

Business Vantage

Reading

Sample Test 01**Time** 1 hour**INSTRUCTIONS TO CANDIDATES**

Do not open this question paper until you are told to do so.

Write your name, centre number and candidate number on your answer sheet if they are not already there.

Read the instructions for each part of the paper carefully.

Answer all the questions.

Read the instructions on the answer sheet.

Mark your answers on the answer sheet. Use a pencil.

You **must** complete the answer sheet within the time limit.

At the end of the test, hand in both this question paper and your answer sheet.

INFORMATION FOR CANDIDATES

There are 45 questions in this paper.

Each question carries one mark.

PART ONE

Questions 1 – 7

- Look at the statements below and the comments given on the opposite page by mobile phone retailers.
- Which section (**A, B, C** or **D**) does each statement **1 – 7** refer to?
- For each statement **1 – 7** mark one letter (**A, B, C** or **D**) on your Answer Sheet.
- You will need to use some of these letters more than once.

Example:

0 the extent to which mobile phones have changed in size

0	A	B	C	D
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 1** the need for retail staff to stay informed about the mobile phones they are selling
- 2** the belief that the market will not sustain the present number of mobile phone retailers
- 3** the use of mobile phones no longer being restricted to a specific group of people
- 4** the relationship between charges and the number of mobile phone users
- 5** a negative view of competing mobile phone retailers
- 6** a comparison between change in the mobile phone industry and that in a different sector
- 7** those services available at mobile phone outlets that are not provided by other retailers

A

Market awareness of the mobile telephone has exploded and the retailer who specialises in mobile phones is seeing growth like never before. Admittedly, some customers buy their first mobile phone in the supermarket, but for advice, add-ons and particular services they turn to the specialist. There are a large number of mobile phone retailers and I can't help but feel the market only has room for four players. Undoubtedly, customer service is the factor that differentiates operators and I think this year we will probably see rationalisation in the sector.

B

When I first started in the industry, mobile phones were retailing at a thousand pounds and were as large as box files. Now, prices are constantly being driven down and handsets are considerably more compact. There is intense competition between the network providers and every time they lower their tariffs, more people

come into the market. This will continue, and while retail dealers' profits will be affected dramatically, network providers will have to generate more revenue by offering internet provision and data services to the mobile user.

C

Over a few years, prices have dropped sharply and technological advances have meant products have changed – and are changing. Successful retailers must try to keep on top of these developments and invest in the training of employees so they are able to offer impartial advice to customers. E-commerce is taking off but this won't necessarily replace traditional retail outlets. In order to stand out, you need innovative ideas on customer service. We don't believe in criticising other retailers, but there's nothing particularly exciting out there at present.

D

The mobile phone business is behaving like the internet industry in take-up and the pace of innovation and it's important not to be left behind. We must continue to innovate in delivering the product to the customer. In terms of service provision, you can draw comparisons between us and our closest rival,

but clearly all the main mobile phone retailers have succeeded in taking the industry forward. Growth has accelerated rapidly and the mobile telephone has changed from simply being a business tool, to being a means of communication for everyone.

PART TWO

Questions 8 – 12

- Read the article below about a survey of businesswomen staying in hotels.
- Choose the best sentence from the opposite page to fill each of the gaps.
- For each gap **8 – 12**, mark one letter (**A – G**) on your Answer Sheet.
- Do not use any letter more than once.
- There is an example at the beginning, **(0)**.

Hotels Failing Businesswomen

Hoteliers should take note because they are facing serious criticism! Women account for more than half of all business travellers, but hotels are not doing enough for them. **(0)** *G*..... . These show that the number of complaints made about the way women guests are treated is increasing.

The Bartonsfield Hotel in London also conducted a recent survey of UK businesswomen, which reveals that 70% feel they receive an inferior service. **(8)**..... . The attitude of hotel staff made them feel out of place in public areas; for example, 62% chose to eat in their rooms because they were made to feel uncomfortable by staff when dining alone. **(9)**..... . Four years ago, for example, a similar survey had revealed that a significant number of women travelling alone and wishing to use the hotel restaurant were actually turned away.

Many of the suggestions for improved services put forward by the Business Travel Association are relatively simple. **(10)**..... . Placing tables in restaurants in a way that allows the head waiter to introduce guests to one another, so

they can choose to sit together over a meal, was a further suggestion. Guests in the dining room would then have the opportunity to meet up with others who might, for example, be attending the same conference, or have the same business interests.

