



WJEC LEVEL 1/2 AWARDS IN TOURISM

SAMPLE EXTERNAL ASSESSMENT

UNIT 2: THE BUSINESS OF TOURISM

For first teaching from September 2014

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| | | |
|---------------------|----------------------|-------------------------|
| Surname: | Centre Number | Candidate Number |
| Other Names: | | |



Level 1 – 2

Tourism

Unit 2 – The Business of Tourism

Specimen Assessment Paper

For first assessment June 2014

75 minutes

| Question | Maximum Mark | Examiner Mark |
|--------------|--------------|---------------|
| 1 | 20 | |
| 2 | 19 | |
| 3 | 21 | |
| Total | 60 | |

INSTRUCTIONS TO CANDIDATES

Use black ink or ball point pen

Answer all questions

Write your name, centre number and candidate number in the spaces at the top of this page.

Write your answers in this answer booklet.

INFORMATION FOR CANDIDATES

You will require a calculator for this examination.

You are reminded of the necessity for good English and orderly presentation in your answers. The number of marks is given in brackets at the end of each question or part-question.

Answer all the questions in the spaces provided

1. Study **Scenario 1** which gives information about a tourism business.

SCENARIO 1

TimeTravel Coaches Ltd is a UK coach operator which specialises in UK breaks to popular seaside resorts. The business currently attracts the 60+ age group, however its aim is to attract new markets.

Over the past 6 months TimeTravel Coaches Ltd has noticed that repeat business has steadily decreased. Also, recent increases in fuel costs are affecting the business' sales and profits.

(a) (i) Describe the form of ownership of TimeTravel Coaches Ltd.

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One of the objectives of TimeTravel Coaches Ltd is to attract new markets.

(ii) Explain **two ways** in which TimeTravel Coaches Ltd could achieve this.

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There are many factors that can affect a tourism organisation.

(b) (i) Complete the following table by ticking **either** the True **or** False column.

| Statement | True | False |
|--|-------------|--------------|
| Employment rates are a social factor | | |
| Demographic changes are an economic factor | | |
| Inflation is an environmental factor | | |
| Currency exchange rates are an economic factor | | |

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One factor which affects TimeTravel Coaches Ltd is a tax increase on fuel.

(ii) Explain how a tax increase on fuel could affect:

- Sales
- Profit

Sales

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Profit

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Study **Figure 1** before answering question (c)

Legal requirements for working hours of coach drivers

Breaks and continuous driving

After 5.5 hours of driving you must take a break of at least 30 minutes to rest and take refreshment.

Length of working day

You must not work more than 16 hours in any one day - including non-driving work and any times when you're off duty.

Daily rest periods

You must take a rest of 10 hours between 2 working days.

Fortnightly rest periods

Every 2 weeks you must take at least one period of 24 hours off duty.

Adapted from <https://www.gov.uk/drivers-hours/gb-domestic-rules>

Figure 1

TimeTravel Coaches Ltd is required to comply with employment rights and responsibilities. One key consideration is the legal requirements regarding the working hours of coach drivers.

- (c) (i) Select **two** aspects of the legal requirements for working hours of coach drivers. For each, explain how they affect the operation of the coach company.

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- (ii) Explain how **one** other employer responsibility could affect the operation of TimeTravel Coaches Ltd.

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Total 20 marks

2. Study **Scenario 2** which gives information about a tourism organisation.

SCENARIO 2

The National Trust is a not for profit UK conservation charity which is independent of the Government. It relies on income from membership fees and donations, and the revenue raised from commercial operations.

The National Trust protects over 300 historic buildings, gardens and ancient monuments.

(a) Describe not-for-profit form of ownership.

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The National Trust offers three months' free membership and a free gift when people sign up and pay by Direct Debit. The offer is only valid for new customers during the first year of membership.

(c) Outline how the National Trust benefits by offering three months' free membership.

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Study **Figure 3**, which shows visitor numbers for two National Trust properties.

| National Trust Property | 2010/11 | 2011/12 |
|-------------------------|---------|---------|
| Chirk Castle | 119,437 | 129,774 |
| Penrhyn Castle | 230,239 | 147,422 |

Figure 3

Source: National Trust 2011/12 Annual report

(d) (i) Calculate the increase in visitor numbers at Chirk Castle between 2010/11 and 2011/12.

