

Please stick your candidate label here



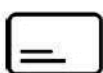
Anglia Examinations

ESOL International

Proficiency Business Level

Paper Number: Sample 5

Candidate Instructions:



Make sure you have the correct candidate label in the box above.



Time allowed – TWO and a HALF hours. (Including listening)



Answer ALL the questions.
Check the back page.



You may use correcting fluid if necessary.



Use a black or blue PEN in the spaces provided.

You must ask any questions now as you cannot speak during the exam.

INVIGILATOR: PLEASE ENSURE THAT CANDIDATES UNDERSTAND THESE INSTRUCTIONS.

For Examiner's Use Only

Part One [10]	Part Two A [10]	Part Two B [30]	Part Three [30]	Part Four [10]	Part Five [10]

Total [100]

Marker's ID

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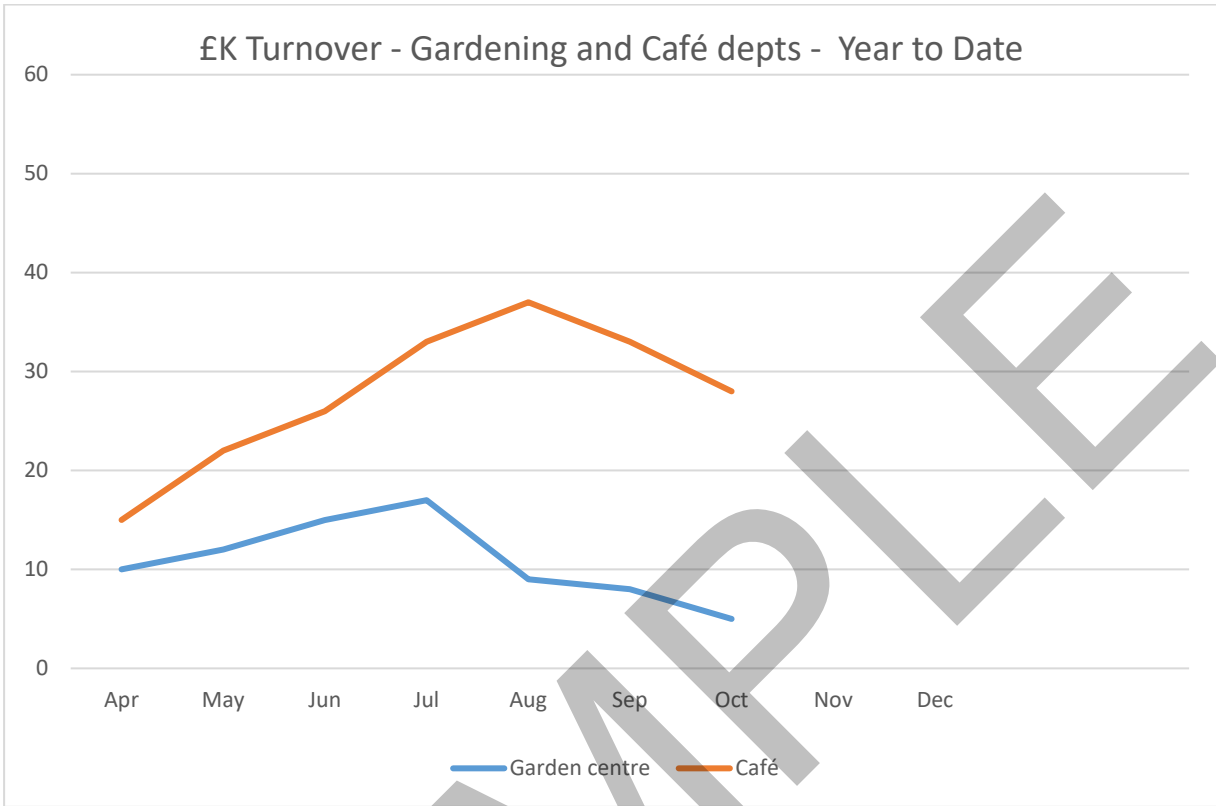
Part One (10 marks)

You have been asked to attend a talk about Pricing Strategy. Listen to the presenter and complete the text. You may need to write more than one word in each gap. You will hear the information twice.

