



Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

Level 3 Technical Level ENTERTAINMENT TECHNOLOGY

Unit 1 Business for video games

Tuesday 12 June 2018

Morning

Time allowed: 2 hours

Materials

For this paper you must have:

- pens
- pencils
- simple drawing instruments
- scientific calculator (non-programmable).

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80. There are 50 marks for **Section A** and 30 marks for **Section B**.
- There are two sections in this paper.
- Both sections should be attempted.
- Candidates should spend approximately 60 minutes on **Section A** and 60 minutes on **Section B**.

For Examiner's Use	
Question	Mark
1–8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
TOTAL	

Advice

Please read each question carefully before starting.



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Section AAnswer **all** questions in this section.**0 1**

A UK based independent games developer is set up as a sole trader. He has released a game but has not made as much money as he anticipated. He cannot pay all the invoices that his business is liable for; this means

Tick (✓) **one** box.**[1 mark]**

A he is personally liable for payments due to HMRC but not to private suppliers.

B he is personally liable for all payments due.

C if he closes his business he will not have to pay anything back.

D he will not be able to start another business for 5 years.

0 2

A UK based small game development studio is forecasting a turnover of £85 000 during its next financial year and is trying to work out whether the business should be registered for VAT. The VAT threshold currently is

Tick (✓) **one** box.**[1 mark]**

A £64 000

B £72 000

C £85 000

D £95 000



0 3

A group of investors is assessing a potential investment into a games middleware company. The investors are particularly focusing on the forecast internal rate of return, because it primarily

Tick (✓) **one** box.

[1 mark]

- A** allows them to see how profitable their investment would be.
- B** allows them to see how quickly they are going to get their money back.
- C** helps assess the risk of the investment.
- D** shows them whether the directors can manage cashflow effectively.

0 4

The sole director and shareholder of a game development studio wants to sell his business because he is struggling to make enough money to keep it going. His team has managed to raise investment to buy the business. This is called

Tick (✓) **one** box.

[1 mark]

- A** an equity investment.
- B** an initial public offering.
- C** an insolvency.
- D** a management buy out.

0 5

A game producer is mapping out the dependencies between tasks on their project. To do this the game producer needs to

Tick (✓) **one** box.

[1 mark]

- A** create an asset list.
- B** define the critical path.
- C** write the game design document.
- D** work with the technical director to write the technical plan.

Turn over ►



0 6

A game user experience designer is working on a game. Their primary role is to

Tick (✓) **one** box.

[1 mark]

A create the 2D interface art assets.

B create the user flow and wireframes.

C decide what features are in the game.

D write the GDD.

0 7

A game design team in a large studio is working out what analytics it needs to track in the free-to-play mobile game that it is currently developing. The game design team starts by defining what the data gathering is primarily for. This is

Tick (✓) **one** box.

[1 mark]

A to give to ad networks so they can better target the ads in the game to their users.

B to improve the gameplay.

C to show investors how the game is doing.

D to tell press to get more PR.

0 8

Which of these is a marketing activity that is least likely to be used to market a game?

Tick (✓) **one** box.

[1 mark]

A Product Placement

B Relationship Marketing

C Search Engine Marketing

D Telemarketing

8



0	9
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The directors of a startup studio are deciding what office space they need. They are trying to assess the advantages and disadvantages of each option available to them. They have decided that their options are:

- a managed office space in a science park out of the city centre
- a self-managed office above a shop in the middle of town
- hot desks in their local games hub.

For each option, identify one advantage **and** one disadvantage for the start-up studio.

[6 marks]

6

Turn over for the next question

Turn over ▶



1	0
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The 3 shareholders and directors of a business have had a major disagreement over how the company is run. Two of them want to sell their shares in the company but the third one does not want to. There is a buyer interested but he wants to buy 100% of the shares.

Explain the following:

- what ‘drag-along’ rights are and what they would mean in this situation
- what would be required of the shareholder structure to apply ‘drag-along’ rights to this situation
- what would be required of the shareholder agreement and deal structure for the shareholders to be able to apply ‘drag-along’ rights to this situation.

[6 marks]

6



1	1
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A graduate is looking to set up a games development studio as a limited company with two fellow graduates. They are not planning to raise investment.

State **six** actions that he needs to do to get the company ready to start trading.

[6 marks]

6

Turn over for the next question

Turn over ►



1

2

A company which has been trading for a year is looking at ways to raise money.

State **six** ways that the company could raise money for its business.

[6 marks]

6



1 3

A game producer is planning the schedule for a new project. She is deciding what milestones are required. In particular, she is considering whether there is a need for pre-production, alpha and soft launch.

Identify and explain the benefits of each of these milestones.

[6 marks]

6

Turn over for the next question



1 4

A producer is learning about Agile project management for the first time. She is trying to learn whether she should recommend switching to Agile from Waterfall within her studio.

1 4 . 1

Explain **three** benefits of Agile Project Management.

[3 marks]

1 4 . 2

Explain **three** benefits of Waterfall Project Management.

[3 marks]

6



1 5

Think of a mobile, console, PC or board game you have played recently.

State the game, describe **three** of the key features of that game and explain why you liked them or not.

[6 marks]

6

Turn over for the next section

Turn over ▶



Section B

Answer **both** questions in this section.

1	6
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You are the founder and CEO of a game development company based in a remote part of Cornwall, with 200 staff. You make mobile free-to-play games and your first two games were profitable.

You are planning to grow your company to 500 people over the next 3 years. You are relying on raising finance as well as government support through tax breaks, public funding for your R&D projects, and the ability to hire staff from outside the UK.

Use SWOT analysis to assess your growth plan. Explain how you could overcome the challenges you identify in that analysis.

[15 marks]



15

Turn over for the next question

Turn over ▶



1 7

A studio launched a mobile free-to-play game 3 months ago. The studio is now assessing the data it has gathered and comparing it to its forecast, to help it decide whether to go to a full launch at this time. The following are some of the analytics the studio has gathered.

Table 1

	Forecast	Actual Figures After 3 Months
Facebook user base	1 200 000	1 200 000
Organic user base	10.0%	20.0%
Paid Acquisition	£1.00	£1.00
Monthly direct acquisition	£10 000	£12 000
d2 Retention	40.0%	20.0%
d7 Retention	20.0%	30.0%
d30 Retention	12.0%	5.0%
d90 Retention	6.0%	20.0%
Average IAP £	£1.99	£2.49

Use **Table 1** to analyse the data and give suggestions for something the studio might want to look at to improve an area of weakness.

In your answer you should:

- explain what the terms mean in the left hand column
- identify how the actual figures have differed from the forecast in positive or negative ways
- assess how the game is doing and make comparisons between the forecast and actual figures.

[15 marks]



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ANSWER IN THE SPACES PROVIDED**

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