

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

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Pearson Edexcel Level 3 GCE

Time 2 hours

Paper
reference

9BS0/03

Business

Advanced

PAPER 3: Investigating business in a competitive environment

You must have:
Insert (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- You may use a calculator.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Q:1/1/1



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Answer ALL questions.

SECTION A

Read the following extracts (A to D) before answering Question 1.

Write your answers in the spaces provided.

Extract A

Commonwealth Games, Birmingham, 2022

Durban, South Africa, was due to stage the Commonwealth Games 2022 but withdrew due to financial and practical concerns. Bids were also submitted by Edmonton, Canada and Liverpool, but the Commonwealth Games Foundation (CGF), chose Birmingham, the UK's second biggest city.

5

Over 1,000 people will be recruited to deliver Birmingham 2022. Job vacancies will include roles related to administration, planning, marketing and security. Recruitment and training of staff will be led by Gi Group, a world leader in human resource management.

Gi Group will deliver comprehensive recruitment services and fill over 1,000 roles across multiple specialisms, including selection, training and on-the-job support. Gi Group will also assist all Birmingham 2022 staff with developing their careers from August 2022, once the Games are over.

10

(Source: adapted from <https://birmingham2022.gigroup.com/about>)

Extract B

Huge progress at the Birmingham 2022 Alexander Athletics Stadium

Since planning permission was granted in January 2020, the demolition of three existing stands at the Perry Park site has been completed and work has started on rebuilding the stands with steelwork from British companies.

The £184m scheme remains on budget and scheduled for completion in spring 2022, ahead of its initial use as the venue for the Commonwealth Games athletics competition.

5

After the Games, the stadium is set to become a focal point of health, wellbeing, sport, academic and community activity as part of a £500m City of Birmingham Regeneration Scheme.

The stadium, which will hold around 30,000 spectators at each session during the Games, will switch to a permanent capacity of around 18,000 post-Games – the largest permanent facility capable of hosting international athletics in the UK. Furthermore, it will continue to be the home of the world-famous Birchfield Harriers Athletics Club.

10

(Source: adapted from <https://www.birmingham2022.com/news/blog/hugely-encouraging-progress-at-birmingham-2022-alexander-stadium/>)



Extract C**Capital funding and business partnerships for 2022 Commonwealth Games**

Project	Cost (£m)	Main source(s)
Alexander Athletics Stadium redevelopment	184	Central Government and Sport England (£112m), Birmingham City Council (£27m), Local Enterprise Partnership (£20m), West Midlands Authority (£25m)
Sandwell Aquatics Centre, Smethwick (New build)	73	Central Government, Sandwell Council, Local Enterprise Partnership, Sport England, and Sandwell Leisure Trust
Smithfield Arena (New build)	64	Central Government, Birmingham City Council, West Midlands Authority
Coventry Stadium adaptations	32	Central Government, Coventry City Council
National Exhibition Centre adaptations	25	Central Government, West Midlands Authority
Other sites and infrastructure	400	Sport England, Business Partners/ Sponsorships
Total	778	

(Source: adapted from <https://www.birmingham2022.com/business/partnerships>, www.sandwell.gov.uk and <https://www.birmingham2022.com/news/blog/hugely-encouraging-progress-at-birmingham-2022-alexander-stadium/>)

Extract D**Commonwealth Games vision and mission (*Extracts from*)**

Ian Reid, Birmingham 2022 Chief Executive Officer stated: "In order to deliver this iconic celebration of sport we need to forge dynamic, new business partnerships. The Games will boost jobs and investment and promote Birmingham's national and international reputation."

5

The Birmingham 2022 Commonwealth Games will

- Embrace and drive the youth, diversity, humanity and pride of the region and the 76 countries of the Commonwealth.
- Inspire, engage and connect communities and athletes to realise their full potential and live happier, healthier lives.
- Drive sustainable economic growth and aspiration; creating opportunities through trade, investment, jobs and skills.
- Transform and strengthen local communities, working together to deliver new and improved homes, facilities and transport links.

10

(Source: adapted from <https://www.birmingham2022.com/about-us/our-purpose/>)

1 (a) Assess **two** types of staff training that might be used by the Gi Group for the 2022 Commonwealth Games.

(8)

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(b) Assess the importance of capacity utilisation during the Commonwealth Games.

(10)

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(c) Assess the factors that may have led to Birmingham, UK being chosen as the location for the 2022 Commonwealth Games.

(12)

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Ian Reid believes that the Commonwealth Games' Directors' objectives should be to prioritise jobs and investment when making business decisions. However, others have suggested that the objectives should meet the needs of all stakeholders.

(d) Using the data in Extracts A to D, evaluate these **two** objectives and recommend which is more appropriate for the 2022 Commonwealth Games' Directors.

(20)

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(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS



SECTION B

Read the following extracts (E to H) before answering Question 2.

Write your answers in the spaces provided.

