

# GCSE BUSINESS

(8132)

Marked responses: Paper 1 (8132/1)

See a range of responses and how different levels are achieved and understand how to interpret the mark scheme.

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# EXAMPLE RESPONSES



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Please note that these responses have been reproduced exactly as they were written and have not been subject to the usual standardisation process.

## Specimen paper, question 02.4

### Question

#### Item A: Krispy Kreme

Krispy Kreme opened its first UK store in 2003 in London. The business sells doughnuts containing responsibly sourced ingredients in their stores, coffee shops, kiosks and cabinets in Tesco. Doughnuts can also be ordered online.

Krispy Kreme received planning permission from Glasgow City Council before converting a historic Glasgow building into their newest store. The store took £60 000 on its first day (three times Krispy Kreme's previous record). Some customers travelled hundreds of miles. There were traffic queues on local routes for much of the first week.

The business supports the communities in which it operates. A policy of recruiting the long-term unemployed has worked really well.

In January 2015 Krispy Kreme relaunched their coffee products because Krispy Kreme aims to operate ethically. The coffee is sourced from Rainforest Alliance Certified™ farms in South America that are managed in a way that looks after the land and protects the planet. This coffee costs 20% more than coffees that do not carry the Rainforest Alliance seal.

Krispy Kreme sell their coffee at £1.90 per cup. Research shows that some coffee shop customers are willing to pay more for ethically produced coffee and that most of these customers expect to pay around 10% more for this type of coffee.

Analyse **one** way in which a stakeholder of Krispy Kreme may be affected by the opening of a new store

**[6 marks]**

## Mark scheme

Marks for this question: AO2 = 3 AO3 = 3

Level	Description	Marks
3	<b>Detailed analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are fully analysed.</li> <li>Applies knowledge and understanding to the context sufficiently.</li> </ul>	5–6 AO3 AO2
2	<b>Sound analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are partially analysed.</li> <li>Applies some knowledge and understanding to the context.</li> </ul>	3–4 AO3 AO2
1	<b>Basic analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Basic analysis of business areas.</li> <li>Basic knowledge and understanding is applied to the context.</li> </ul>	1–2 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

### Application:

- local community – suffering traffic chaos, jobs for local people – especially long term unemployed
- local government, jobs for local people, taxes
- customers – interest in new store (even those many miles away), additional place to go; internet ordering viable for more customers.

### Analysis:

- local community –
  - positive – jobs, fewer unemployed good for local economy
  - negative – traffic issues, but these are only temporary
- local government
  - positive – historic building renovated and has a new use
  - increased taxes
- customers
  - positive – increased number of outlets, may not.

### Example of a developed response:

The arrival of a new store in a city is a good thing for the local community especially for the unemployed because KK offer employment opportunities (L1). The local store in Glasgow would likely have many jobs as they have taken three times more than other KK stores meaning these people would now have an income (L2). With a policy of recruiting long-term unemployed, this leads to helping make the city more prosperous because there are more people with money to spend on other business in the local area (L3).

## Student responses

### Student response 1

A stakeholder is an individual or group that invests in a company therefore they are affected by the actions of the company. Owners would be affected by this as they would have to share their profits therefore losing money.

#### This is a level 0 response.

Although the student has knowledge of a stakeholder, a definition doesn't add to the answer as there are no A01 marks. As there is no context that the KK owners would be losing money the student has not chosen a suitable way (based on the context) for how the stakeholder would be affected.

### Student response 2

A stakeholder is somebody who owns shares in a company or invested in the business for example the customers and the government are stakeholders for businesses. One way a stakeholder might be affected is that they might start to lose a lot more money. For example owners would have to share their profits with the other stakeholders and also they would start to get less profit if the other business does really well.

#### This is a level 1 response.

An appropriate stakeholder is identified (customers and the government) but there's no accurate method of how these were affected so no marks can yet be awarded. The student identifies that the owners may lose money, although there's no analysis of this, but it's relevant that a new store may not be successful and could make a loss, so basic knowledge and understanding is applied to the context. The student misunderstands who is opening the new store in the final sentence and no further development of the answer takes place.

### Student response 3

By a new store opening the stakeholders of the public/customers are affected. As Krispy Kreme opened a store, so large that produced so many sales compared to other stores customers within the public would be attracted to the hype of the new store and the expansion of the business. As the new store opened in Glasgow broke the record on sales by three times new customers attracted to these records will be tempted to continue buying the products.

#### This is a level 2 response.

An appropriate impact is identified; customers attracted to the hype of the new store. Context is shown through sales figures. Partial analysis takes place based on the fact the customers are tempted to continue to buy new products.

