AQA

Level 3 Technical Level

Entertainment Technology

M/507/6610

Unit 1 Business for video games

Mark scheme

January 2018

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Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Question	Guidance	Mark
1	C	**1**
2	B	**1**
3	A	**1**
4	D	**1**
5	D	**1**
6	D	**1**
7	C	**1**
8	A	**1**
9	**Identify three types of business entity that exist in the UK, and give one reason why they either should or should not use each type.** **1 mark (max 3 marks)** for limited company, sole trader, partnership, limited liability partnership, public limited company. **1 mark** for correctly identifying the best legal entity for the purpose as limited company and why. **1 mark (max 2 marks)** for each valid reason for not using the other options that they listed.	**6**

10	**Identify three ways in which Aleksi could end his relationship with his investor and explain the implications of each.** **1 mark (max 3 marks)** for each correct answer including: • he could convince an investor that he gets on with that they should sell their shares and drag the others along. • he could offer to buy out the single investor (with one of the other investors), or all of the investors. • he could force the single investor into a buy back with the other two investors as they own 75% of the shares between them. • he could sell his shares. • he could find new investors to buy out the existing investors. For each, **1 mark (max 3 marks)** for a correct implication including: • he would be selling his business so whilst he would not have to work with investors anymore, he would also not have a business of his own anymore. • he would likely have to pay more than they paid for the shares, or they may not agree to sell to him. • he would get to keep the business and get rid of the single investor. • he would be exiting the business so wouldn't own his company anymore. Also, it may be difficult to sell his shares without at least committing to staying for a few years to run the company which would mean still working with the investors. • he gets to keep the business and gets rid of all the investors.	6
11	**State three types of organisation they could approach for funding. For each organisation, explain whether or not they would be appropriate for this studio and why.** **1 mark (max 3 marks)** for each organisation type correctly stated. Likely to include: venture capital, private equity, publishers, angel investors, project financing, SEIS fund, crowd funding. **1 mark (max 3 marks)** for each correct explanation of why that type of organisation would or would not suit this studio. For example: • venture capital: would suit, because looking for company investment long term • private equity: too early stage and too small, would not suit. • publishers: they want equity investment and investment into the business not a project, so would not suit. • angel investors: could be suitable because they are looking for equity investment. • project financing: not suitable as they want equity investment and investment into the business not a project. • SEIS fund: too small so would not suit. • crowd funding: they want equity investment so could go for equity-based crowd funding, but wouldn't give them help to grow their business long term, so not suitable.	6

| 12 | **Identify three options that the equity firm might consider to reduce their risk and why each of these would help.**

1 mark (max 3 marks) for identifying any of the following options, or other relevant options:
• further gearing/debt
• preference shares
• convertible shares
• collateral/secured loan (personal or business)
• senior lender / first priority charge for debt

1 mark (max 3 marks) for correctly explaining why the three listed would help.
For example:
• further gearing/debt: the company does not have much debt currently so there is room for more, which they could do alongside equity.
• preference shares: they would get paid back earlier.
• convertible shares: they could convert their shares to debt at any time.
• collateral/secured loan (personal or business): very low risk, would mean that they had something they could sell if they didn't get paid back (or could get the money back personally from the founders).
• senior lender / first priority charge for debt: if the company did fail, they would be first in line to get any money or assets left in the business. | 6 |

| 13 | **Which three programming specialisms are essential and explain the reasons.**

1 mark (max 3 marks) for any of the following: Gameplay, UI, network OR backend, graphics (or any other answers which are indicative of these specialisms).

1 mark for explaining that due to a third party game engine they would focus primarily on front end developers such as gameplay and UI because a lot of the other areas eg tools, graphics etc are totally or partially dealt with by the game engine.

1 mark for saying that because it is multiplayer, they will need someone to deal with the server side code/networking.

1 mark for saying that because it's a first person shooter (FPS), they probably need the graphics to be very high quality, so a specialist graphics programmer will be needed. | 6 |

14	**State what these loops are, their purpose, and for which types of game they are most commonly used.** **1 mark (max 2 marks)** for each: core game loop, retention loop **1 mark** for correctly explaining that a core game loop explains the user flow through the game / the core mechanics of the game. **1 mark** for correctly explaining that the retention loop is for the meta game / to keep the player coming back to the game. **1 mark** for saying that a core game loop is used for every game. **1 mark** for saying that a retention loop is primarily used for free to play games.	6
15	**Identify two types of games which use this model. Explain the ways in which it might affect both the team structure and its production processes.** **2 marks** for referencing 'type' of game as either: • business model: 1 mark for each - two different business models that use this model (e.g. free to play games, subscription games) • genre: 1 mark for each - two different genres of games that use this model • for saying that free to play games use this model • platform: 1 mark for each – two different platforms where they clearly reference it is also related to the business model e.g. through a relevant game example **1 mark** for saying that subscription games use this model. **1 mark (max 2 marks)** for each point on how it affects your team structure, including: • need a team to keep working on the game after launch. • need a team who can build a game that can easily be updated and supported. • need other team members, must list at least one - such as community managers, live ops team members. **1 mark (max 2 marks)** for each point on how it affects your production processes: • development never finishes/keep improving and expanding the game. • do a soft launch. • launch with a minimum viable product/can launch the game earlier. • get more user feedback.	6