Extract E

Get on your bike

Northfield Cycles (NC), Birmingham, was established in 1996 by Richard Tranter, a semi-professional cyclist. It has gone from strength to strength as a retailer, repairs and servicing centre.

In 1996, unemployment in the region was growing because of the gradual closure of the Rover car manufacturing plant in nearby Longbridge. NC flourished thanks to cheap overheads but especially given the demand from locals on low incomes. Cars, it seems, were being exchanged for bikes. 5

Initially Richard sold an average of 20 bikes a week, growing to 20 bikes a day in the summer of 2012. Sales were boosted by Bradley Wiggins winning the Tour de France and the successes of the Great Britain Cycling Team at the London Olympics. 10

NC sold an average of £40,000 worth of bikes per week. Sales then experienced phenomenal growth in 2019 because of UK Government schemes and the closure of a competitor, Action Bikes, in Longbridge.

(Source: adapted from interview with Richard Tranter, Joint Proprietor/
Manager of Northfield Cycles, November 2020, <http://northfieldcycles.co.uk> and <https://www.britishcycling.org.uk>)

Extract F

Northfield Cycles stock from the Far East

Since opening in 1996, Richard has sold popular brands such as Giant, Scott, GT and Raleigh. This means that 95% of the bikes, helmets, clothing and equipment are manufactured in China, Taiwan, Vietnam and Malaysia, with the remaining 5% from Europe, mostly Germany. 5

The majority of bikes sold at NC are priced between £900–£1100, though they can sell at anything from £90 to £24,000.

The product life cycle of a high performance Giant bike can be as short as 12 months, which means that discounts become a common sales feature at NC.

(Source: adapted from interview with Richard Tranter, Joint Proprietor/
Manager of Northfield Cycles, November 2020)

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Extract G

'Cycle To Work' and 'Fix Your Bike' schemes

The updated June 2019 Cycle To Work scheme allows employers to provide funding for bikes and equipment worth up to £10,000, including electric bikes (e-bikes).

The Department for Transport said that the changes were made to promote the increased use of e-bikes to help tackle congestion, speed up commutes and cut travel costs, as well as reduce air pollution in cities.

5

In 2020 the UK Government launched its Fix Your Bike scheme – a scheme that saves customers up to £50 on bike repairs.

(Source: adapted from <https://www.cyclingweekly.com/news/product-news/e-bike-cycle-work-scheme-without-1000-limit-launched-uk-government-426596> and <https://www.cyclescheme.co.uk>)

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Extract H**Expansion plans at Northfield Cycles**

In April 2020, Richard approached architects, Slaters Ltd of Dudley, to prepare expansion plans for NC.

Plan A

To remove existing walls and partitions, extending the shop by 25 m². Upgrade the basement of the premises to become the workshop for bike repairs and servicing. The net present value for this project is £4,989 given a 10% discount rate. 5

Plan B

To build an extension to the rear of the premises, extending the shop by 40 m². Completely refit the basement of the premises to become a high-tech workshop for bike repairs and servicing, to include e-bikes. 10

The predicted net cash-flows were as follows:

Year	Plan A, £000s	Plan B, £000s
0	(12)	(60)
1	3	12
2	4	15
3	5	20
4	6	26
5	5	28

Discount rates table for 10% interest rate	
Year 1	0.909
Year 2	0.826
Year 3	0.751
Year 4	0.683
Year 5	0.621

(Source: adapted from interview with Richard Tranter, Joint Proprietor/ Manager of Northfield Cycles, November 2020)



2 (a) Assess **two** pricing strategies Richard could use at Northfield Cycles.

(8)

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(b) Assess the likely effects of protectionism on Northfield Cycles.

(10)

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Other than trade protectionism, Northfield Cycles future success could depend on other external influences.

(c) Assess the significance of other external influences on the future success of Northfield Cycles.

(12)

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(d) Using the data in Extracts E to H, Payback and NPV investment appraisal methods, evaluate Plan A and Plan B expansion plans and recommend which **one** might be better for Northfield Cycles.

(20)

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(Total for Question 2 = 50 marks)

TOTAL FOR SECTION B = 50 MARKS
TOTAL FOR PAPER = 100 MARKS



Pearson Edexcel Level 3 GCE

Time 2 hours

Paper
reference

9BS0/03

Business

Advanced

PAPER 3: Investigating business in a competitive environment

Insert

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Investigating business in a competitive environment

Context

This year the context is the international sports events industry, and UK sports retail businesses operating in this market.

Research

To prepare for this year's context, you should research:

- Trends over the last 10 years – prices; changes in health and lifestyle; consumer tastes and preferences.
- The markets and competitive environment facing UK sports businesses.
- Marketing and promotion opportunities in the industry.
- Human resource management in the industry.
- UK central and local government and the industry.
- Global influences on the industry.

You **cannot** take any of your research or investigation data carried out as part of the pre-release into the examination.

