



## Unit: Business Economics

### Assignment 20 Credit Version

# Sample Assignment

#### Important notes

- Please refer to the *Assignment Presentation Requirements* for advice on how to set out your assignment. These can be found on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You must read the NCC Education documents *What is Academic Misconduct? Guidance for Candidates* and *Avoiding Plagiarism and Collusion: Guidance for Candidates* and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You **must** complete the *Statement and Confirmation of Own Work*. The form is available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- You must submit a paper copy and digital. Media containing viruses, or media that cannot be run directly, will result in a fail grade being awarded for this assessment.
- All electronic media will be checked for plagiarism.

## **Introduction**

This assignment requires you to demonstrate knowledge and skills you have acquired throughout the course of this module by producing a 4,000 word, fully referenced, academic report that addresses the tasks given below. In order to complete the assignment, you will need to choose an industry and an appropriate organisation within it to research.

### **Choosing an appropriate organisation**

Step 1: select a global industry in which you are interested. For example, commercial airlines, commercial banking, fashion retail, food retail, IT, hospitality, leisure and tourism, automotive, construction, pharmaceutical, oil and gas, etc.

Step 2: select an international business in that industry. A feature of these sorts of organisations is that they:

- Have been involved in some form of merger/takeover activity
- Are a public limited company (PLC)
- Are a multinational corporation
- Experience competition from one or more organisations (they are not a monopoly)

### **Researching your organisation**

You can use web resources to enable you to understand the context in which your selected organisation operates.

Do not limit yourself, however, to web-based sources of information. You should also use academic, industry and other sources.

## Example – Costa Coffee (not to be used by the student)

**NB. You will not be expected to submit your background research, it should be used purely to help formulate your responses.**

Consider Costa Coffee, which was established by the Costa brothers during the 1970s and purchased by the hotel and restaurant conglomerate Whitbread in 1995. As of 2017, there were more than 13,000 Costa Coffee shops and outlets across Great Britain. Starting in the 1990s, the company began to cultivate an international presence, either through wholly owned subsidiaries across the EU, or in partnership with other firms, such as bookshops.

Beginning in 2012, the company began to expand to the Chinese market, opening Costa Coffee shops with two joint venture partners – Beijing Hualian Group and Yueda South Holding, which are two of the largest state-owned enterprises in the country. With almost 1.5 billion citizens, the Chinese market is the largest in the world, which no doubt accounts for its increasing appeal to multinational businesses like Costa Coffee. However, China is a notoriously difficult place for foreign enterprises to do business. While the Chinese government is attempting to attract greater foreign direct investment to the country, its strategy is significantly hampered by complex bureaucratic arrangements for new firms.

In April 2018, Whitbread announced its decision to sell Costa Coffee off as an independent business. The decision was spurred by pressure from activist investors who saw the attractive long-term international opportunities stemming from regions like China as being lucrative for the parent company. Shares in Whitbread soared by 16% after the sale. Ed Meier, one of the company's investors said, "As long-term shareholders in Whitbread we feel this is the right decision to maximise shareholder value over the medium term". In August 2018, the soft drinks manufacturer Coca Cola purchased Costa Coffee from Whitbread for £3.9 billion. In the face of declining demand for its sugary drinks, and growing coffee culture in Asia, the move would give Coca Cola an instant foothold into one of the world's fastest-growing drinks categories.

Sources of information on this business include:

<https://www.whitbread.co.uk/media/press-releases/2018/31-08-2018>, (accessed 7/6/19)

<https://www.reuters.com/article/us-whitbread-results-demerger/whitbread-to-spin-off-costa-coffee-idUSKBN1HW0JL>  
(accessed 7/6/19)

<https://www.independent.co.uk/news/business/comment/costa-coffee-whitbread-premier-inn-break-up-elliott-advisers-activist-investors-a8307291.html>, (accessed 7/6/19)

<https://www.coca-colacompany.com/press-center/press-releases/the-coca-cola-company-completes-acquisition-of-costa>,  
(accessed 7/6/19)

Do **NOT** use Costa Coffee as the basis of your assignment. This is just an example. You must choose the organisation yourself.

Please note, this assignment must be your own work as it is designed to test your abilities. Submitted assignments will be checked for plagiarism. For more information, please refer to NCC Education's Academic Misconduct Policy, which can be found on the website.

## Instructions

Answer all FIVE (5) tasks.

### Task 1 – 20 Marks

- a) Using your research, evaluate (using an appropriate model) the structure of competition within the industry you have selected **and** how this impacts your chosen organisation. (12 marks)
- b) Your chosen firm may currently have a presence in China or could look to this in the future. If so, it may form a joint venture with a local state-owned company.
- Discuss (using examples from any industry) the arguments in favour of nationalising firms/industries. (8 marks)

### Task 2 – 20 Marks

- a) Explain how the international life cycle applies to one of your organisation's products/services. (10 marks)
- b) Using evidence from your research, analyse whether your chosen organisation is a cost-oriented or market-oriented multinational corporation. (10 marks)

### Task 3 – 26 Marks

- a) Market power theory argues that motivation for some merger/acquisition activity is to increase market power and therefore the ability to control one's environment.
- Discuss the extent to which a merger/acquisition in your organisations' industry can be explained by market power theory. (14 marks)
- b) Firm behaviour is often driven by the desire to maximise profits or sales. Discuss which objective you think is being pursued by your chosen firm. (12 marks)

## Task 4 – 24 Marks

- a) Discuss THREE (3) factors that will influence the estimation of the future demand for one of your organisation's goods/services. (12 marks)
- b) Evaluate TWO (2) research strategies that your chosen organisation could use to gather data to estimate the future demand for its products/services. (12 marks)

## Task 5 – 10 Marks

Using the Rolfe, G., Freshwater, D. and Jasper, M. (2001) model, critically review the learning that you have undertaken in order to complete this assignment.

Based upon your learning, your reflection should include a description; an analysis and; an action plan in order to bring about improvements in the future. (10 marks)

## Guidance

Consult with your tutor if you are uncertain about any aspect of this assignment.

## Submission requirements

Your report should answer Tasks 1 to 5. The word count for your report is **4000 words**.

## Candidate checklist

Please use the following checklist to ensure that your work is ready for submission.

- Have you read the NCC Education documents *What is Academic Misconduct? Guidance for Candidates* and *Avoiding Plagiarism and Collusion: Guidance for Candidates* and ensured that you have acknowledged all the sources that you have used in your work?
- Have you completed the *Statement and Confirmation of Own Work* form and attached it to your assignment? **You must do this.**
- Have you ensured that your work has not gone over or under the recommended word count by more than 10%?
- Have you ensured that your work does not contain viruses and can be run directly?