AQA

Please write clearly in block capitals.

Centre number ☐☐☐☐☐   Candidate number ☐☐☐☐

Surname _____

Forename(s) _____

Candidate signature _____

Level 3 Technical Level
Entertainment Technology
BUSINESS FOR VIDEO GAMES

Unit M/507/6610

Wednesday 21 June 2017   Morning   Time allowed: 2 hours

Materials
For this paper you must have:
● pens
● pencils.

Instructions
● Use black ink or black ball-point pen.
● Fill in the boxes at the top of this page.
● Answer **all** questions.
● You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
● Do all rough work in this book. Cross through any work you do not want to be marked.

Information
● There are two sections to this paper.
● Both sections should be attempted.
● Learners should spend approximately 60 minutes on Section A and 60 minutes on Section B.
● There are 80 marks available for this paper.
● The marks for the questions are shown in brackets.

Advice
● Please read each question carefully before starting.

For Examiner's Use	
Examiner's Initials	
Question	Mark
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M/507/6610

Section A

Answer **all** questions in this section.

Total for this section: 50 marks

In the multiple choice questions, only **one** answer per question is allowed.

For each answer completely fill in the circle alongside the appropriate answer.

CORRECT METHOD   ●   WRONG METHODS   ⊗ ◉ ⬆ ✓

If you want to change your answer you must cross out your original answer as shown. ⊠

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. ⊗

0 1   A games studio's R&D department want to invest in the most recent major area of focus for game developers', which is . . .

    A   e-sports   ⬭

    B   free to play games   ⬭

    C   mobile games   ⬭

    D   virtual reality   ⬭

[1 mark]

0 2   An experienced businessperson has started investing in other people's companies. One of their friends asks them why they want to take that kind of risk. They state that their **primary** reason is . . .

    A   belief in the management team   ⬭

    B   tax relief   ⬭

    C   personal interest in what the company does   ⬭

    D   chance of making more money than if they put the money in the bank   ⬭

[1 mark]

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0 3 A recent graduate is setting up their first company. The first step is to register as a company with . . .

A   a bank

B   Companies House

C   HMRC

D   shareholders

[1 mark]

0 4 The director of a game development studio has been asked to speak to some students about the role of a game designer. He explains that whilst game designers can be responsible for lots of things, their **key** role is to . . .

A   define the art style of the game

B   manage the team

C   make the art for the game

D   work out the mechanics of the game

[1 mark]

0 5 The management team of a game development studio is planning their next project. The CEO says that they should have a soft launch because . . .

A   they can then test the game and fix any issues before full release

B   the game will start making money earlier

C   it may provide free testers, reducing the cost of professional testing

D   it will reduce the budget they will need to get the game to market

[1 mark]

Turn over for the next question

Turn over ▶

03

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0 6 An established UK game studio needs to raise funding for their new game. They have been advised to set-up a Special Purpose Vehicle (SPV) by their accountant because . . .

A it will make their cashflow more efficient ☐

B it will make the company more attractive to possible investors ☐

C they will be able to split staff between the two companies ☐

D they don't want to give away equity in their company ☐

[1 mark]

0 7 The director of a start-up game studio is planning to meet publishers to discuss their game. He is researching the difference between third party and first party publishers. He learns that first party publishers . . .

A are the best publishers ☐

B only publish games made by developers that they own ☐

C own the platform that they publish on ☐

D publish across multiple platforms ☐

[1 mark]

0 8 A programmer gets promoted to lead programmer. She has never managed anyone before but is now in charge of 5 people. She quickly realises that the best way to delegate a task is to . . .

A give full responsibility to the person for delivering the task ☐

B give the person parameters within which to work, with specific goals ☐

C tell the person exactly what to do step by step ☐

D tell the person what is needed and provide a deadline, letting them decide the details ☐

[1 mark]

8

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0 9 The founder of a start-up business realises the need for a shareholders' agreement.

State the purpose of a shareholders' agreement and give **two** examples of what it covers.

[3 marks]

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3

1 0 A director of a start-up company needs to take more control of the company's finances, and explains to colleagues that there are three key financial tools to be considered.

[3 marks]

Describe each of the key financial tools identified below:

Cashflow forecasts _____

_____

Financial accounts _____

_____

Management accounts _____

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3

Turn over for the next question

Turn over ▶

05

1 1 A business that has been running for six months is trying to carry out an analysis of their business proposition and define its position within the market using Porter's Five Forces.

