

Write your name here

Surname

Other names

Centre Number

Learner Registration Number

**Pearson BTEC
Level 1/Level 2
First Certificate**

Travel and Tourism

Unit 7: Travel and Tourism Business Environments

Wednesday 11 June 2014 – Morning
Time: 1 hour

Paper Reference

21627E

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 50.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** Luxury Stays for the Family (LSF) is a hotel chain that owns six country house hotels across Britain.

It employs more than 300 staff, aims to make a profit and is listed on the UK stock exchange.

(a) Identify LSF's business ownership.

(1)

- A** Partnership
- B** Cooperative
- C** Charitable organisation
- D** Public limited company (PLC)

(b) Identify the business size of LSF.

(1)

- A** Micro-enterprise
- B** Large business
- C** Multinational company
- D** Small and medium enterprise (SME)

(c) Identify the geographical scale of LSF's business operations.

(1)

- A** Global
- B** National
- C** Regional
- D** Local



LSF has a number of internal departments to support the business functions of its six hotels.

(d) (i) State the internal department that would manage LSF's seasonal cash flow. (1)

(ii) State **two** functions of LSF's human resources department. (2)

1

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2

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LSF has a hierarchical staffing structure.

(e) (i) Name **one** other type of staffing structure. (1)

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(ii) Explain **one** disadvantage of a hierarchical staffing structure. (2)

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(Total for Question 1 = 9 marks)



2 Identifying trends and interpreting data can help the travel and tourism sector plan and develop new products.

Changing levels of disposable income is an example of an economic trend.

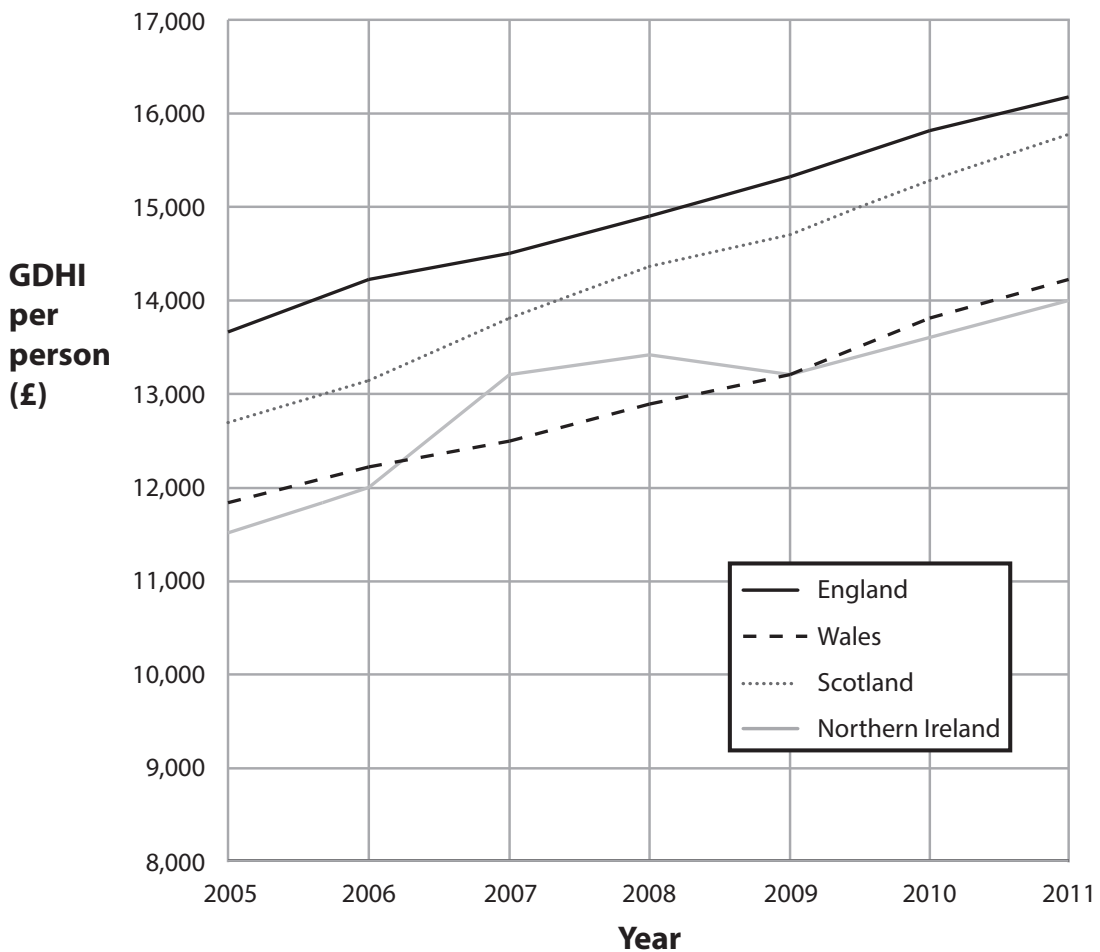
(a) Define the term disposable income.

