



ADVANCED
General Certificate of Education
January 2012

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



THURSDAY 26 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 questions **4, 5 and 6**.

Figures in brackets printed down the right-hand side of 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.



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

Global Trading and SDC Trailers Limited

A screenshot of the homepage of SDC Trailers Limited is shown below:

SDC Trailers.com - Mozilla Firefox
 http://www.sdctrailers.com/

SDC Trailers.com

the cutting edge in trailer technology

About SDC | Recruitment | Contact us

SDC Trailers Limited

Home New Trailers Finance Used Trailers Refurbishment SDC Parts SDC Service

A Truly Better Investment

CLICK TO DOWNLOAD

PRS DISTRIBUTION LTD
 Specialist Consignment Management
 www.prsdistribution.com

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Platforms Extendables

Why make SDC TRAILERS your chosen supplier?

...Something for everyone

SDC Parts

Supplying spare parts across the whole of Ireland and the UK...
 What you need, when you need it!

When you invest in an SDC trailer, you are not only investing in the best technology, quality and flexibility, you're investing in the knowledge, expertise and understanding that comes from years of experience in the haulage industry.

Our philosophy is to understand your business, your logistics requirements and then tailor a solution to meet those needs.

Suppliers to the leading hire companies

Print this Page

design: xposure VISUAL COMMUNICATIONS

http://www.sdctrailers.com/gallery/gallery.shtml?10

Inbox - Microsoft... SAS - Prism WIN 20... SDC Trailers.com - ... trailers1 - Microsoft...

16:32

Adapted from © www.sdctrailers.com

SDC Trailers Limited

SDC Trailers Limited produces truck trailers for sale within the global transport industry. SDC Trailers Limited operates from two locations, a production plant in Toomebridge (Northern Ireland) and a production plant in Mansfield (England), allowing it to meet customer demands in various geographical markets (e.g. production/sales/repairs). The firm currently employs a total of 300 employees and recently reported an annual turnover of over £60 m.

The production of truck trailers is a complicated process. The frame and related parts (e.g. chassis and hydraulics) are manufactured in Northern Ireland and shipped to the plant in Mansfield. The trailers are then assembled to customer specifications, painted and delivered. Specific types of trailer can only be manufactured in England (e.g. tipper trailers) due to the specialised nature of the product.

The commitment to quality by the company ensures that each trailer meets customer specifications in terms of colour (livery), safety equipment (e.g. hazard markings and braking systems) and delivery timescales. SDC Trailers Limited must also ensure that each trailer meets various technical standards in force throughout the transport industry, e.g. trailer size, height, weight and roadworthiness.

SDC Trailers recently won a contract to supply 200 refurbished trailers to a major transport operator in Saudi Arabia – a country known to be a key supplier of oil in the global market. During 2010, members of the management team of SDC Trailers Limited met the customer during an Invest NI trade mission to Jeddah and Al Khobar, both business centres in Saudi Arabia.

Stephen McIvor, Export Sales Manager for SDC Trailers Limited said: “While we’ve sold trailers to Saudi through an agent in the past, it was decided that we could probably do greater business through a more direct approach to this important and very dynamic marketplace.” The deal, which is thought to be worth £500,000, was made during the company’s first visit to Saudi Arabia. Refurbished second-hand trailers were supplied to the Saudi transport operator because they were needed urgently.

Dr Vicky Kell, Invest NI Trade Director, indicated that Saudi Arabia is a marketplace in which customers expect to do business on a face-to-face basis. Doing business there usually takes time and is heavily dependent on relationships. It is important that customers are impressed both by the quality of the products and the professionalism of the Northern Ireland company’s approach.

*Adapted from: © ‘Trailer firm lands Saudi export deal’ by Margaret Canning, Belfast Telegraph, 21 May 2010
Adapted from © www.sdctrailers.com*

- 1 Explain the term “comparative advantage”, using **two** examples from the case. [6]

- 2 Analyse **three** benefits to SDC Trailers Limited of operating from two separate locations within the UK. [9]

- 3 Analyse **three** ways in which Invest NI might assist SDC Trailers Limited to trade globally. [9]

- 4 Discuss **one** advantage and **one** disadvantage of **each** of the following methods of distribution by SDC Trailers Limited:
 - Agents
 - Direct Selling[16]

- 5 Discuss **four** impacts on the Northern Ireland economy which a business such as SDC Trailers Limited would have by trading globally. [16]

- 6 Evaluate how **each** of the following factors might affect SDC Trailers Limited when trading globally:
 - Business practices
 - Design and packaging
 - Technical Standards
 - Currency[24]