

Friday 17 January 2025 – Morning

Level 3 Cambridge Technical in Sport and Physical Activity

05872 Unit 21: The business of sport

Time allowed: 1 hour 30 minutes

C404/2501



No extra materials are needed.



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

Centre number

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Candidate number

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First name(s)

Last name

Date of birth

D	D	M	M	Y	Y	Y	Y
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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.

2
Section A

1 The business environment model is split into three elements.

Which **one** of the following is **not** part of the micro-environment?

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

- Competitors
- Customers
- Employees
- Suppliers

[1]

2 The macro-environment is often assessed using a PEST analysis.

Identify the forces and trends that each letter represents.

- P
- E
- S
- T

[4]

3 Which **one** of the following is an example of an organisation in the voluntary sector.

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

- Community football team
- Local authority leisure centre
- Private golf club
- Union of European Football Associations

[1]

4 Give a named example of each of the following types of sports business:

- private sports club
- sports betting
- sports media
- sports retail

[4]

5 Explain **three** differences between the structure of a local sport business and the structure of an international sports business.

- 1
-
- 2
-
- 3
-

[3]

6 Identify **two** positive impacts of the commercialisation of sport on a professional rugby team.

- 1
- 2

[2]

7 Other than sales, identify **three** sources of funding for sport in the UK.

- 1
- 2
- 3

[3]

8 Describe **two** ways funding can be used by a local leisure centre to develop its provision.

1

.....

2

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[2]

9 Describe **two** criteria that a voluntary sector organisation such as a local sports club may need to meet to gain funding.

1

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2

.....

[2]

10 Explain **two** ways in which a private sector sports business can measure success.

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[2]

11 Recruiting and retaining staff is becoming more difficult for all sports businesses.

Identify **two** benefits of retaining staff to a sports business.

1

2

[2]

12 Identify and explain **two** methods that a sports business can use to retain its staff.

Method 1

Explanation

.....

.....

Method 2

Explanation

.....

.....

[4]

Section B

13

(a) Describe what is meant by the term Corporate Social Responsibility (CSR).

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

(b) Describe **three** reasons why CSR is important to a global sports organisation.

1
.....
2
.....
3
..... [3]

14

(a) To be sustainable, a business needs to be economically viable.

Explain what is meant by economically viable.

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

(b) Describe **two** ways in which a sports retail business selling clothing and footwear can operate sustainably.

1
.....
.....
2
.....
..... [4]

15

(a) Community-based running clubs rely on volunteers to operate.

Identify **two** types of volunteers.

1

2

[2]

(b) Describe **four** roles that volunteers could undertake to support the operations of the running club.

1

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2

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3

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4

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[4]

16 Describe **four** potential ways in which corruption could occur within sport.

1

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2

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3

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4

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[4]

Section C

Financial sustainability in football

A report commissioned by the Department for Culture, Media and Sport (DCMS) highlights the culture of football clubs operating unsustainable financial practices. Clubs are seen to be placing success above everything else including effective financial management.

Issues include an overreliance on sponsorship deals and owner funding, which can leave clubs dangerously exposed if owners are unable or unwilling to continue financing clubs via cash injections in the form of loans or shares.

Many Premier League and Championship clubs are now regularly exceeding UEFA's guidance, such as spending more than 70% of club revenue on wages, leading to weakened financial positions. A number of football clubs have faced charges of alleged rule breaking by the Premier League including areas such as manager pay and the accuracy of financial information.

Clubs may face sanctions for breaching financial fair play regulations set by governing bodies such as UEFA or FIFA. Clubs may be penalised for breaches of player contract regulations, such as approaching players contracted to other clubs without permission, failing to pay player wages or transfer fees, or breaking financial sustainability rules.

Clubs may face financial penalties as part of sanctions as well as points deductions or bans from competitions, all of which can have a direct impact on the club's financial stability. Sanctions can damage a club's reputation, leading to the loss of sponsorship deals or diminished commercial opportunities as well as having a sporting impact.

These issues impact on the club, sponsors and the wider fan community in a number of ways. Sponsors may no longer wish to be associated with a club and withdraw from sponsorship deals.

EXTRA ANSWER SPACE

If you need extra space use these lined pages. You must write the question numbers clearly in the margin.

The page contains a large area for writing, bounded by horizontal dotted lines. A vertical solid line is positioned on the left side of this area, creating a margin. The dotted lines are evenly spaced and extend across the width of the page.

A large area of the page is reserved for writing, featuring a vertical solid line on the left side and horizontal dotted lines extending across the page.



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