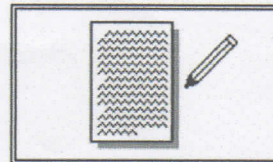


ENGLISH TEST FOR BUSINESS
Advanced level
Writing

SAMPLE, 2007



TIME: 50 MINUTES

TOTAL: 20 MARKS


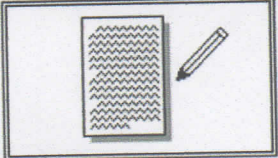
WRITE ON THE ANSWER SHEET. YOU CAN USE THIS SHEET FOR YOUR DRAFT.

The soft drink factory you work for is considering a merger with a nearby factory that specializes in upmarket mineral water. As Marketing Manager you have been instructed by your MD to do some research into the potential gains and risks involved from the point of view of sales.

Write a report of 180–200 words in which you give an account of your research and make a recommendation whether to proceed with the idea.

Consider

- both product ranges
- target markets
- goodwill
- value of either brand name
- synergies

KEY		
	ENGLISH TEST FOR BUSINESS Advanced level Writing	
	SAMPLE, 2007	
First Marker:	Second Marker:	Score: <div style="display: flex; justify-content: space-around; width: 100px;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>

Juicy Sodas Internal Report

Goal

We have been commissioned to investigate the possibility of merging Juicy Sodas with Aquaplus Ltd.

Method

In our research we have evaluated several factors including product range, target markets, company cultures and possible synergies.

We also compared the circumstances of the proposed merger with our similar actions in the past (both successful and unsuccessful).

Findings

We found that the product lines of Aquaplus (mineral water) and Juicy Sodas (soft drinks, fruit juices) are complementary, while the target markets overlap to a considerable degree. (Both brands are popular with upper-middle class families.) If we also consider that Aquaplus is situated in the vicinity of our factory, the proposed merger may seem like a logical move.

However, a closer look at the performance and possibilities of Aquaplus made us worried. Although the brand image of Aquaplus is as high as ever, their sales have shown a steady decline since 2002.

In addition, the manufacturing equipment of Aquaplus is outdated, and it would require a significant investment to upgrade it to a level necessary to meet our quality standards.

Conclusion

It is a feasible idea to extend our operations to produce mineral water. However, a merger with Aquaplus would require too much investment and management attention.

Recommendation

We recommend finding another partner for merger.