Identify the name and state the purpose of three of the sections within Porter's Five Forces.

[6 marks]

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1 2 The founders of a start-up company are deciding on the management and ownership structure of the business.

Andy wants to run the company and do commercial deals.

Satish wants to do programming only.

Emma wants to do art but also wants to manage production and operations.

Identify who should be directors of the business and who should be shareholders. Give reasons for your answers.

[6 marks]

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Turn over for the next question

Turn over ▶

0 7

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1 3   You have been asked to explain to the director of a game development studio why they might benefit from SEIS and EIS. Draft the content of an email to explain the following:

[6 marks]

(a)   What SEIS and EIS stand for?

(b)   Which organisation is responsible for SEIS/EIS?

(c)   What each of these are for and why they exist?

(d)   Identify two differences between them.

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1 4 A producer of a start-up game development studio is considering what roles she will need to fill. In her previous job, she managed a studio of 400 people, including 50 programmers who were building and using a proprietary game engine. However, for this start-up studio, she only needs to hire 5 programmers.

1 4 . 1 Explain **three** differences that the producer needs to consider now when hiring staff compared to her previous job?

[3 marks]

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1 4 . 2 State **three** types of programmers she may want to hire.

[3 marks]

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6

Turn over for the next question

1 5 A game designer is designing a new Free to play game. This is the current overview.

Identify the name of each loop, explain what it is and state how this diagram relates to the business model of the game.

[6 marks]

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6
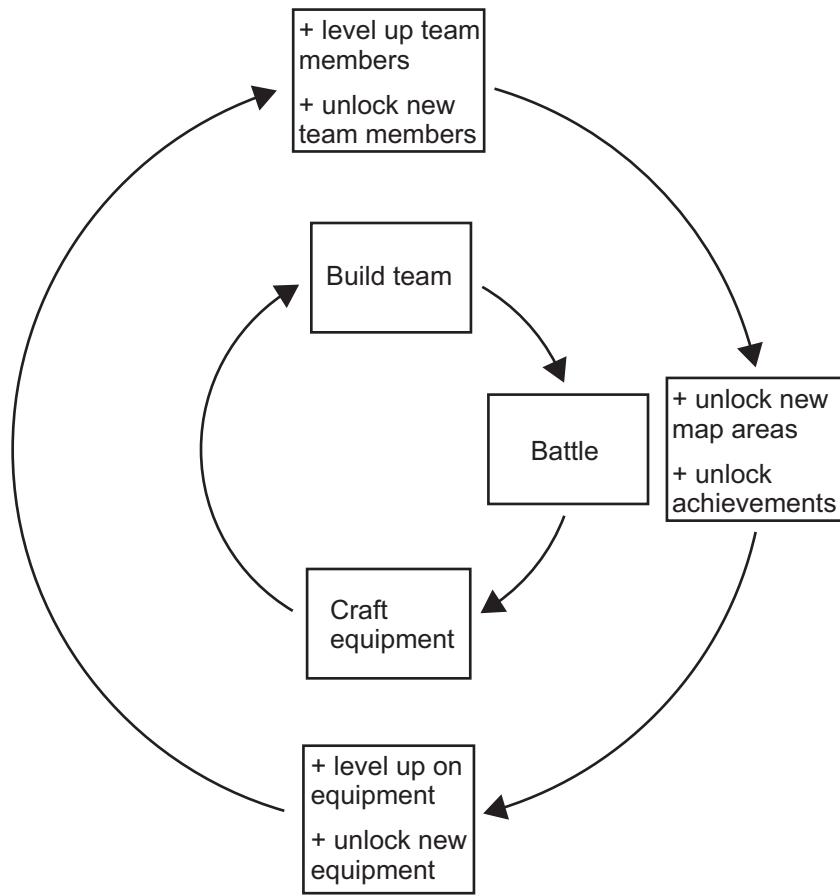
1 6 The directors of a small game development studio are working on the marketing strategy for their first game. They are self-funding, don't have a publisher and have a £2000 marketing budget.

Outline **three** types of marketing typically used for games promotion and assess the suitability of each.

[6 marks]

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Turn over for Section B

Turn over ▶

Section B

Answer **all** questions in this section

Total for this section: 30 marks

1 7

Imagine you are starting a games company next year, making premium games that you want to release on Steam. Your first game is going to cost £150 000 to develop. There are many different aspects that you need to address, such as the legal requirements of setting up a business, financial planning, building a team, managing the development and release of the game and your own personal strengths and weaknesses.

