



Rewarding Learning

ADVANCED
General Certificate of Education
June 2013

GCE Applied Business

Assessment Unit A2 12

assessing

The Global Market

[A6B61]



THURSDAY 20 JUNE, 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.

ADVICE TO CANDIDATES

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



8180

Case Study

Study the information below and answer **ALL** the questions that follow.

Andor Technology plc (Andor)

Andor Technology plc (Andor) is based in Belfast, and operates at the high-value end of the scientific digital camera market. The company has adopted a strategy of organic growth, and its shares have been listed on the London Stock Market since December 2004.

The core business of Andor is the development and manufacture of high performance digital cameras. The company also uses its expertise to develop the best solutions for light measurement problems and for distributing products to both scientific research and industrial customers. The company distributes its products to 10,000 customers in 55 countries, which include hospitals, universities and government laboratories throughout the world. The company's products are used in the treatment of conditions such as Parkinson's Disease, Alzheimer's Disease and Cancer.

Within the context of increased competition in the global market, Andor acquired Bitplane AG, Zurich, Switzerland, in 2009. Bitplane was the world's leading interactive microscopy image analysis software company specialising in Medical and Life Sciences. Bitplane's focus on 3D and 4D imaging complements Andor's existing business, especially the rapidly growing systems division. In addition, Andor acquired Photonic Instruments, USA, in 2010. Photonic Instruments developed the revolutionary Mosaic and Micropoint products and was the market leader in fluorescence imaging and widefield microscopy market sectors.

Andor announced in June 2011 that interim profits had increased by 40% to £4.5 m (compared with £3.2 m during 2010). Revenues had increased by 42% to £28.3 m from £20 m for the same period in the previous financial year. In November 2011, Andor announced the creation of 166 new jobs, coupled with an £18 m investment. This was in addition to its existing staffing levels of over 300 people in 16 offices worldwide. As a key participant in the global market, Andor Technology plc is subject to exchange rate fluctuations and trade barriers as part of its global trade activities.

Management in Andor Technology plc has suggested that a number of key factors were responsible for the company's growth in the global market:

- targeting new and emerging applications that are growing at faster rates than the market;
- spending 10% of its annual revenue on developing new products and new technologies;
- hard working staff.

Adapted from © BBC News at bbc.co.uk/news & © Andor Technology plc

The following is a screenshot of Andor's website:

Fig. 1: Andor Technology plc website



Adapted from © BBC News at bbc.co.uk/news & © Andor Technology plc

- 1 Define the term “global trading”, and explain **one** way in which it is important to the Northern Ireland economy. [4]
- 2 Analyse **three** methods by which Andor Technology plc may have entered overseas markets. [12]
- 3 Explain **two** types of financial assistance and **two** types of non-financial assistance for global trade available to a business such as Andor Technology plc. [12]
- 4 Andor Technology plc trades globally. Analyse **three** impacts this would have on consumers. [12]
- 5 Discuss **two** advantages and **two** disadvantages for Andor Technology plc of E-Commerce as a method of distribution. [16]
- 6 Evaluate how **each** of the following factors should be considered by a business such as Andor Technology plc when participating in global trade: [24]
- Increased Competition;
 - Currency;
 - Technical Standards.