(1)

Use the graph to answer questions 2(b)(i) and 2(b)(ii).

This graph shows disposable household income trends per person across regions of the UK between 2005 and 2011.

Regional Gross Disposable Household Income (GDHI) per person



(Source: adapted from ons.gov.uk)



(b) (i) During which year did England's Regional Gross Disposable Household Income (GDHI) first exceed £15 000? (1)

(ii) Between which years did Northern Ireland's GDHI per person see the most rapid increase? (1)

- A 2005–2006
- B 2006–2007
- C 2007–2008
- D 2008–2009

The changing level of employment is an example of an economic trend.

(c) Outline **two** ways that high unemployment rates can affect the travel and tourism sector. (2)

1

2

(d) Identify **two** examples of demographic or socio-economic trends. (2)

1

2



The table shows some information about UK domestic tourism between 2008 and 2009.

Domestic Tourism Trips, Nights and Spending (The UK Tourism Survey 2009)		
	2008	2009
Trips (millions)	117.7	126.1
Nights (millions)	378.4	398.7
Spending (millions)	£21 109	£21 881
Average nights per trip	3.21	3.16
Average spend per trip	£179	£174

(Source: www.abta.com)

(e) (i) Identify **two** potential trends shown by the data in the table.

(2)

- A** Trips are getting longer
- B** People are taking more trips
- C** Less is being spent overall
- D** Less is being spent on each trip
- E** Fewer trips are being taken



(ii) Explain **two** reasons why the trends shown in the table have a positive effect on hotels.

(4)

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(Total for Question 2 = 13 marks)



3 ED Travel (EDT) is a UK-based outbound tour operator. It specialises in providing short city breaks to Italy throughout the year.

EDT is looking to develop the use of technology to attract new customers to grow its business.

(a) (i) Explain **one** way that social media provides an opportunity for EDT to grow its business.

(2)

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(ii) Describe **one** way that EDT can improve its services through the use of mobile phone technology.

(2)

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EDT has an opportunity to buy another tour operator called Maple Tours. Maple Tours is a ski travel specialist offering a range of holidays to ski resorts across Canada. Both companies are a similar size.

The initial cost of buying Maple Tours is one disadvantage identified by EDT.

(b) Explain **two** other disadvantages for EDT of buying Maple Tours.

(4)

1

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EDT decided to buy Maple Tours and is now offering a range of ski holidays in Canada.

The Canadian government is planning to fund an advertising campaign in the UK to attract more tourists.

(c) Explain **two** reasons why the Canadian government's advertising campaign is a threat to EDT.

(4)

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(Total for Question 3 = 12 marks)



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QUESTION 4 IS ON THE NEXT PAGE



4 In April 2010 a volcanic eruption in Iceland created a large ash cloud that grounded many European flights for six days.

(a) Explain **two** ways this type of event offers an opportunity for increased business for UK accommodation providers.

(4)

1

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Diamond Air is a UK-based airline offering flights between London and Sydney, Australia, via Dubai.

Currency exchange rate fluctuations have a major effect on airlines.

The number of people booking flights from London to Sydney has declined as a result of the British pound (£) being weak against the Australian dollar (A\$).

(b) Explain **two** ways that Diamond Air can respond to this situation to ensure its own sales do not decline.

(4)

1

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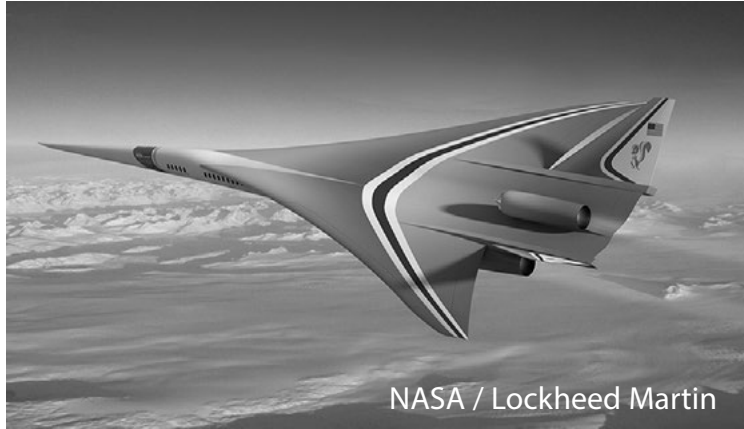


This article appeared in a national newspaper.

London to Sydney in 4 hours!

Plans will soon be revealed for a passenger jet that can travel from London to Sydney non-stop in four hours.

The new jet planes are designed to seat 12 people and will be capable of travelling at 4000 kilometres per hour (kph).



A number of UK-based airlines have expressed interest in offering these fast, non-stop flights.



(c) Discuss how Diamond Air could respond to this technological innovation.

(8)

Area for writing the answer to question (c). The area contains 20 horizontal dotted lines for writing.

(Total for Question 4 = 16 marks)

TOTAL FOR PAPER = 50 MARKS



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