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(ii) Complete the following table by ticking **either** the True **or** False column.

| Statement | True | False |
|---|------|-------|
| In 2011/12 Penrhyn Castle received 17,648 more visitors than Chirk Castle. | | |
| Penrhyn Castle received 82,417 fewer visitors in 2011/12 compared to the previous year. | | |

[2]

The Government has decided to develop a new national high speed rail network. The National Trust is opposed to its route for two key reasons.

- It will pass through Areas of Outstanding Natural Beauty;
- It will pass close to historic houses and gardens.

(e) Explain the possible negative environmental impacts which are likely to concern the National Trust.

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Total 19 marks

3. Study **Scenario 3** which includes information about a retail travel agency.

SCENARIO 3

Travel Solutions is a local independent travel agency owned by two brothers. The ABTA bonded agency is located in a small market town with a team of experienced branch and telephone sales advisors. Travel Solutions has a foreign exchange desk and also has a number of accounts with local businesses. Travel Solutions is currently facing major challenges to match online prices and those of the multi-national travel agency located in the same town. One of the objectives of the business is to introduce new technology in order to improve sales.

(a) Using **Scenario 3**, identify the form of ownership. Tick (✓) **one** box only

| | | |
|-------|-----------------|--|
| (i) | Franchise | |
| (ii) | Partnership | |
| (iii) | Sole Trader | |
| (iv) | Limited Company | |

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(b) Explain how the use of new technology might impact on Travel Solutions.

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Travel Solutions has a 'price match promise' on all exchange rates.

| Currency | Selling rate |
|----------|--------------|
| Euro (€) | 1.1582 |

A customer wants to buy €800. She would pay £690.73. She states that she can get a better rate of exchange from a competitor. Travel Solutions offers to price match the exchange rate of 1.1616.

(c) Calculate the loss to Travel Solutions if they match this exchange rate.

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The owners of Travel Solutions have two ideas for meeting their objective of introducing new technology to improve sales.

- To produce new business cards which include a QR code. This allows potential customers to scan this code with their smart phone and be directed to the agency's webpage.



QR code

- To include a website page specifically for currency exchange. It will display the daily rates of exchange and offer customers the opportunity to order currency with a guaranteed next day delivery.

(d) Evaluate the potential of **each of the two** ideas for meeting Travel Solutions' business objective.

QR codes

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Currency exchange website

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Travel Solutions offers a loyalty card to all of its customers.

(e) Explain how marketing initiatives such as a loyalty card scheme could achieve a business objective of increasing profits.

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Total 21 marks

THE END

WJEC LEVEL 1/2 AWARDS IN TOURISM :

SAMPLE EXTERNAL ASSESSMENT

MARK SCHEME

UNIT 2: The Business of Tourism

| Question | Answer | Marks |
|-------------|---|-------|
| 1. (a) (i) | <p>Describe the form of ownership of Time Travel Coaches Ltd (AC1.1).</p> <p>Up to 2 marks available.</p> <p>1 mark for each valid comment made within a description. For maximum marks, response must be descriptive.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Limited company/private limited company • Limited by investment or guarantee • Shareholders <p>Example 2 mark answer: A limited company has shareholders (1). Their risk is limited to the amount of their shares (1).</p> | 2 |
| 1. (a) (ii) | <p>Explain two ways in which Time Travel Coaches Ltd could achieve this (AC1.3).</p> <p>Up to 4 marks available. 2 marks for each way explained. 1 mark for suggestion and additional mark for link to objective.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Marketing initiatives • Diversification <p>Example 2 mark answer The business can introduce new itineraries with activities such as theme parks (1). This would attract families as a new market (1).</p> | 4 |

| Question | Answer | Marks |
|-------------|---|-------|
| 1. (b) (i) | <p>Complete the following table by ticking either the True or False column (AC2.1).</p> <p>Up to 4 marks available. 1 mark for each correct answer.</p> <p>Answer: False False False True</p> | 4 |
| 1. (b) (ii) | <p>One factor which affects Time Travel Coaches Ltd is a tax increase on fuel.</p> <p>Explain how a tax increase on fuel could affect:</p> <ul style="list-style-type: none"> • sales; • profit (AC2.1). <p>Up to 4 marks available. 2 marks for each affect. 1 mark for basic response. Additional mark for reasoning.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • price increases, lower disposable income of customers, lower sales • increased costs, lower profits <p>Example 2 mark answer If there is an increase in fuel it will mean the cost of transport to the coastal destination increases (1) so Time Travel Coaches Ltd makes less profit because the price to fill the fuel tank with petrol/diesel will increase (1).</p> | 4 |

