



ADVANCED
General Certificate of Education
January 2011

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



MONDAY 24 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 questions **4, 5 and 6**.
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.



Case Study

Study the information below and answer the questions that follow.

Riverside Gallery

The Riverside Gallery specialises in the sale of Irish Art for which it charges commission. The Gallery exhibits a wide range of work from established and upcoming artists (who are typically self-employed), based locally and further afield. Specific artwork is available to suit individual tastes, for example, some artists specialise in painting art related to horses, whilst others specialise in painting scenery such as the Giant's Causeway and industrial workplaces. The Riverside Gallery stresses that a range of artwork is available to suit a variety of budgets – customers can invest as little as £250 in a painting or similar work of art.

Paintings on display include works from artists such as Con Campbell, Vincent McDonald, David Johnson and Anabella Noviello. Such work should appeal to customers in the domestic and international markets.

The Riverside Gallery commenced business in July 2007, and is Coleraine's newest art gallery. The management team is keen to ensure that the business participates in global trading activities, pointing out that approximately 20% of the artwork sold is destined for the international art market. The management team would like to see this figure increase as the business becomes more established.

Customers can view the artwork on display in the gallery itself or on the website. In addition to its activities as an art dealer, (i.e. promoting the sale of artwork), the Riverside Gallery can also: (i) source work for potential clients; (ii) arrange for valuations of artwork to be undertaken for insurance purposes; and (iii) arrange restorations for cherished works of art.

In addition to the displays in the gallery and on the website, art exhibitions are held and are key events at which artists can display (and sell) their work to global customers. In order to facilitate this and enable customers to meet various artists, the Riverside Gallery organises a number of art exhibitions throughout the year. A recent example was the solo exhibition by Jim McDonald (Belfast-based), featuring works of art related to the dockyards and RMS Titanic (the largest and most advanced passenger ship in the world, built in 1912). Interestingly, 2012 marks the 100th anniversary of the sinking of the Titanic, an event which continues to attract global debate.

The Riverside Gallery also uses the website to facilitate customer registrations, which in turn enable it to provide information related to: (i) advertising forthcoming art exhibitions; (ii) e-mail facilities; (iii) contact information; (iv) artwork for sale; and (v) general enquiries.

The management team of the Riverside Gallery wishes to increase its share of the global art market, and feels that the theme of certain artwork (e.g. paintings featuring the Titanic) enhances the globalisation of the market.

A screenshot of the homepage of Riverside Gallery, located in Coleraine is shown below



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- 1 Define the term “globalisation”, using an example from the case study. [4]
- 2 The Riverside Gallery might be considered as an art dealer. Analyse **four** ways in which a dealer network might be used to distribute works of art. [12]
- 3 Discuss **four** reasons why the management team at the Riverside Gallery would want to achieve growth by trading globally. [12]

4 Evaluate **three** ways in which global trade impacts on the Riverside Gallery's [12]

5 With reference to speed, cost, reliability and handling characteristics, evaluate the use of road transport by the Riverside Gallery, as a method of distributing its products to customers in Dublin. [16]

6 Evaluate each of the following factors which the management team at the Riverside Gallery should consider when trading globally:

(i) culture;

(ii) currency;

(iii) fashion/trends;

(iv) language;

(v) business practices;

(vi) increased costs.

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