

**Business Management**  
**Higher Level and Standard level**  
**Paper 1 (Mock Paper 1)**

1 hour 30 minutes

---

**Instructions to candidates**

- Do not open this examination paper until instructed to do so.
- Read the case study carefully.
- Section A: answer all questions.
- Section B: answer one question.
- You are permitted access to a calculator for this paper.
- The maximum mark for this examination paper is [**30 marks**]

## Before One PLC (BON)

Music festivals are growing in number globally. Festivals vary in location, size, and music genre. They include commercial multiple-day events on farmland and community-led events in public owned parks.

5 Before One PLC (BON), a European company, has organized music festivals since 2001. In 2016, BON converted from a private limited company to a public limited company to raise finance for expansion. BON has 60 permanent employees but also relies on temporary workers and freelancers

10 BON organizes five music festivals each year and has contracts with five farmers to use their farmland for an average fee of \$100000. BON must clean up after a festival at an average cost of \$250000 per festival. BON's directors regard environmental sustainability as a significant challenge.

BON's festival season runs from May to August. Each music festival runs from Friday to Sunday. Each festival site:

- 15
- takes two weeks to set up and one week to dismantle
  - requires security fencing, 60 stages, enough space for camping, 3000 toilets, and 25000 waste bins
  - 100 spaces of entertainment
  - Nearly 1000 places to eat

20 As the music festivals industry continued to expand globally, BON found itself facing both opportunities and challenges. The company, known for its music festivals across Europe, had to adapt to changing external factors, most notably the COVID-19 pandemic that brought unprecedented disruptions to the industry, forcing many events to be cancelled or postponed.

25 BON, like many other companies in the entertainmet sector, had to navigate through these uncertain times while complying with regulations to ensure the safety of its attendees, music performers, and employees. During the height of the pandameic, BON imlemented various measure of mitigate the risks associated with hosting music festival. These measures included enhanced sanitation protocols, social distacing measures, and the adoption of digital ticketing systems to minimize physical contact.

30 Additionally, BON explored alternative revenue streams, such as virtual concerts and live streaming events, to maintain engagement with its audience during the pandemic induced restrctions.

In 2023, the industry saw audience numbers returns to their pre-pandemic levels. However, this has also brought about significant envirnment impacts of litter and discarded camping equipment, despite being used for only a short period. BON encourages attendees to donate

unwanted items for reuse or recycling, but much of the equipment ends up in a landfill site or gets incinerated.

40 With growing awareness of climate change and environmental conversion, BON's director recognized the importance of implementing eco-friendly practices in its festival operations. One initiative BON adopted was the use of bamboo plates and cutlery instead of traditional disposable plastic utensils. This reduces the company's carbon footprint, despite the relatively high costs of doing so.

45 BON is exploring the possibility of powering its festival sites using renewable energy sources such as solar power. By investing in solar panels and other sustainable energy technologies, BON would reduce its reliance on fossil fuels and minimize its environmental impact. This not only contributes to BON corporate social responsibilities (CSR) goals but could also help to reduce energy consumption. However, the set-up costs are prohibitively expensive

50 In addition to environmental sustainability, BON also focuses on improving its financial performance and efficiency. BON has negotiated favourable terms with its suppliers and vendors to reduce costs while also exploring opportunities to increase revenue through strategic collaborations and sponsorship deals. The finance department closely monitors the company's cash flow and liquidity, considering factors such as interest rates on its existing loans and credit card transactions.

55 Despite BON's commitment to sustainability, the company has faced criticism from the environmental activists who have accused the director's of "greenwashing" by misleading the general public about the organization's environmental sustainability initiatives. BON's directors acknowledge the need for the company to explore innovative solutions to address water usage and conservation at its festival sites. For example, BON needs to provide adequate water of drinking and hygiene requirements while also minimizing wastage. All water provided through the supply chain is drinkable but there is huge amount of plastic waste.

Recognizing the importance of responsible water management, BON has investigated the possibility of utilizing local reservoirs as a sustainable water source for its operations. BON is also exploring water-saving technologies and practices, such as using rainwater and water recycling to optimize its water usage efficiency.

65 In addition to its sustainability challenges, BON encounters issues in managing its workforce effectively, particularly its temporary workers and freelancers, including sound technicians, stage technicians, and security staff. With a seasonal workforce that fluctuates depending on festival schedules, BON's Human Resource (HR) department works closely with line managers to ensure appropriate induction, training and supervision of temporary staff.

70 Moving forward, BON's directors have decided to investigate the company's impact on local communities and the natural environment, as well as making incremental improvements to its

profits year by year. A business plan would need to be created to run future music festivals in more sustainable ways.

- 75 BON's shareholders have expressed the need for the company to position itself for long-term success in an ever-changing market. They remain doubtful about sustainability initiatives.

*Companies, products, or individuals named in this case study are fictitious and any similarities with actual entities are purely coincidental*

### SECTION A

Answer **all** questions from this section

1. Define the term *expansion* (Line 6). [2 marks]
2. Calculate the total annual value of *BON's* direct costs for the five music festivals held each year (lines 8-10). [2 marks]
3. Describe **two** elements of *BON's* marketing plan for running music festivals. [4 marks]
4. Explain how *BON's* use of renewable energy sources such as solar power (line 44) aligns with its commitment to environmental sustainability (Line 10). [4 marks]
5. Outline the importance of revenue streams for *BON* (Line 30). [2 marks]
6. Explain **two** advantages and **one** disadvantage of *BON's* Human Resources (HR) department relying on temporary workers and freelancers (lines 6-7) [6 marks]

### SECTION B

Answer **one** question from this section

7. Recommend whether *BON* should invest in sustainability initiatives. [10 marks]
8. Discuss the significance of changes in the external environment on the operations of *BON*. [10 marks]