Most companies use a similar process when ⁽¹⁾ _____ prices for their goods and services. That's because the main constraint on pricing is cost, which must be ⁽²⁾ _____ to, at least, break even. Other constraints include the market and the value customers place on the products on offer. Bringing a new product to market has its own ⁽³⁾ _____ challenges and opportunities on price. An introductory price which is lower than the anticipated, acceptable price which customers will eventually pay, aims to bring about ⁽⁴⁾ _____ and market penetration. However, the majority of pricing changes are for products that are already in-life and are part of the pricing cycle that takes place in most businesses. Normally, this cycle is ⁽⁵⁾ _____ years but occasionally, especially in times of economic ⁽⁶⁾ _____, the pricing cycle can be completed in a single day. The cycle begins with a pricing strategy. Market skimming, for high priced, highly ⁽⁷⁾ _____ products, must soon be revised when the competition catches up with you. A low price aimed at market penetration will have to be short lived, during the ⁽⁸⁾ _____ period only, or the product will never start making a profit. And remember, customers who buy on price alone are fickle and often return to their favourite, higher priced product. The ⁽⁹⁾ _____ matching pricing strategy only works where markets are growing slowly or not at all. The ultimate pricing strategy is often considered to be value-based pricing. Here, the goal is to maximise sales based on the value customers get from your ⁽¹⁰⁾ _____. The challenge however, is understanding what customers value and how much they value it.

Part Two - A (10 marks)

You will hear a telephone conversation. Listen to the conversation, answer the questions below and complete the graph where appropriate. Also complete the information required. You will hear the conversation twice.



	<u>Sales in Gardening Dept.</u>	<u>Sales from Café</u>
November	(1)	(3)
December	(2)	(4)

What happened to make sales in the gardening department plummet?

(5) _____

What is Maria going to do about the outstanding invoices?

(6) _____

How much was invested in the expansion and redesign of the café?

(7) _____

What is the gross profit on the average lunch sale?

(8) _____

Part Two B - (30 marks)

Analyse the completed graph in part 2A which relates to the gardening department and the café of a superstore. Write an email to your manager Robert Dwyer, as if sending the completed graph.

Give an overview of the performance of the two business areas, during the time period shown in the graph. Draw some conclusions about the situation from the data on the completed graph and the information you heard.

To:	<input type="text"/>
Subject:	<input type="text"/>

SAMPLE

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Part Three - Reading Skills (10 marks)

There are ten headlines below and ten short news stories on the next page.
Match each story letter to the best headline number.

1. ALL CHANGE FOR THE TRAIN COMPANIES
2. RECESSION SEES END OF FURNITURE SALES
3. DIVIDEND WARNING IN POWER SECTOR
4. SPLIT AT THE TOP OPENS WAY FOR HOSTILE BID
5. END OF AN ERA FOR RETAILER
6. INSURER GOES ON A SPENDING SPREE
7. INVESTORS HEDGE THEIR BETS IN CARE SECTOR
8. MEGA LOSSES AT THE MOVIES
9. HOLIDAY CARRIER FALLS FOUL OF POLITICS
10. CASH DIVIDENDS RESTORED

WRITE YOUR ANSWERS HERE.

Match the number of the headline to the letter of the article:

A	B	C	D	E	F	G	H	I	J

A.

For five generations, the Rose family has been selling groceries across northeast England. Now, that 170-year history looks set to end, with the Sunderland-based chain looking for a buyer. After a spell of turbulent trading that saw it fall to a loss of £6m last year, Roses has hired advisers to solicit takeover bids.

C.

Fears are mounting that the London Stock Exchange (LSE) could fall victim to an opportunistic takeover bid following an acrimonious boardroom split. Rumour abounds that the chairman unfairly sacked LSE's highly successful chief executive. An extraordinary general meeting has been called by the investor who controls 5% of LSE's shares, demanding the chairman be sacked and the chief executive reinstated. It is feared this could leave the company rudderless and vulnerable to an under-priced bid.

E.

Buy-out tycoon, Gareth Harvey has tabled a last-ditched proposal to an American hedge fund to stave off the collapse of Winterton's, one of Britain's biggest care-home operators. Harvey's capital partners have offered a 'standstill' deal to the company's main creditor, BCBK bank. It is hoped this is enough to encourage the hedge fund to come to the table and for the takeover to go ahead.

G.

Difficult trading conditions have been blamed for the closure of York Sofas, the discount furniture manufacturer. Four hundred employees have been laid off from the factory in Huddersfield and the administrator, Unwin and Egremont is currently working with a skeleton staff to value the business. It is hoped a buyer for the business will come forward; otherwise it will be sold off piecemeal to pay creditors.

I.

A report by administrators at Lloyd, Lambert and Lewis, reveals that the stricken airline, Kingdom Airways, has just £400,000 available to repay unsecured creditors and concludes that the cost of repaying them would exceed this sum. Kingdom collapsed after terrorism and Brexit sent passenger numbers and profits plummeting, leaving it unable to renew its tour operator license.

B.

This week the chief executive of one of Britain's most valuable public companies is tipped to say that the company will resume paying all its dividends in cash. This is further evidence the Scots-Norwegian partnership is recovering from the depths of the oil industry downturn. The company has paid a slice of its dividend in stock since 2013, when the plunging oil price forced a re-think on its resources.

D.

The joint British and French energy supplier, Xyrene, is open to offers for its 20 per cent share in six nuclear power stations. The chief executive has been steering Xyrene away from power generation. Last week, it warned profits had plunged in its American business, leaving analysts fretting about a dividend cut.