Wendy Manning, executive manager of the Bartonsfield Hotel, agreed with the Business Travel Association that hotel star ratings should be influenced by the level of service they offer to female business guests. **(11)**..... . 'Our survey highlighted the unwillingness of many women to air their views if they are treated badly,' Wendy Manning pointed out.

A group of influential businesswomen recently met to discuss the results of the Business Travel Association questionnaire. They suggested that businesswomen should not hesitate to make it clear if they have a problem. **(12)**..... . Once clients have gone, it is all too easy for the issue to be ignored by hotel managers, and it will also be forgotten by the overworked business executives themselves.

Example:

0	A	B	C	D	E	F	G
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- A** The hotel staff assumed they should be booked into the same room.
- B** But there is clear evidence that things are slowly improving.
- C** This would enable women to make an informed choice about a hotel, and they would not be placed in the uncomfortable position of having to complain about poor service.
- D** It is advisable for them to do this during their stay rather than waiting until they check out.
- E** Making sure that facilities in guest bedrooms cater equally for the needs of male and female guests is one such idea.
- F** Most of the women, when questioned further, thought that the reason for this was that they were female and travelling alone.
- G** This is evident from the results of a questionnaire distributed to hotel guests by the Business Travel Association.

PART THREE

Questions 13 – 18

- Read the article below about product life cycles and the questions on the opposite page.
- For each question **13 - 18**, mark one letter (**A, B, C or D**) on your Answer Sheet for the answer you choose.

Product Life Cycles and Sales Strategy

One of the most important concepts in sales management and marketing is that of the product life cycle. This is a historical record of the life of a product, showing the stage in its life the product has reached at a particular time. By identifying the stage that a product is in or may be heading towards, companies can formulate better marketing plans. All products have 'lives' in as much as they are created, sell with varying profitability over a period of time, and then become obsolete and are replaced or simply no longer produced. A product's sales position and profitability can be expected to fluctuate over time and so, at each successive stage in the product's cycle, it is necessary to adopt different tactics.

The two main features of the product life cycle are unit sales and unit profit. The unit sales figures usually jump on introduction, as a response to heavy advertising and promotion, as customers buy the product experimentally. This is generally followed by a levelling off while it is evaluated – the length of this period depending on the use to which the product is put. Then, unit sales rise steadily through the growth phase to the maturity phase, when the product is widely accepted, and so on to saturation level. By this time, competitors will have entered the market with their own version and, from this point, the sales team will have to work even harder to win all additional sales. Eventually, the product's sales decline as better versions enter the market and competition becomes too strong.

In retrospect, most firms know what happened to their products from launch to withdrawal. They can compile this information from the records of unit sales.

Unfortunately, unit sales are not the complete story as it is unit profit that is the decisive factor, although this is not always recorded accurately. It is this figure that sales management has to monitor, though, to ensure an effective marketing strategy and to produce effective profits.

At launch, the product is costed accurately on the basis of production costs plus selling costs. Initially these remain fairly stable, but, when the product is proving successful, competitors will bring out their own 'copy-cat' products. With a competitor in the field, the original firm has to respond in order to maintain its market position. It can run special sales promotions, improve deliveries, make more frequent sales calls and so on. Often the extra expenditure is not accurately charged to the product and the result is that, long before unit sales are noticeably falling, the unit profit has already fallen.

The product life cycle, then, presents a picture of what happened in the product's 'lifetime', so how can this be used as an ongoing aid to management decision-making? Every sales manager has a chart on which the progress of sales is plotted and this can be used as a guide to the stage of development each product is currently in. An essential management skill is being able to interpret sales results and draw in the stages as they occur. Deciding where each stage begins and ends can be a random exercise, though usually the stages are based on where the rate of sales growth or decline becomes pronounced.

