

①

1) A = Initial investment = 44,000

B = " " = 33,000

A (£)		(£)
		Cumulative
0	(44,000)	(44,000)
1	14,000	(30,000)
2	18,000	(12,000)
3	24,000	+12,000
4	8,000	+20,000

2 1/2 yrs

$$24,000 \div 12 = 2000$$

$$12,000 \div 2000 = 6 \text{ months}$$

A = Payback = 3 years 6 months

B		(£)
		Cumulative
0	(33,000)	(33,000)
1	11,250	(21,750)
2	9,750	(12,000)
3	12,000	0
4	16,000	+16,000

Payback = 3 years

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b) A

⑥

$$= \frac{20,000}{44,000} \times 100 = 45.45\% \quad \text{annual}$$

B $\frac{2}{3}$

$$\frac{16,000}{33,000} \times 100 = 48.48\%$$

c) NPV for A (£)

<u>Year</u>	<u>Cash flow</u>	<u>Discount factor</u>	<u>Present value</u>
0	(44,000)	1	44,000
1	14,000	0.885	12,390
2	18,000	0.783	14,094
3	24,000	0.693	16,632
4	8,000	0.613	4,904

NPV = Total cash flow - Initial investment

$$NPV = 48,020 - 44,000 = \pounds 4,020$$

③

NPV for B.

Year	(£) Cash flow	Discount factor	(£) Present Value
0	(33,000)	1	(33,000)
1	11,250	0.885	9956.25
2	9,750	0.783	7634.25
3	12,000	0.693	8316
4	16,000	0.613	9808

$$NPV = 35,714.5 - 33,000 = £ 2,714.5$$

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d) Project A Requires a larger investment with a long payback but does have a larger NPV than B after 4 years, however both projects are being scrapped so I would choose project B due to the smaller payback period and smaller investment.

2/2

e) 14%.

(44,000)		1	(44,000)	18%	
14,000	0.877	12,278	14,000	0.862	12,068
18,000	0.769	13,842	18,000	0.743	13,374
24,000	0.675	16,200	24,000	0.641	15,384
8,000	0.592	4736	8,000	0.552	4416

$$14\% NPV = 47056 - 44,000 = £ 3056$$

$$16\% = 45242 - 44,000 = £ 1242$$

12% = 14,000	0.855	11,970	(4)
18,000	~~0.855~~ 0.731	13,158	
24,000	~~0.731~~ 0.624	14,976	
8,000	~~0.6~~ 0.543	4344	

NPV = 44,448 - 44,000 = £448

IRR = 17%

$\frac{7}{7}$

f) Business Confidence - Are they trustworthy?
Past investment success, & What state is the economy in?

External factors - Interest and exchange rates
BRExit? Coronavirus affecting the economy
There are countless things to consider.

$\frac{1\frac{1}{2}}{3}$

$\frac{2\frac{1}{2}}{25}$

§ Question 2

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a) Types of Sponsorship include

- Programme Sponsorship - TV, film
- Sports Sponsorship, - Teams (can include Stadiums and venues) e.g. RB Leipzig a German football team
- Event Sponsorship (Red Bull Soap Box)
- Individual Sponsorship - Lewis Hamilton doing Sponsored Instagram Posts.

The main benefits of Sponsorship is to increase brand awareness, create positive PR for the company and to raise a company's profile.
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b) S. O. S. T. A. C

Situation analysis.

We're a new team in a fairly small following in a fairly low watched sport in comparison to football rugby or even car motorsport. It will be quite difficult to gain big paying National Sponsors.

Objectives

We need to gain enough Sponsorship to fund at least the next but potentially future seasons if it's on offer.

Strategy

We are an untested team in our first season so past performances aren't able to help our case. If there are any known or famous riders or engineers in the team they need to be focused on during any meetings to boost any previous success.

Tactics

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Set up as many meetings with local engineering firms and universities / colleges and once again focus on any previous ~~success~~ individual 'Success' to plead the case. Focusing on the outreach ~~and~~ and Potential Viewership will help.

Action

Research Companies who have Sponsored People in the past.

Action

Select an appropriate way to contact the company. On the meeting day, ensure a specific dress code is followed, everyone is punctual, positive and confident. Ensure that all the figures and data are available for display and be ready for any questions.

Control

KPI'S or Key Performance indicators could be used to monitor the programme. The KPI'S would ultimately lead back to our objectives of securing a long term Sponsorship deal. ~~The~~

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⑦ ⑧
c) A Sponsorship could lead to a promotion deal where the company who is sponsoring the Sponsee could request rights to the images and videos of the sponsee to use in promotional material. An example of this would be Adidas and David Beckham. Adidas sponsors David Beckham by providing him football boots and in return had the image rights of David Beckham to use on TV adverts, Billboards, and he is an ambassador for the company. Bringing in more money than Adidas spend on him.

A Sponsorship can also lead to a Partnership such as Pepsi and the NFL Super bowl. Pepsi spends ~~100~~ hundreds of millions of dollars for the sponsorship but in return gain one of the biggest audiences in the world. Pepsi once again gain image rights to which they can put on promotional products to sell more products.

$$\frac{4}{8}$$

$$\frac{17}{25}$$

Question 4

④ ⑧

4.1) 1 tactic that could be used is to make all new employees sign a NDA (Non-disclosure Agreement) which is a Civil Contract which could lead to an individual being sued for breaking the clause.

Another tactic that can be used is to not disclose sensitive information to anyone that doesn't require it.

This could be achieved by having strict access control such as key cards or passwords or by having separate teams work on different projects. An example would be Coca-Cola. Each supplier is different such that the recipe cannot be deciphered by the quantities ~~ordered~~ ordered. Ordered.

4/5

4.2)

a) A new logo would require a Trademark to protect it. This would protect the company by preventing any one else from using or replicating their logo. It also allows the company to license their logo to be used in media and other things. It also protects the company from trademark infringement as part of the trademark process states that the company must conduct a search on previous trademarks to minimise any infringement. The Trademark needs to be applied for in each country the company operates in.

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⑨ (1)
b) To protect a wheel design a Copyright can be used. Copyright protection allows for the owner to have exclusive rights to produce or license their work. If anyone is caught reproducing something that is copyrighted it they are committing a crime. The downside to copyright is that it is finite and in the UK only lasts for 70 years after the creator's death. The song "Happy Birthday" was still copyrighted in the UK until 2016 so anyone broadcasting the song was infringing on Copyright. 5/6

c) A Patent could be used to protect this as it satisfies the 3 criteria of: Usefulness, novelty and non-obviousness. In order to file the patent the idea needs to be secret and not in the public domain. A full specification needs to be drawn before it's filed. After 18 months the patent is published.

The downside to a patent are, once it is published the information is public ~~which~~ which allows for companies to reverse engineer the item. Although they can't reproduce the item exactly they can modify it to not infringe on the patent. In some cases companies do not file patents for this reason.

Patents are also very expensive, ranging from £30,000 to £100,000 and are only valid in the country they are applied for. in. Which can be crippling to small startups.

Patents eventually expire (20 years in the UK) meaning that anyone can copy the product after the expiration. If the patent was never filed and the item was still secret the company would be better off.

$$\frac{6\frac{1}{2}}{8}$$

$$\frac{20\frac{1}{2}}{25}$$

$$\frac{59}{75}$$

$$79\%$$