F.

The American entertainments company AFA, is under pressure from online TV streaming services such as Netflix and Amazon Prime. It's seen its share price dive more than 50% this year. A spate of box-office flops has also seen the company post a \$42.7m loss for the three months to September. It has been pinning its hopes on a crop of winter blockbusters, including the latest Stars Wars and Murder on the Orient Express. Essoldo is said to be poised to join forces with Francovue in an attempt at a takeover to form a £3bn multiplex monolith.

H.

The transport secretary is set to unveil a blueprint for overhauling the railways, including splitting two of the biggest routes. It is believed that the Great Western franchise could be split into an inter-city franchise and a separate Devon and Cornwall business. The group comprising Thameslink, Southern - the group responsible for a year of strikes - and Great Northern, is also likely to be carved up.

J.

ProMarine, the FTSE 100 insurer, has generated around £15bn of capital, far exceeding the Bank of England's minimum buffer requirements. The chief executive is believed to be planning a buy-back of its shares and the repayment of expensive bonds. Earlier this month, it used some of its excess cash to buy the Scottish insurer, Trossachs Insurance, for £109.4m.

Part Four (10 marks)

Read the text below. There are 10 gaps in the text. Fill each gap with *one* suitable word.

According ⁽¹⁾ _____ the Institute for Family Business (IFB), family firms make up 65 % of the total 4.5 million private sector enterprises in the UK. Turnover from family businesses amounts to £1,000bn and contributes around 30 % of GDP and more than 40 % of employment in the private sector. Research ⁽²⁾ _____ that the successful involvement of a family in a business, outperforms non-family owned firms over the long term. ⁽³⁾ _____ of the oldest family businesses is a miller called Flynn's Oats. It is currently being managed ⁽⁴⁾ _____ its fifteenth generation. A family enterprise, in ⁽⁵⁾ _____ to be successful, has to balance the needs of the business, the owners and the dynamics of the family. Successful family businesses must establish a mechanism to balance the conflicting interests of those who ⁽⁶⁾ _____ an active role in the day-to-day running of the business and those who may be non-working shareholders. The Henley Business School finds the ⁽⁷⁾ _____ advantage of all is the emotional commitment to the business. The close connection of ownership and management, together with a long-term view that considers the ⁽⁸⁾ _____ generation, calls for complete dedication and hard work to ensure continued success. The IFB says the owners and family members working in it, put it first and are careful about what they take out of it. It's personal to ⁽⁹⁾ _____. This often means that non-family people associated with the business feel a strong sense of loyalty and commitment, and as a ⁽¹⁰⁾ _____, they are encouraged to maximise their efforts for the good of the business overall.

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Part Five - Facts and Figures (30 marks)

You work for a discount supermarket chain that is just breaking into the UK market. You have been asked to do some research to find an advertising agency that could design and implement a short advertising campaign on TV and social media to launch the brand.

Look at the facts below. Write a structured report which *compares and contrasts* the available agencies. Draw a conclusion about the agencies and make a recommendation.

Write about 250 words.

Artemis Advertising Agency

Artemis is the agency you need if you want to run a time-constrained campaign to launch or promote a product. We specialise in short, sharp drives to deliver messages that turn your brands into household names.

Sales generated: 2015/16: £32 million

Services offered:

branding; printed material advertising; interactive social media campaigns

Cost: Consultation fees start at £350

Contact: consult@artemisagency.com

Click-Cat Ads

Click-Cat Ads will bring your targeted customers to your products and services through innovative design and implementation.

Our approach is simple; once we get to know you and what you have to offer the market,

WE TELL EVERYONE!

Average sales increase: 210% year on year (with full implementation service)

Services offered:

Consultation / Design / Innovation
Full Implementation Service

Media:

Printed material / Radio / TV / Online

Cost: Consultation fees start at £500

contact@clickcatads.com

Brough & Gooch Advertising Agency Sloan Square, London

At Brough & Gooch, we take a holistic approach to your advertising requirements. We work with you to find the right style through the best media to suit your products and services.

We appoint a team to your business who will promote your brand and run your campaigns. We have experts who work with all types of media to suit your needs.

Sales generated 2015/16: £21 million

For an initial consultation* to produce a road map of the promotion your business needs, contact enquiries@broughandgooch.com

*Initial consultation costs range from £750

Dizzy Heights

Dizzy Heights advertising agency specialises in TV commercials.

If you want to reach a family audience for your products or services, we are the agency with the contacts and expertise to put your brand into millions of living rooms every day.

We have worked with some of the most well-known High Street names in retail.

Winners of the Christmas TV Advert 2015 for the 3rd year running.

Cost: Initial consultation £1,500

Enquiries: consult@dizzyheights.com

Write your report here. Use about 250 words.

SAMPLE

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