [0 mark]: response not worthy of credit. | |
| | Level 1: [1-4 marks] | |
| | Candidate identifies/describes some aspects of a promotional strategy. Information may be in list form. Candidate makes some attempts at a limited discussion of the aspects. | |
| | Candidate communicates at least one point using some appropriate terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive. | |
| | Level 2: [5-7 marks] | |
| | Candidate identifies/describes a number of aspects of a promotional strategy that Extreme Adventure could develop to encourage greater use of the centre during peak times. | |
| | Candidate is able to consider a number of the aspects in order to provide a discussion of the promotional strategy that Extreme Adventure could use. | |
| | Candidate has a limited ability to organise relevant material. Some appropriate terminology used. Sentences are not always relevant with material presented in a way that does not always address the question. There may be noticeable errors of grammar, punctuation and spelling. | |

| Question Number | Answer | | | | |
|--------------------|---|--|--|--|--|
| 4(b)* cont | Level 3: [8-10 marks] Candidate is able to provide a detailed discussion of the appropriate elements of a promotional strategy that Extreme Adventure could develop To encourage greater use of the centre during off peak times, drawing appropriate conclusions and recommending an effective promotional strategy. Candidate presents relevant material in a well planned and logical sequence. Material clearly structured using appropriate terminology confidently and accurately. Sentences, consistently relevant are well structured in a way that directly answers the question. There will be few, if any errors of grammar, punctuation and spelling. Aspects of a promotional strategy – indicative content: Objectives: • raise awareness; • increase sales; • informing customers; • motivating people to buy; • improving image; • attracting new customers; • maintaining existing customers. | | | | |
| | Methods: | | | | |

| Exemplar Response: Promotion is a vital part of the marketing mix, one aim of a promotional strategy is to make people to buy the product or service (L1). To do this they need to do a number of things in order to achieve this aim. Extreme Adventure has a problem with quiet times in the year; to overcome this they should look at promoting their products more. Extreme Adventure could use more advertising this would mean that more people would become aware of the product (L2), so increasing the chance of them buying the products / service. (L3) To ensure that Extreme Adventure retain their previous customers they could use direct marketing (L1). This means that information about the new products and services cold be sent directly to the customer (L2) — this is beneficial for Extreme Adventure as these people may return again, they could combine this with a sales promotion, reducing the cost of the activity if booked for one of the off peak times, so increasing usage at off peak times (L3). In order to gain new customers they could look at advertising (L1). They need to make sure that the advertising is targeted to get the most from it. One of the main groups is schools and colleges, they could email an advert to schools in the local area, which includes a discount coupon for the school should they book at a quieter time of the year (L2), again increasing usage. Public relations activities such as the open day, would be useful to target previous and new customers, it would allow the organisation to present itself in the best possible light, and book people in at other times of the year (L3). However, should there be an alternative event on the same day, (L3). However, should there be an alternative event on the same day, or poor weather, this may affect uptake (L3). The best option for Extreme Adventure to increase usage of the centre during the off peak sessions would be to have a promotional strategy that looks at all aspects of the marketing mix (L3). They should carry out market research to collect qualitat | Question Number | Answer | Max Mark |
|--|--------------------|--|-------------|
| audience. Sales promotions offering discounts may encourage off peak usage, however, this may be costly for the organisation in terms of profit (L3). Direct marketing would allow them to target specific groups who may want to use the centre, however it may be viewed as junk mail and thrown away without being read (L3). Public relations would be good in terms of image, however, may not result in a huge number of sales as it may be very localised to the facility (L3). | | Promotion is a vital part of the marketing mix, one aim of a promotional strategy is to make people to buy the product or service (L1). To do this they need to do a number of things in order to achieve this aim. Extreme Adventure has a problem with quiet times in the year; to overcome this they should look at promoting their products more. Extreme Adventure could use more advertising this would mean that more people would become aware of the product (L2), so increasing the chance of them buying the products / service. (L3) To ensure that Extreme Adventure retain their previous customers they could use direct marketing (L1). This means that information about the new products and services cold be sent directly to the customer (L2) – this is beneficial for Extreme Adventure as these people may return again, they could combine this with a sales promotion, reducing the cost of the activity if booked for one of the off peak times, so increasing usage at off peak times (L3). In order to gain new customers they could look at advertising (L1). They need to make sure that the advertising is targeted to get the most from it. One of the main groups is schools and colleges, they could email an advert to schools in the local area, which includes a discount coupon for the school should they book at a quieter time of the year (L2), again increasing usage. Public relations activities such as the open day, would be useful to target previous and new customers, it would allow the organisation to present itself in the best possible light, and book people in at other times of the year (L3). However, should there be an alternative event on the same day, or poor weather, this may affect uptake (L3). The best option for Extreme Adventure to increase usage of the centre during the off peak sessions would be to have a promotional strategy that looks at all aspects of the marketing mix (L3). They should carry out market research to collect qualitative and quantitative information to find out what their customers want. From this informa | [10] |