- 13 According to the text, the end of a product's life cycle is marked by
- A a sharp rise in production costs.
 - B the product becoming outdated.
 - C an increase in customer complaints.
 - D less support from sales management.
- 14 What does the writer say about sales management in the first paragraph?
- A Companies should spend more time on their sales planning.
 - B There are many managers who need to improve their sales performance.
 - C Most sales managers fail to recognise which stage a product has reached.
 - D The sales approach should change with each phase of the product life cycle.
- 15 According to the text, a greater sales effort is required for a product when
- A it is particularly innovative.
 - B the advertising budget has been cut.
 - C rival companies start to produce something similar.
 - D consumer interest switches to a new product category.
- 16 According to the text, a good marketing strategy must primarily be concerned with
- A sales statistics.
 - B product details.
 - C consumer data.
 - D profit information.
- 17 According to the text, profit levels may fail to correspond to the volume of sales because
- A the full selling costs have not been taken into account.
 - B the production costs were not estimated correctly.
 - C there are unforeseen problems with distribution.
 - D there has been a lack of economic stability.
- 18 What does the writer say about the charts that show sales progress?
- A It is a matter of judgement where one sales phase finishes and another begins.
 - B Managers should review policy when a sharp fall in sales is indicated.
 - C It is difficult to see how sales charts can provide sufficient guidance to managers.
 - D Managers should get confirmation of the data they plot on the sales charts.

PART FOUR

Questions 19 – 33

- Read the advice below about the use of technology in presentations.
- Choose the correct word to fill each gap from **A, B, C** or **D** on the opposite page.
- For each question **19 – 33**, mark one letter (**A, B, C** or **D**) on your Answer Sheet.
- There is an example at the beginning (**0**).

Guidelines for giving Presentations

Most presentations today (**0**)**B**..... on the use of some sort of technology, such as a laptop computer linked to a projector. While this technology can help to (**19**)..... presentations better, it also has a (**20**)..... of getting in the way. As a general (**21**)....., it is better to (**22**)..... on the content of a presentation as a means of (**23**)..... your audience's attention, rather than relying on sophisticated equipment.

Bear in mind that when an organisation invites (**24**)..... for a contract, they may (**25**)..... four or five presentations from different companies on the same day. Each of these companies will probably be using the same computer graphics (**26**)..... and the same equipment. The chances are the presentations will be similar too.

That's why the content and (**27**)..... of what you say are important. Think about what you want to say and how to say it as clearly as possible. As a first step, you need to (**28**)..... the main points you want to get across. Audiences are easily bored and (**29**)..... to remember only the most entertaining, exciting or unusual ideas.

Next create your materials, choosing the images for your presentation carefully. Remember you do not want to stop your audience from listening to you, nor do you want to (**30**)..... them.

Finally, make all the necessary (**31**)..... for the equipment you need. If technology is to be an important (**32**)..... of your presentation, make sure you know how to use it (**33**)..... and test it out beforehand.

Example:

A calculate **B** depend **C** determine **D** lean

0	A	B	C	D
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 19 **A** produce **B** make **C** construct **D** build
- 20 **A** behaviour **B** habit **C** practice **D** routine
- 21 **A** method **B** law **C** rule **D** course
- 22 **A** focus **B** define **C** target **D** direct
- 23 **A** gaining **B** acquiring **C** collecting **D** taking
- 24 **A** requests **B** calls **C** bids **D** commands
- 25 **A** appoint **B** programme **C** schedule **D** catalogue
- 26 **A** parcels **B** packets **C** bundles **D** packages
- 27 **A** formation **B** design **C** structure **D** system
- 28 **A** catalogue **B** label **C** mark **D** identify
- 29 **A** point **B** tend **C** lead **D** move
- 30 **A** disorder **B** mistake **C** confuse **D** complicate
- 31 **A** appointments **B** procedures **C** arrangements **D** organisations
- 32 **A** share **B** role **C** function **D** element
- 33 **A** precisely **B** suitably **C** properly **D** accurately

Questions 34 – 45

- ### Examples:

00	C	O	R	R	E	C	T		
----	---	---	---	---	---	---	---	--	--

0 There is little doubt that training has become so an accepted part of business but it is
00 equally true that companies take a much less scientific approach than they should. A
34 recent study suggested us that, while UK organisations spend nearly £10bn a year on
35 training, 37% of them have never evaluated that expenditure in terms of business
36 impact. Yet if training activities that are run along the same lines as other business
37 operations, in ways that maximise with opportunities, it becomes easier for training
38 organisations to help companies meet strategic goals. One organisation showing an
39 awareness of what this principle is CT Solutions, a training business that has its own
40 premises in South London. The need for more training has combined it with cutbacks in
41 office accommodation to create plenty of business for those hiring out space, particularly
42 upper-end hotels. But while CT Solutions detected that many organisations were not
43 satisfied with hotels because they do not always provide a good service. CT Solutions is
44 totally dedicated to providing of space for business, mostly for training, but also for
45 conferences and AGMs. Clearly, since the business has been grown in size, it is an
approach that works.

BLANK PAGE

BLANK PAGE