16	Identify and explain four key aspects of the marketing strategy, why each aspect is important and what would be involved in developing each of them.			
	Quality of response	**An answer that**	**Max 15 marks**	**15**
	4	**Up to 3 marks** for quality of answer, including: • Explaining aspects in depth • Explaining how the different aspects interlink • Showing insight into the challenges involved	13-15 marks	
	3	**1 mark (up to 4)** for each named key aspect that they give one example of what would be involved in creating it, for example: • Channels: To identify channels I need to research where my target audience are, e.g. reading newspapers, on Twitter, on Reddit. • Competitors: To understand my competitors I need to get data on my market sector and see who is doing well, and who has the same target audience as me. • Messaging: To work out my messaging, I need to first identify my target audiences, then work out what it is about the game that I think will appeal to them, and then define how to get that across.	9-12 marks	
	2	**1 mark (up to 4)** for each named key aspect which they explain why it's important, for example: • Target audience: It is important to identify target audience so you know who you are selling to. Without this you cannot work out any other part of your marketing strategy. • Competitors: It is important to look at your competitors to understand their strengths and weaknesses and then use that to strengthen your company against theirs. • Messaging: It is important to know what message you are going to use for each target audience, based on what will appeal to them about your game – as this may be different for each target audience group.	5-8 marks	
	1	**1 mark (up to 4)** for each key aspect of the marketing strategy that they name, for example: • Target audience • Channels • Messaging • Roadmap/timeline/implementation plan • Competitors	1-4 marks	

17	Use Porter's Five Forces to analyse Mijako and Tim's business opportunity.		
	Quality of response	**An answer that**	**Max 15 marks**
	4	**Up to 2 marks** for quality of answer, including: • Explaining aspects in depth of the business potential in depth • Showing insight into the challenges involved	14-15 Marks
	3	**Up to 3 marks** based on their ability to assess the business potential based on their porters five forces. 1 mark per insight, for example: • The risk with this business is the huge number of competitors and how hard it would be to protect their unique approach from being copied by a larger competitor • Price is a key challenge as lots of services in this market are free (to a point), so their business model may need to be free for basic users at least. • They probably need a subscription model rather than pay up front. • Getting attention is going to be a challenge as there are so many competitors. • They need to get as many users as possible, so going for a free version would be a good way to do that.	11-13 marks
	2	**Up to 5 marks** for 1 correct idea in each section. For example: • Supplier power: they won't have many suppliers; particularly any that provide unique solutions (e.g. servers) so supplier power is low. • Buyer power: buyers have a lot of power as there are many competitors already in the market • Competitive rivalry: if they really have a solution which offers something totally different to their competitors then they may have strength compared to their many competitors. • Threat of substitution: if the unique element of their product is something that is easy to replicate, it may be easy for people to use the techniques with other pm solutions, however it may not be, so may be hard to substitute. • Threat of new entry: unless there is anything they can protect through IP protection, it would be easy for others to copy their unique idea	6-10 marks
	1	**Up to 5 marks** for each section of Porter's Five Forces identified • Supplier power • Buyer power • Competitive rivalry • Threat of substitution • Threat of new entry	1-5 marks

The **15** appears in the rightmost column spanning the rows.

Assessment outcomes coverage

Assessment Outcomes	Marks available in section A	Marks available in section B	Total Mark
AO1: Understand the logistics of setting up a business in the games industry	13 marks 16.25%	0 marks 0%	13
AO2: Understand how to develop a business plan for a game development studio	5 marks 18.75%	15 marks 18.75%	30
AO3: Understand how to manage the development of a game	20 marks 25%	0 marks 0%	20
AO4: Understand how to release a game and grow a business	2 marks 2.5%	15 marks 18.75%	17
Total	**50 marks**	**30 marks**	**80**

Question	AO1	AO2	AO3	AO4
1	1			
2		1		
3		1		
4		1		
5			1	
6			1	
7				1
8				1
9	6			
10	6			
11		6		
12		6		
13			6	
14			6	
15			6	
16				15
17		15		
Totals	**13**	**30**	**20**	**17**