| Question | Answer | Marks |
|-------------|--|-----------|
| 1. (c) (i) | <p>Select two aspects of the legal requirements for working hours of coach drivers. For each, explain how they affect the operation of the coach company (AC2.2).</p> <p>Up to 6 marks available.</p> <p>2 marks for each affect. 1 mark for basic description, additional mark for reasoning.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Limit distance can drive • Need for two drivers on some journeys • Changes in destinations • Finding routes where driver can take rests <p>Example 3 mark answer A driver cannot work for more than 16 hours without a break of 10 hours (1). It will take longer than 16 hours to drive to many European countries (1) so two drivers will be needed and this will add to the cost of any holiday (1).</p> | 4 |
| 1. (c) (ii) | <p>Explain how one other employer responsibility could affect the operation of Time Travel Coaches Ltd (AC2.2).</p> <p>Up to 2 marks available. 1 mark for appropriate employer responsibility. Additional mark for affect on operation.</p> <p>Indicative content Any relevant employer responsibility relating to one of the following:</p> <ul style="list-style-type: none"> • Types of employment contracts • Rates of pay • Holiday entitlement • Health and safety <p>Example 2 mark answer Minimum wage (1) is an overhead that will affect the price they can charge for their trips (1)</p> | 2 |
| | Total marks question 1 | 20 |

| Question | Answer | Marks |
|----------|--|-------|
| 2. (a) | <p>Describe not-for-profit form of ownership (AC1.1).</p> <p>Up to 2 marks available.</p> <p>1 mark for each valid comment made within a description.</p> <p>For maximum marks, response must be descriptive.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Charitable ownership • Often membership organisation • Rely on income from donations and membership fees <p>Example 2 mark answer</p> <p>A not for profit organisation is often a charity (1) which relies on membership fees and donations (1).</p> | 2 |
| 2. (b) | <p>Explain how changes in levels of disposable income can impact on the National Trust (AC2.1). Up to 6 marks available.</p> <p>1-2 marks for basic descriptive responses.</p> <p>3-4 marks for some explanation and understanding of disposable income.</p> <p>5-6 marks for an explanation which shows a clear understanding of a charitable organisation.</p> <p>Example Level 3 answer</p> <p>The National Trust could be affected in a positive way because the family membership allows them to visit over 300 historic sites so although there is an initial cost to the family they can enjoy regular days out and avoid having to pay lots of entrance fees because it is a one year payment which is less than £100 for a family of 4. For the National Trust it could result in an increase in memberships so they will have more money to support the protection of its properties and green areas.</p> | 6 |

| Question | Answer | Marks |
|----------|---|-------|
| 2. (c) | <p>Outline how the National Trust benefits by offering three months' free membership (AC3.3).</p> <p>Up to 2 marks available.</p> <p>1 mark for a basic response.</p> <p>Additional mark for development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Increase in memberships • Marketing initiative • Encourages yearly renewal <p>Example 2 mark answer</p> <p>Encouraging people to sign up to direct debit makes it more difficult to cancel the membership (1) so they are more likely to renew the membership the following year as it is an automatic payment (1).</p> | 2 |

| Question | Answer | Marks |
|-------------------------------|--|-----------|
| 2. (d) (i) | Calculate the increase in visitor numbers at Chirk Castle between 2010/11 and 2011/12 (AC3.2). 1 mark for correct answer. Answer: $(129,774 - 119,437) = 10,377$ | 1 |
| 2. (d) (ii) | Complete the following table by ticking either the True or False column (AC3.2). Up to 2 marks available. 1 mark for each correct answer. Answer: True False | 2 |
| 2. (e) | Explain the possible negative environmental impacts which are likely to concern the National Trust (AC3.1). Up to 6 marks available. 1-2 marks for basic points stated. 3-4 marks for some analysis although parts will be descriptive. 5-6 marks for analytical response. Example Level 3 answer The development would mean disruption to the area in order to construct the new rail line which could result in people not choosing to visit the attractions affected because of the noise and disruption with lorries on the roads. The Chilterns may become less attractive due to the high speed trains as its current appeal is an Area of Outstanding Natural Beauty. A high speed train may frighten wildlife and pollute the environment. This could result in damage to some of the plants and flowers in the gardens which attract visitors. In the longer term this could mean lower visitor numbers as people will not class the gardens as being exceptionally beautiful. | 6 |
| Total marks question 2 | | 19 |

