



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2011

StudentBounty.com

GCE Applied Business

Assessment Unit AS 3

assessing

External Influences on
the Business Enterprise

[A3B31]



TUESDAY 11 JANUARY, MORNING

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 **5 and 6**.

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

This paper is accompanied by a Case Study. You must **not** use your own annotated copy of this Case Study.

ADVICE TO CANDIDATES

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



6326

BLANK PAGE

Answer **all six** questions

- 1 The George Best Belfast City Airport operates in the Consumer Goods and Services market. Explain **two** features of this market. [12]
- 2 Analyse how the proposed expansion at the George Best Belfast City Airport could affect **four** stakeholder groups. [12]
- 3 Analyse **four** reasons for government intervention in the George Best Belfast City Airport. [12]
- 4 With reference to the case study, explain **four** features of an oligopoly. [12]
- 5 Discuss **four** conditions of demand which might apply to the George Best Belfast City Airport. [20]
- 6 Evaluate **five** different ways in which the George Best Belfast City Airport could improve its competitiveness. [20]

THIS IS THE END OF THE QUESTION PAPER



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2011

GCE Applied Business

Case Study

Assessment Unit AS 3

assessing

External Influences on the Business Enterprise

[A3B31]

TUESDAY 11 JANUARY, MORNING



A3B31CSI

You must use **this** clean copy of the Case Study in the examination and not your own annotated copy.

George Best Belfast City Airport

George Best Belfast City Airport is owned by Eiser Infrastructure Fund. It is one of the three airports in Northern Ireland which provides scheduled and chartered air services and constitutes an oligopoly.

The George Best Belfast City Airport is a regional airport serving a range of destinations, mainly in Great Britain and Ireland as well as European cities such as Salzburg, Geneva and Chambéry. It currently caters for over 2.5 million passengers per year, representing approximately 40% of the scheduled domestic air traffic to and from Northern Ireland. Figures released from the George Best Belfast City Airport show that total passenger numbers during April 2009 were up almost 3% on April 2008 – significantly better than most other airports in the UK.

During a visit to the airport, the then Lord Mayor of Belfast Tom Hartley said “I am delighted to see an increase in passenger numbers flying from the George Best Belfast City Airport. The reconfiguration of the terminal, when complete, will be an asset to our continuing tourism aspirations. Despite the global economic downturn, tourism is one of the most important and growing aspects of our economy. Moreover, the aggressive marketing of Belfast over the past number of years as a vibrant, exciting destination for both business and leisure travellers has contributed to the continuing rise of visitors to Belfast and it’s encouraging to see the George Best Belfast City Airport assisting the development of the Belfast brand.”

Situated just 5 minutes from the city centre, the location of the airport is seen as a major factor in its success among leisure and business travellers alike. Getting to and from the airport is easy both by bus and rail. The Airport Express 600 operates every 20 minutes between 0530 and 2205 from outside the airport to the Belfast Europa Bus Centre in the heart of the city. Currently a shuttle bus service operates between the airport terminal and the adjacent rail halt at Sydenham. Translink operate a twice hourly rail service (0600–2300) Monday–Friday to Central and Victoria Street stations. The service is hourly on Sundays (0900–2200).

Brian Ambrose, Chief Executive of the George Best Belfast City Airport said, “For many, the George Best Belfast City Airport is their first experience of what Belfast has to offer. First impressions last and it is vital we have a product that sets the tone for the rest of their visit. To this end we will be embarking on a £6 million upgrade of facilities both inside and outside the terminal. We will continue to plan ahead to provide facilities that exceed customer expectations, ensuring that visitors have a positive experience on arrival or departure from Belfast.”

The development of an extended runway at the George Best Belfast City Airport has been controversial. Environmental groups have been opposed to these plans citing, amongst other things, increased noise pollution and CO₂ emissions. The main expansion issue concerning stakeholders such as the owners, airlines, residents and local media is a proposal to extend the single runway.

In late 2007, Brian Ambrose said that the airport was evaluating feasibility studies and the wider business case for a £10 m project to add 600 m of runway at the Hollywood (non-city) end which could be accommodated within the current perimeter. The extra length would give comparability with the longer of Belfast International’s two runways. It would, most importantly, offer higher take-off weights, allowing more seats to be sold on departing flights – such restrictions don’t apply for arrivals – for aircraft such as Ryanair’s 737-800s (currently restricted to 140 seats of the

189 seat capacity). The runway extension would also bring more of the popular destinations within range, thereby extending the George Best Belfast City Airport's portfolio of routes in the year-round leisure market. Aircraft operations are limited to 45000 movements a year. 2007 saw 43000 movements, by carriers such as Ryanair, Flybe, Manx2 and BMI.

The airport's projection is for passenger numbers to grow from the current approximation of two million a year to four million (where it would plateau) well before the 2030 limit of the airport's current master plan.

Passengers using the airport can relax before embarking on their journey in the bars or restaurants or perhaps shop in the terminal. The George Best Belfast City Airport has just overseen the first stage of a £6 million upgrade of terminal facilities as it strives to stay ahead in catering for future passenger growth.

Future plans include a Bushmills bar and a St George's Market themed restaurant as the airport taps into the popularity of two of Northern Ireland's visitor attractions, as well as better security search facilities. There is also a proposal to build a hotel which would be linked by a walkway to the terminal.

© George Best Belfast City Airport

