



*Rewarding Learning*  
ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2009

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## Business Studies

Assessment Unit AS 3

*assessing*

Module 3: Marketing and  
Operations Management

[AST31]

TUESDAY 16 JUNE, AFTERNOON

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### TIME

1 hour.

### INSTRUCTIONS TO CANDIDATES

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

### INFORMATION FOR CANDIDATES

The total mark for this paper is 50. Quality of written communication will be assessed in **all** questions.

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.

- 1 Study the information below and answer the questions that follow.

### Product Life Cycle/Pricing Strategies

Paul Jones has just completed a degree in computing. During his final year he was required to submit a project based on research that he was to carry out himself. Using the knowledge and skills that he developed as a student, he submitted a piece of work which investigated the possibility of developing software which improved the speed that music files could be downloaded onto a computer.

He achieved an excellent grade for his work and now that he has graduated, he has decided to set up a business to develop and sell this software.

Paul has no business knowledge and has enrolled on a business start-up course at his local enterprise agency. At the end of the first training session he was asked to prepare a presentation on how the sales of his software may be affected by the product lifecycle. He has also been asked what possible pricing strategies he might adopt for his product.

Paul left the session totally confused and decided to investigate these terms further.

- (a) Explain the stages of the product life cycle that Paul's product may go through. [10]
- (b) Discuss **three** pricing strategies that Paul might adopt for his software. [15]

- 2 Study the information below and answer the questions that follow.

### **Restrictive Practices/Growth of Firms**

Grab-It-All is a financial services organisation that has offices located in various towns in Northern Ireland. The organisation was attracted to Northern Ireland by the skilled workforce available in the country. Grab-It-All plc's Head Office is in Australia and it has branches in over 40 countries worldwide.

Grab-It-All plc has grown rapidly in the past 20 years and has expanded using a variety of strategies. In some countries the organisation grew organically by opening up new offices, as was the case in Northern Ireland. In others it amalgamated with existing financial services firms and even diversified by taking over different types of businesses. These included the takeover of a car hire firm, an insurance company and a travel operator.

Grab-It-All plc is currently in negotiations with Trusty plc, a Northern Ireland based financial services organisation. The Directors of Grab-It-All plc are hoping that it can buy Trusty plc who are its main competitors in Northern Ireland. If successful, Grab-It-All would have a substantial share of the financial services market in Northern Ireland.

- (a) Explain why the government would not be in favour of Grab-It-All plc's proposed takeover of Trusty plc. [10]
- (b) Discuss whether it is better for Grab-It-All plc to grow organically or by amalgamation. [15]

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**THIS IS THE END OF THE QUESTION PAPER**

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