

Modified Enlarged 18pt

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Thursday 5 June 2025 – Morning

Level 3 Cambridge Technical in Sport and Physical Activity

05872

Unit 21: The business of sport

**Time allowed: 1 hour 30 minutes
plus your additional time allowance**

No extra materials are needed.

Please write clearly in black ink.

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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READ INSTRUCTIONS OVERLEAF



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 (*).

ADVICE

Read each question carefully before you start your answer.

SECTION A

- 1 The sports industry is made up of many business sectors.

Which of the following is NOT a retail sports business?

Put a tick (✓) in the box next to the correct answer. [1]

Decathlon ☐

JD Sports ☐

Sky Sports ☐

Sports Direct ☐

- 2 Identify TWO ways in which a public sector leisure centre is funded.

1 _____

2 _____

[2]

- 3 Sports businesses are often involved in the delivery of sports development initiatives.**

Identify THREE initiatives that aim to increase participation.

1 _____

2 _____

3 _____

[3]

- 4 Sports businesses have different characteristics depending on the type of business they are.**

Complete the table and state ONE characteristic each for private and voluntary sector businesses. An example has been provided for you. [2]

SECTOR	CHARACTERISTIC
Public	Funded by local or national government
Private	
Voluntary	

5 Describe the features of the organisational structure of a typical local business, such as a sports shop.

[4]

6 Give ONE example of commercialisation in sport.

[1]

7 Identify FOUR negative impacts of commercialisation in sport.

1

2

3

4

[4]

8 Identify FOUR positive impacts of commercialisation in sport.

1 _____

2 _____

3 _____

4 _____

[4]

9 Identify FOUR ways that funding received from Sport England could be used by a junior rugby team.

1 _____

2 _____

3 _____

4 _____

[4]

10 Describe ONE advantage and ONE disadvantage of using seasonal contracts for a sports business.

Advantage

Disadvantage

[2]

11 What does CSR stand for?

[1]

12 State TWO reasons why CSR is important to sport organisations.

1

2

[2]

SECTION B

13 Give TWO examples of EACH of the following types of corruption in sport:

Cheating:

Example 1 _____

Example 2 _____

Doping:

Example 1 _____

Example 2 _____

Match fixing:

Example 1 _____

Example 2 _____

[6]

14 Describe FOUR potential impacts on a professional sports club if it breaks financial regulations.

1 _____

2 _____

3 _____

4 _____

[4]

15

- (a) Volunteers are often used by sports businesses.
Explain the term volunteer.

[1]

- (b) Describe FOUR advantages of using volunteers for a sports event.

1

2

3

4

[4]

16

(a) Many sports clubs rely on membership fees.

Explain the term membership fee.

[1]

(b) Describe TWO positive impacts and TWO negative impacts of having membership fees as the main source of funding for a local sports club.

Positives

1

2

Negatives

1

2

[4]

SECTION C

PULSEFIT+

PulseFit+ (PLC) is a fitness and exercise technology company which makes high-quality home fitness exercise equipment, such as bikes and treadmills. It also offers subscription-based services for live and on-demand fitness classes. PulseFit+ was one of the first companies to use interactive technology with fitness equipment in the home fitness market.

The equipment features interactive touchscreens that display real-time performance data to the user. This allows the user to interact with instructors, enhancing motivation and enjoyment. However, internet connectivity issues in certain regions can limit access.

The interactivity and high-quality content have gained popularity, in particular with people who prefer working out at home or lack access to traditional gyms.

PulseFit+ currently has over 2 million customers with an annual retention rate of more than 90%.

MAIN PRODUCTS AND COSTS:

PULSEFIT+ CYCLE: An advanced exercise bike with a touchscreen display. Users can join live or on-demand cycling classes led by certified instructors, with interactive features for real-time engagement.

PULSEFIT+ MEMBERSHIP: A subscription service providing access to a broad range of live and on-demand classes. Members pay a monthly fee for full access to the PulseFit+ platform.

Costs of main products:

Cost to buy PulseFit+ Cycle: £1500

Rental of a PulseFit+ Cycle: £150 per month

PulseFit+ membership: £35 per month.

Comparison costs for other competing fitness activities:

Average monthly private gym membership: £45

Average monthly public sector gym membership: £24.

PulseFit+ encourages customer loyalty by offering incentives such as referral bonuses and fitness challenges. These include giving customers discounts when they refer friends to PulseFit+ and free periods of membership to those who successfully complete fitness challenges. These incentives help keep existing members loyal which has become more important with challenges such as cost-of-living increases and growing competition from other fitness providers.

FUTURE AIMS OF THE BUSINESS

The company wants to increase its customer numbers by 5% over the next three years. It estimates that around 10 million people in 5 million households currently own or rent exercise equipment such as bikes, treadmills and rowing machines in the UK. Quite a lot of these are likely to be older models without interactive technology.

17* Private sector businesses often aim to increase the number of people buying their products.

Analyse how PulseFit+ could use customer attraction and retention techniques to increase customer numbers.

Your answer should include:

**customer attraction and retention techniques
PulseFit+ already use
other customer attraction and retention techniques
they could use
examples of customer attraction and retention
techniques that other sports businesses use. [8]**

[illegible]

18 Sports businesses try to retain their staff due to the benefits this can bring.

(a) Describe TWO benefits of retaining staff to PulseFit+ as a company.

1 _____

2 _____

[2]

(b) Describe TWO benefits of retaining staff to the CUSTOMERS of PulseFit+.

1 _____

2 _____

[2]

(c) Describe TWO different methods which PulseFit+ could use to retain their staff.

1 _____

2 _____

[2]

19 All sports businesses such as PulseFit+ have to be aware of the environment in which they operate. This often includes a SWOT and PEST analysis.

(a) Identify the TWO missing headings of a PEST analysis in the table below. [2]

P _____ environment	Economic environment	Social and cultural environment	T _____ environment
--------------------------------	---------------------------------	--	--------------------------------

(b) Give ONE example for each category of the SWOT analysis for PulseFit+. [4]

SWOT heading	Example for PulseFit+
Strengths	
Weaknesses	
Opportunities	
Threats	

END OF QUESTION PAPER

EXTRA ANSWER SPACE

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

[illegible]



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