

Edexcel GCE

Applied Information and Communication Technology

Unit 3: The Knowledge Worker

May 2011

Scenario

Paper Reference

6953/01

The scenario should be distributed to candidates at least three working weeks before the examination.

Practice files: Basketware_practice.txt, Carved_practice.txt, Jewellery_practice.txt, Woollen_practice.txt, Kraftz_practice.xls

This scenario should be used for the purposes of preparing candidates for the examination. This copy **must not** be taken into the examination. The information contained in the scenario will be included in the examination paper.

Further details are in the Instructions of the Conduct of Examinations (ICE), available from the Edexcel website for this qualification.

Edexcel will not accept any request for special consideration should candidates be given the incorrect scenario for the examination they are sitting.

Turn over ►

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Scenario

Kornish Kraftz

Steve Gates left university with a degree in Business & Marketing. Since then he has worked for a top advertising firm, 'Badger Tate'. The idea for 'Kornish Kraftz' came to him while visiting his younger brother Jim who was working as a tour guide in Cornwall.

Jim lived in what was once a small fishing village, although these days little fishing occurs. The recession and fishing quotas have virtually destroyed the traditional way of making a living for the local population. Most of the village now relies on tourism for its income. Many of the traditional crafts such as knitting, basket-weaving, carving wooden objects and jewellery-making have survived within the traditional fishing families.

Steve identified a business opportunity selling locally produced items to tourists. Through Jim, he arranged for a number of craftsmen and women to supply him with merchandise. Steve arranged the finance to open a shop in Falmouth. The shop sold basketware, carved objects, woollen items and handmade jewellery and Jim was given the job of running it.

'Kornish Kraftz' flourished and made a good profit. Three years later Steve felt it would be nice to expand the business. He decided to look into the feasibility of opening shops in other towns. He identified potential outlets in Redruth, St Ives, Newquay, Mousehole, Land's End, St Austell, Bodmin, Truro, Bude and Penzance.

'Kornish Kraftz' depends heavily on the tourist trade and Steve expects the expanded business to be the same. To help him decide which of these potential outlets would be the most profitable, he searched for other businesses, equally dependent on the tourist trade, with outlets in the same towns.

He found a chain of souvenir shops and a surfer supplies franchise and decided on the souvenir shops as the best option. He contacted the owner of the chain who supplied Steve with last year's sales figures for the souvenir shops. Using these figures, Steve calculated a rating for each of the potential outlets in comparison with the sales figures for his 'Kornish Kraftz' shop in Falmouth. He rated the Falmouth shop as 1 and the others higher or lower depending on sales.

As a marketing expert Steve had tried a number of ways to promote the Falmouth shop. He had tried advertising in the local press, issuing leaflets, local radio adverts and billboard posters. He studied the effect that each of these methods had on sales.

As he is about to expand his business, Steve needs to increase the supply of the products sold by 'Kornish Kraftz'. He has spent a lot of time recruiting more craftsmen and women. Although this would significantly increase the products available, there is a limit to how many of each item can be produced every month.

Steve will need more staff to run the potential outlets. The number of staff required will vary depending on the potential sales and size of the outlets.

Steve has asked the company he uses to collect stock from the craftsmen for an estimate of how much they would charge to deliver to each of the potential outlets. He has also collected figures for rent and utility charges from the estate agent who found him the potential outlets.

Steve has tried to create a model to help him make decisions. His main job has taken him away on a business trip. He has employed you as an IT specialist to complete the model and advise him on which shops to open. He has also asked you to advise on how best to promote the expanded business.

Description of the model

Worksheet	Description
Values	On the Values worksheet you can choose whether to open a shop and the type of advertising you wish to use. It will also calculate annual costs, revenue and profit.
Monthly Figures	This worksheet calculates costs and revenue by month. The costs will be itemised.
Advertising	This worksheet contains the data and formulae which the model will use when calculating advertising costs.
Totals	This worksheet contains the costs itemised for the Falmouth shop, and calculated costs when other shops are opened.
Woollen Products, Carved Products, Basketware and Jewellery	These worksheets contain sales figures for the various items in each category and predicted values if other shops are opened.

Some cells in the model are password protected. Should you wish to experiment with the model, the password is *edexcel*. Be aware that if you change the contents of any protected cell the model may not work.