



ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2013

GCE Applied Business

Assessment Unit AS 3

assessing

External Influences on
the Business Enterprise

[A3B31]

MONDAY 20 MAY, AFTERNOON

MV18

TIME

1 hour 30 minutes, plus your additional time allowance.

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 at the end of each question 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.

Moy Park

Craigavon-based Moy Park is Northern Ireland's largest food processing company and one of Europe's leading poultry companies. Moy Park is a multi-million pound business operating across several countries having begun life as a modest farming company. Moy Park was founded in 1943 at Moygashel and had interests in many aspects of farming – dairying, potatoes and egg production being amongst them. In fact, producing chickens for eating was really just an incidental part of egg production.

The business offers a range of fresh, high quality, locally farmed chicken and complementary convenience food products to retail and foodservice customers across Europe. The company employs more than 10 500 people over 12 main production sites in Northern Ireland, England, France and the Netherlands. Moy Park has been part of the Brazil-based Marfrig Group since 2008. The group has 151 production, commercial and distribution units in 22 countries and exports to more than 100 countries, making it the world's fourth largest producer of fresh and industrialised beef products. The purchase of Ballymena-based O'Kane Poultry Limited increased capacity and brought entry to the turkey sector of the market. More than 200 million chickens and two million turkeys are now processed, and the McLarnon Feeds Mill in County Antrim, has been added to the company's resources.

A new turkey processing facility was officially opened in Ballymena in 2010 with a 65 000 sq ft factory extension. Moy Park says its focus now is on creating healthier products with better ingredients and they have recently developed a new southern fried-style mini fillet.

The company continues its investment programme with a substantial element dedicated to sustainability and waste management. It was recognised with a “Platinum” award in the top category for being an environmentally responsible organisation by Business in the Community’s ARENA Network. Moy Park is part of the Rose Energy consortium, which is aiming to build a plant to convert chicken litter to energy. This could provide up to a third of Northern Ireland’s sustainable energy obligations, enough to power 25 000 homes. The company also supplies hatching eggs to a significant proportion of the total European market and is well recognised as one of Europe’s largest growers of organic, free-range and corn-fed birds. The company has a number of environmental management aims in order to fulfil its goal.

These are as follows:

- Recycle, reuse and minimise waste
- Improve energy efficiency
- Reduce water consumption by improving operational efficiency
- Minimise environmental impact through efficient maintenance of manufacturing facilities
- Ensure environmental protection and the prevention of pollution are part of business decisions
- Work in partnership with our employees, customers and suppliers to support our aims

The company is now working on an extensive corporate responsibility programme for employees and the community, to cover education, healthy living and charitable activities.

Outreach staff work with community partner organisations such as Young Enterprise and Business in the Community to deliver business skills education and careers advice to children at local schools.

During August 2011, a major investment project costing £2.5m commenced at Moy Park's large 22 000 square metre processing site at Seagoe, Craigavon, as part of the company's ongoing plant improvement programme.

The significant investment in the latest frying and fast chilling equipment will also deliver greater flexibility, coupled with "best-available" energy efficient technology. Not only does this mean Moy Park will meet all known future environmental legislation, but will also remain competitive, and ensure even better services for its customers. Nigel Dunlop, Moy Park Managing Director said: "The Company has always used the watchwords 'being best by being better', and this investment underpins that mission".

This continuous investment in plant improvement matches the Marfrig Group ethos. Only with the best plant can Moy Park expect to stay world class. The improvements will further streamline production at Craigavon and this will in turn mean improvements to servicing customers with seven day production and delivery throughout the year. "Times may be tough, but we're ever mindful that in a sector as global as ours, there is always someone ready to take advantage if we don't stay ahead in every respect of our operation. Having the best production facilities gives Moy Park its edge" said Mr. Dunlop.

Answer **all six** questions.

- 1 Moy Park operates in the Consumer Goods and Services Market. Explain **two** characteristics of this market using examples from the case study. [6]
- 2 Identify **one** market sector that Moy Park operates in, and support your answer with **two** examples from the case study. [7]
- 3 Analyse **three** conditions which may have increased demand for Moy Park's products. [12]
- 4 Examine **three** advantages and **two** problems of competition within an industry such as food processing. [15]
- 5 Evaluate **four** different methods by which Moy Park might improve its competitiveness. [20]
- 6 Discuss the potential impact of the following **four** government policies on Moy Park's business operations. [20]
 - Fiscal Policy
 - Monetary Policy
 - Supply Side Policy
 - Regional Policy

THIS IS THE END OF THE QUESTION PAPER

SOURCES

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