| Question Number | | | | | |
|--------------------|---|--|--|--|--|
| 4(c) | Analyse how the Children Act impacts on leisure organisations such as Extreme Adventure. | | | | |
| | [0 mark]: response not worthy of credit. | | | | |
| | Level 1: [1-3 marks] | | | | |
| | Candidate identifies/describes some aspects of the Children Act. Candidate makes some attempts to analyse how the Children Act impacts on leisure organisations such as Extreme Adventure. | | | | |
| | Level 2: [4-6 marks] | | | | |
| | Candidate identifies a range of ways in which the Children Act impacts on leisure organisations such as Extreme Adventure, showing a detailed knowledge and understanding of the topic. Candidate is able to effectively analyse a number impacts of the act. The response will be logically developed and coherent. | | | | |
| | Aspects of Children Act – indicative content: | | | | |
| | adequate social services are accessible; | | | | |
| | people providing child care and minding are properly qualified and certified; | | | | |
| | information on child protection is circulated; | | | | |
| | day care facilities are registered and inspected. | | | | |
| | Exemplar Response: | | | | |
| | The purpose of the Children Act is to ensure that children are protected (L1). Organisations hosting young children must apply for registration and have qualified staff (L1). Organisations must have proper supervision in place, a system of checks, training for staff and guidelines for staff and children to follow (L1). | | | | |
| | The Act places particular responsibilities on those with access to children; this is very much the case for Extreme Adventure. Access for adults also has to be carefully controlled, with police checks becoming routine for anyone working with children (L2). Extreme Adventure must ensure all staff working within the organisation have a police check, and this must be completed prior to them starting work, all references and staff records must be checked thoroughly (L2). | | | | |
| | This often takes a long time, and over the last few years there often has been a backlog, this means that Extreme Adventure has to plan in advance to always ensure they have sufficient and qualified staff in place (L2). | | | | |
| | The Children Act places many constraints on the day to day operations of the centre. Extreme Adventure must plan work in order to minimise situations in which abuse could occur (L2). They also need to involve staff in any procedures and training them to supervise or protect children (L2). The impact of this is the cost in both time and money to do the required training (L2). | | | | |

| Question Number | Answer | Max Mark |
|--------------------|--|-------------|
| 4(c) | There are set ratios of how many children can be supervised by staff, this impacts on the running of Extreme Adventure, as depending on the age of the customers they may need to increase the number of staff supervising (L2), so they may need to have a larger group of staff to call on. The Children Act also states which records must be kept, such as an accident book. The impact for Extreme Adventure is that they must abide by these or will not be allowed to operate an organisation which offers activities for children (L2). The taking of images which include children is now more strictly controlled, for Extreme Adventure this means that on a day to day basis they need to be aware of who is taking images, for what purpose and do they have parental permission. This means they will have to monitor people taking images within the organisation (L2). The Children Act works in support of Extreme Adventure as it tries to ensure that children in its care are safe, which is good for all concerned. The disadvantage of the act is having to stay up to date with the ever changing legislation and ensuring that they have sufficient resources in place to implement it correctly (L2). | [6] |
| | Paper Total | [100] |

20

Assessment Objectives Grid

| Question | AO1 | AO2 | AO3 | AO4 | Total |
|----------|-----|-----|-----|-----|-------|
| 1ai | | 2 | | | 2 |
| 1aii | | 2 | | | 2 |
| 1b | | 2 | 3 | 3 | 8 |
| 1c | 2 | 2 | 2 | 2 | 8 |
| 1d | 2 | 3 | 3 | | 8 |
| 1e | 4 | 4 | | | 8 |
| 1fi | 2 | | | | 2 |
| 1fii | 2 | | | | 2 |
| 2ai | 5 | | | | 5 |
| 2aii | | 1 | | | 1 |
| 2b | 4 | 4 | | | 8 |
| 2c | | 2 | 3 | 3 | 8 |
| 3a | 6 | | | | 6 |
| 3b | | 2 | 3 | 3 | 8 |
| 3c | 2 | 2 | 2 | | 6 |
| 4a | | 2 | | | 2 |
| 4b* | 2 | 2 | 3 | 3 | 10 |
| 4c | 2 | 2 | 2 | | 6 |
| Totals | 33 | 32 | 21 | 14 | 100 |