



Rewarding Learning

ADVANCED
General Certificate of Education
January 2009

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



THURSDAY 22 JANUARY, AFTERNOON

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in **all** questions **except Question 1**.

Figures in brackets printed down the right-hand side of the pages indicate the marks awarded to each question or part question.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

Case Study

Study the information below and answer ALL the questions that follow.

Belleek Pottery – County Fermanagh

Belleek Pottery has a history back as far as 1857 and its products are known worldwide as fine quality Parian China. It is one of the longest running businesses in Ireland. Situated along the banks of Lough Erne, in County Fermanagh, Belleek is proud of its long tradition in the manufacturing of fine porcelain products. The impressive factory completed in 1860, now houses a museum, visitors centre and showroom. Belleek China pieces (e.g. vases, cups, saucers, ornaments) are now considered an essential part of modern home design.

Belleek Pottery's current success is in stark contrast to its position in the early 1980s, when it had experienced financial difficulties. In 1983 the then Industrial Development Board launched a rescue effort, installing Mr Roger Troughton as the company's Managing Director. Mr Troughton set about restructuring the company including reducing the number of employees. Soon Belleek Pottery returned to profitability. In 1984, Mr Troughton led a consortium of investors to buy the company, and launch a collectors' society.

Today, the Belleek China Collectors' Society is proud of its membership numbering around 6000 members spanning the world from Belfast to Beijing (China). Each year a special limited edition Belleek piece is created exclusively for its members. Membership includes three issues of Belleek Collector magazine annually (available online) as well as an opportunity to purchase limited edition pieces, complete with the society's red bottom stamp. This has undoubtedly helped to project Belleek Pottery's profile among global porcelain collectors. The visitors centre at the factory is now a major tourist attraction in the region.

In 1990, Dr George Moore, a native of Drogheda now living in the USA, acquired Belleek China at a cost of £3.7 million. Dr Moore introduced a new management team spearheaded by the Managing Director Mr John Maguire. Over the next decade the factory quadrupled in size to a staggering 120 000 square feet and by 2004, Belleek Pottery announced record sales of more than €40 million.

In February 2007, at a launch of the 150th Anniversary celebrations Dr Moore said: "Belleek living sales last year grew around 15 per cent, which is superb. Not many companies in our business could say that sales grew in a new range so we are delighted with that. Obviously, it has been a major employer in Fermanagh. We are here to stay; we have a very stable business in Ireland today. Some 250 000 tourists visit Belleek Pottery every year, and those 250 000 people have to stay somewhere, they have to eat somewhere, they have to enjoy the local recreation. So you have to look at Belleek Pottery as a major anchor to gain prosperity in the western half of the country. If you look at the 150th Anniversary, every hotel within a 30 mile radius of here is booked out during the Collectors' Convention in April."

Belleek Pottery has established a network of global agents and distributors in Canada, Japan, USA and Australia. This has enabled the company to reach larger markets. The Corrib Vase and Thistle Votive are just some examples of the impressive craftsmanship that has come to be associated with the company.

Belleek Pottery has also embarked upon an aggressive acquisition strategy, which has seen the purchase of Galway Crystal (Galway City) and Aynsley China (Stoke-on-Trent).

Belleek has come a long way in 150 years of porcelain production and has managed to remain one of the strongest brands in Ireland. It shows no signs of weakening and, if anything, is set to experience rapid growth for many years to come.

Source: adapted from www.belleek.ie

- 1 Explain, with reference to the case study, **two** reasons why global trade is important for Belleek Pottery within Northern Ireland. [4]

- 2 Explain **three** types of financial assistance aimed at supporting global trading activities, available to businesses such as Belleek Pottery in Northern Ireland. [9]

- 3 Analyse the impact of global trading on Belleek Pottery's customers. [12]

- 4 Discuss **five** factors that Belleek Pottery would need to consider when trading globally. [15]

- 5 Evaluate the potential impact on the Northern Ireland economy of Belleek Pottery's global trading activities. [16]

- 6 Belleek Pottery has established a network of global agents and distributors. Evaluate **three** advantages and **three** disadvantages of the use of agents and distributors by Belleek Pottery. [24]

THIS IS THE END OF THE QUESTION PAPER