| Question | Answer | Marks |
|----------|--|-------|
| 3. (a) | <p>Using Scenario 3, identify the form of ownership (AC1.1).</p> <p>1 mark for correct answer.</p> <p>Answer: Partnership</p> | 1 |
| 3. (b) | <p>Explain how the use of new technology might impact on Travel Solutions (AC2.1).</p> <p>Up to 6 marks available.</p> <p>1- 2 marks for basic responses. 3-4 marks for explanation of the impact of technology. 5-6 marks for developed explanation showing a clear understanding of the impact on Travel Solutions.</p> <p>Example 6 mark answer For a travel agency, technology through websites means they can offer instant bookings 24/7 rather than the few hours a day they are open. There is less risk of losing some business to people who book it directly with a tour operator. The agency can develop an app for smartphones where customers can book direct, get currency exchange quotes or information on destinations easily. They can also use social networks to promote their agency to new customers. These new technologies mean that Travel Solutions can attract new customers, not just those living locally. All of this allows them to meet their objective of increasing sales as they will have more potential customers who can book with them over a longer time period.</p> | 6 |
| 3. (c) | <p>Calculate the loss to Travel Solutions if they match this exchange rate (AC3.2).</p> <p>Up to 2 marks available for correct answer, 1 mark for identifying amount paid by customer at new rate.</p> <p>2 marks for correct answer.</p> <p>Answer: New cost to customer $800/1.1616 = \text{£}688.71$ Difference $\text{£}690.73 - \text{£}688.71 = \text{£}2.02$</p> | 2 |

| Question | Answer | Marks |
|-------------------------------|---|-----------|
| 3. (d) | <p>Evaluate the potential of each of the two ideas for meeting Travel Solutions' business objective (AC3.3).</p> <p>Up to 8 marks available.</p> <p>4 marks for each idea. 1-2 marks for straightforward judgements that are descriptive with limited reasoning. 3-4 marks for developed review, with reasoned judgements.</p> <p>Example Level 2 answer The barcode solution is good at attracting people to the website however it relies on people having the technology on their phone and therefore may be limited in the customers that can use it. It does support the working towards improving technology as those customers can access the website easily but this is really the customer rather than the agency providing an improved technological solution to increase bookings.</p> | 8 |
| 3. (e) | <p>Explain how marketing initiatives such as a loyalty card scheme could achieve a business objective of increasing profits (AC1.3).</p> <p>Up to 4 marks available. 2 marks for basic responses.</p> <p>2 additional marks for developed explanation.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The increase sales due to repeat business will result in increased profits • More commission • More opportunities to sell foreign exchange • Marketing intelligence • Any other valid suggestion accepted <p>Example 4 mark answer Loyalty cards are very popular, existing customers may become more loyal to Travel Solutions (1) as they want to get the points. They may buy more (1) as they want to build up their points. Loyalty Cards also record what people buy so the agency could use this for market research (1) so it will help them to promote the holidays that they are interested in on the website and in the window (1).</p> | 4 |
| Total marks question 3 | | 21 |

| Question Number | | | LO1 | | | LO2 | | LO3 | | |
|--------------------|-----|------|--------------|----------|----------|--------------|----------|--------------|----------|-----------|
| | | | AC1.1 | AC1.2 | AC1.3 | AC2.1 | AC2.2 | AC3.1 | AC3.2 | AC3.3 |
| 1 | (a) | (i) | 2 | | | | | | | |
| | | (ii) | | | 4 | | | | | |
| | (b) | (i) | | | | 4 | | | | |
| | | (ii) | | | | 4 | | | | |
| | (c) | (i) | | | | | 4 | | | |
| | | (ii) | | | | | 2 | | | |
| 2 | (a) | (i) | 2 | | | | | | | |
| | (b) | | | | | 6 | | | | |
| | (c) | | | | | | | | | 2 |
| | (d) | (i) | | | | | | | 1 | |
| | | (ii) | | | | | | | 2 | |
| | (e) | | | | | | | 6 | | |
| 3 | (a) | | 1 | | | | | | | |
| | (b) | | | | | 6 | | | | |
| | (c) | | | | | | | | 2 | |
| | (d) | | | | | | | | | 8 |
| | (e) | | | | 4 | | | | | |
| Total AC | | | 5 | 0 | 8 | 20 | 6 | 6 | 5 | 10 |
| Total LO | | | 13 | | | 26 | | 21 | | |
| % LO | | | 21.7 | | | 43.3 | | 35 | | |
| LO ranges % | | | 15-25 | | | 40-50 | | 30-40 | | |