



ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2009

GCE Applied Business

Assessment Unit AS 4

assessing
E-Commerce

[A3B41]



TUESDAY 13 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 **all** questions, **except Question 2**.
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.

Read the information below and answer the questions that follow.

Case Study

The Post OfficeTM and E-Commerce

The Post Office[®] Ltd is a wholly owned subsidiary of the Royal Mail Group plc and operates under the Post OfficeTM Ltd brand, managing a nationwide network of around 14 600 post office branches.

The Post Office[®] Ltd offers a wide portfolio of over 170 products and services including government services, banking, savings and investments, retail, travel services, postal services, bill payment services and benefit payment services. The market in which the Post Office network operates has changed beyond recognition over the last fifteen years. Increasingly, people choose to send an e-mail or text, pay bills by direct debit or use Internet banking, whilst others choose to have state benefits paid into their bank accounts. Postage stamps, which were usually only available at post offices, can today be bought at 50 000 other retail outlets. They can even be personalised and bought through the Internet.

Many rural post offices face possible closure as a result of new technology, changing habits, lifestyles and a wider choice of accessing services – people are visiting their post offices less often. Therefore, the Post OfficeTM must adapt to the different ways people are choosing to access services.


In May 2007, Post Office[®] Ltd Financial Services was launched as a joint venture with the Bank of Ireland. Confirming its position as the fastest growing financial services provider in the UK, as it welcomed its millionth customer, the Post Office[®] Managing Director, Alan Cook said: “Post Office[®] Financial Services entered the market with the aim of challenging what other financial services providers were offering, across all products from car insurance to savings accounts and credit cards. Gaining one million customers in approximately 1000 days confirms that we were right – people want easy to understand, good value products.”

This demonstrates the outstanding growth of Post Office[®] Ltd Financial Services. Post Office[®] Ltd sells 1 in 50 of all car insurance policies in the UK, 1 in every 25 credit cards issued last year was from Post Office[®] Ltd and £2 billion has been invested in the Post Office[®] Ltd savings products. In addition, 1 in every 200 homes in the UK is insured with the Post Office[®] Ltd. This success builds on the Post Office’s position as the largest independent provider of travel insurance in the UK.

The Post Office[®] offers many services online including mail services, personal banking, National Lottery, mobile phone E-Top-Up, insurance and foreign currency. The Post OfficeTM has decided to diversify by entering the increasingly competitive broadband market. The Post OfficeTM already offers a home telephone service in direct competition with BT. It will now try to challenge BT for people’s high-speed Internet access. A spokeswoman for the Post OfficeTM said: “we are looking to expand our telephony services in the future and broadband is one of the ways we wish to do that. We are currently examining ways we can enter the market”. The step into broadband would signify further diversification for the Post Office[®] Ltd away from its core mail business. Since the Internet has been central to its decline, it is fitting that the Post Office[®] Ltd is turning to broadband provision to reverse its ailing fortunes.


Source: adapted from (i) <http://www.dti.gov.uk/files/file36025.pdf>; (ii) http://www.cw.com/docs/solutions/case_studies/po-cs.pdf; (iii) <http://www.postoffice.co.uk>

> Make Post Office™ your home page Your account: > Sign in



- > Postcode finder
- > Find an address
- > Branch locator
- > Track and trace

Search the site: [Go](#)

 **Shopping basket**
0 items £0.00
(inc. Delivery & VAT)

[Go to checkout](#)

Financial services

Travel

- > Travel insurance
- > Foreign currency - **home delivery**
- > Travel Money Card - **special offer**
- > Passports

Borrow & pay

- > Credit card
- > Mortgages - **new**
- > Personal loans
- > Foreign currency
- > Money transfers
- > Bill payments
- > Banking services
- > Business services

Insure

- > Travel insurance
- > Car insurance - **1 month free***
- > Home insurance - **1 month free***
- > Van insurance - **1 month free***
- > Lifestyle Protection
- > Over 50's Life Cover - **new**
- > Life insurance - **new**

Save & invest

- > Instant Saver
- > Fiveyear Saver
- > Growth Bonds
- > Child Trust Fund
- > Savings stamps
- > National Savings and Investments

Broadband & phone

- > HomePhone & Broadband
- > Phonecards
- > Directory enquiries
- > Mobile top-ups

- > Gift vouchers
- > Postal Orders

Mail & government

Postal services

- > Christmas last posting dates
- > Christmas & New Year branch opening hours
- > Free mail to UK forces in Iraq & Afghanistan
- > Industrial action update - Royal Mail
- > Stamps
- > Standard mail
- > Urgent and valuable mail
- > Parcel services
- > Mail overseas
- > Receiving mail
- > Mail advice
- > SmartStamp
- > eBay customers
- > Keepsafe
- > Redirection

Pensions & benefits

- > Direct payments
- > Post Office card™ account

Business assistance

Licences

- > Car tax
- > Driving licences
- > International driving permits
- > Rod fishing licences

Passport & forms


- > Passports
- > Identity Checking Service
- > Driving licence
- > Road tax
- > International driving permits
- > Medical care abroad - EHIC
- > Rod fishing licences

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Network Change

Post Office® Broadband & Post Office HomePhone®

Packages tailored to meet your needs




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Get 1 month **FREE** car insurance*

[Get a quote](#) *Terms & conditions apply

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6 week holiday countdown



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Newsletter

Sign up for our newsletter and be the first to hear about offers, promotions and Post Office™ news

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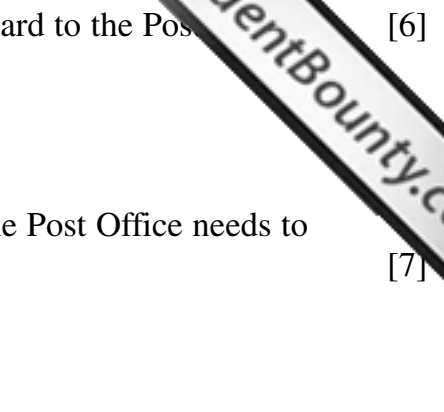
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About the Post Office™	Customer service	Our website	Royal Mail group
Sub postmasters Code of practice	Help Contact us Terms & conditions Affiliates	Accessibility Site map Welsh/Cymraeg Privacy policy How was your visit?	Corporate information Royal Mail Parcelforce Worldwide Jobs

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Source: <http://www.postoffice.co.uk/portal/po>

Fig. 1 Post Office® Home Page

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- 1 Explain **three** reasons for the growth of E-Commerce with regard to the Post Office. [6]
 - 2 Identify **three** copyright and intellectual property rights that the Post Office needs to consider when trading online. Explain any **two** of these rights. [7]
 - 3 There are various financial costs to the Post Office of going “online”. Identify and explain **four** of these costs. [12]
 - 4 Analyse **five** factors which contribute to the effectiveness of the Post Office web site with reference to **Fig. 1**. [15]
 - 5 Evaluate **five** benefits to the Post Office of using E-Commerce. [20]
 - 6 Evaluate the main benefits of E-Commerce for customers of the Post Office. [20]

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