Identify and explain **four** challenges in relation to starting a games company of this type, and discuss what strategies you would use to approach each challenge.

[15 marks]

Turn over for the next question

15

1 8 The 'Free to play' business model has now become one of the primary ways to monetise games.

1 8 . 1 Identify and discuss **two** commercial considerations in developing Free to play games.

[6 marks]

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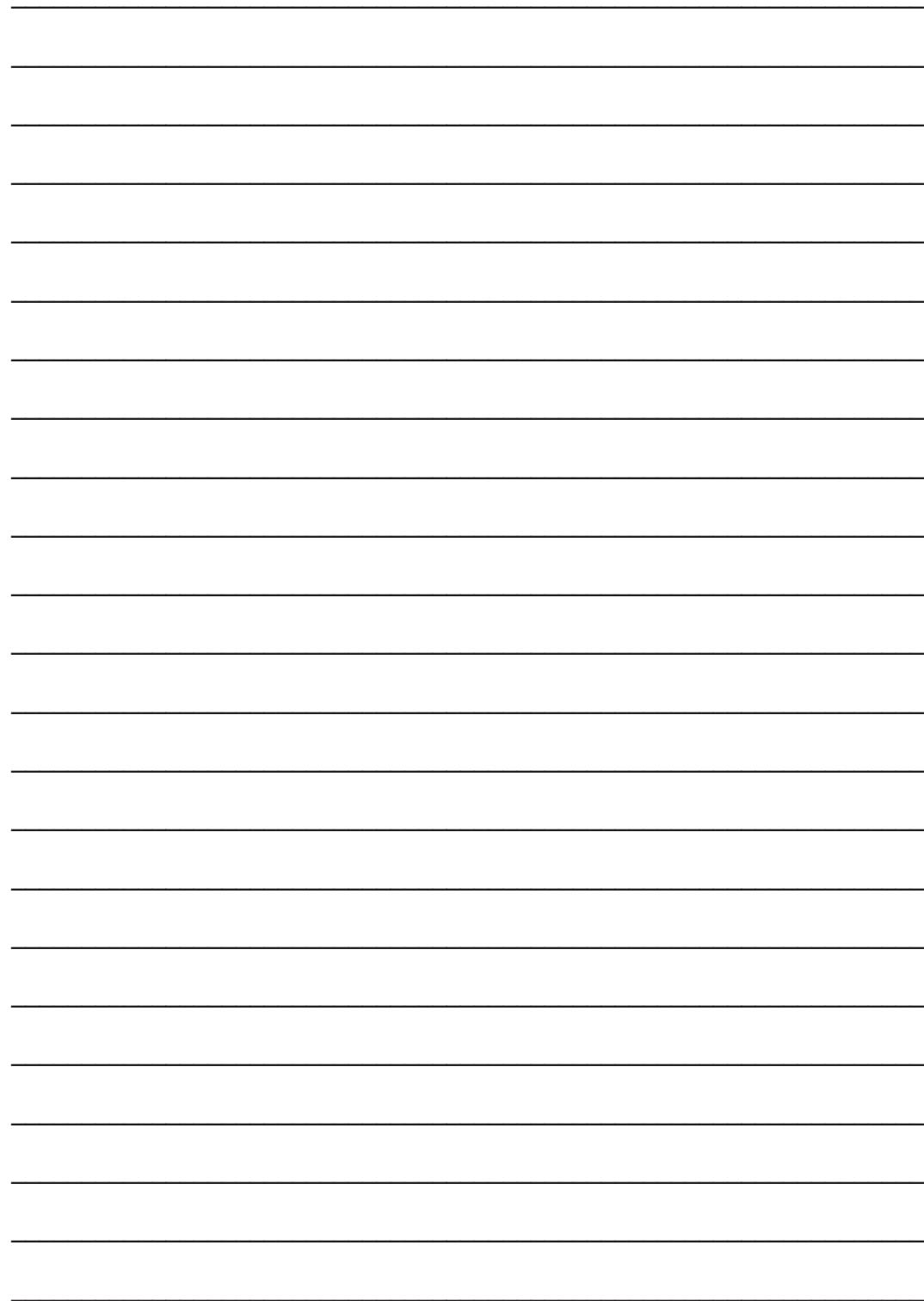
1 8 . 2 Assess the range of impacts of Free to play games on the games industry.

[9 marks]

15

END OF QUESTIONS

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