## Specimen paper, question 02.5

### Question

Item B: Krispy Kreme

Since opening in 2003 Krispy Kreme has expanded steadily in the UK. There are now 45 stores and coffee shops with another 35 planned for the next few years. Quality is an important part of Krispy Kreme's business as all doughnuts have to be made with quality ingredients to the original secret recipe from America.

To ensure perfection every doughnut is made in one of only 13 larger stores. They are then delivered to local outlets. To make sure they are fresh each doughnut has a shelf life of only one day.

All new employees follow an induction programme. This covers understanding the importance of quality and health & safety procedures. Krispy Kreme aims to keep the top hygiene rating of 5 at all its stores.

Krispy Kreme wants staff to enjoy their work and take pride in their job. Employees focus on:

- being passionate about their work, and believing in the quality products
- demonstrating initiative, creativity and problem-solving skills.

Incentive schemes and a national annual awards ceremony are organised to celebrate successes.

There are formal training sessions as well as support from line managers, peers and trainers. Additionally, Skills Workshops and Talent Workshops offer support for those keen to further their careers. There are many career opportunities and internal promotions are frequent. Krispy Kreme is proud that over 60% of senior positions are recruited internally.

A Krispy Kreme app is available to customers in the USA. Other major coffee shop chains in the UK have apps for customers to use that include a store locator, offers, loyalty bonuses and menus. App developers have quoted £30 000–40 000 to create an app.

Analyse the effect that the growth of Krispy Kreme may have on maintaining the quality of their doughnuts.

**[6 marks]**

## Mark scheme

Marks for this question: AO2 = 3 AO3 = 3

Level	Description	Marks
3	<b>Detailed analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are fully analysed.</li> <li>Applies knowledge and understanding to the context sufficiently.</li> </ul>	5–6 AO3 AO2
2	<b>Sound analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are partially analysed.</li> <li>Applies some knowledge and understanding to the context.</li> </ul>	3–4 AO3 AO2
1	<b>Basic analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Basic analysis of business areas.</li> <li>Basic knowledge and understanding is applied to the context.</li> </ul>	1–2 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

### Application:

- increased demand for products means quality control of the product may be difficult, some growth through new cabinets – Tesco, motorway services, shelf life of one day, original recipe from America
- levels of customer service may decrease as more staff are employed, Induction training, internal training
- as number of stores increase, training of new staff needs to be consistent, top hygiene rating.

### Analysis:

- all doughnuts made in one of the 13 main stores so this should maintain quality of the product, this will require a small increase in staff but most will be in the stores
- slow growth means time to train staff to give quality service
- limited number of places making products keeps quality consistent
- keeping close control through organic growth – easier to maintain/monitor standards.

### Example of a developed response:

Regardless of how many additional stores and cabinets KK opens, every doughnut is still made in one of the 13 larger stores (L1). This will help KK to maintain the quality of the product that is sold in all outlets – old or new as the same staff will be making these products to the original recipe with only a few new staff requiring training (L2). This operational model means that KK can deliver high quality training to these new staff to maintain the quality of the doughnuts as the business grows (L3).

## Student responses

### Student response 4

The growth of the business will affect the quality of the doughnuts, due to the fact that the employees may have an issue with the making of the ingredients (recipe), causing product to taste different and not be of a high quality.

This is a level 1 response.

Appropriate impact identified, this demonstrates that they are able to apply quality to growth of a food product “taste” and linked to the recipe to create doughnuts. However the student doesn’t continue to explain why growth has caused employees to potentially have an issue with the recipe.

### Student response 5

The growth of Krispy Kreme will effect the quality of their doughnuts as they may not be able to maintain the quality as employees may struggle making the recipes and they might taste different and not be of high quality. This may result in loss of customers because if a customer gets a low quality product they may not come back.

This is a level 2 response.

The student has applied knowledge to KK, but has not grasped why, for example, there is no link to training, but the effect is linked to repeat customers. The student partially analyses the subsequent impact of the issue on customer retention, but doesn’t explain why growth has caused employees to struggle making the doughnut recipes.

### Student response 6

Krispy Kreme may find it harder to maintain the quality of their doughnuts as it grows. This is because as it gets bigger, it may be harder to control how well the doughnuts would be made. Also as the business grows, there will be a higher demand for staff which may mean that not all the staff would be passionate about their work which may effect the quality of the doughnuts.

Moreover if the business grows it may be harder to control and keep the high standards they have in all the stores. The hygiene rating and health and safety procedures may not be kept to a good quality which could stop repeat custom and effect the overall reputation of the business.

This is a level 2 response.

Two impacts on quality are identified with only partial analysis provided. Control issues are identified but there’s no clear analysis in first paragraph. Requirements of increased numbers of staff are identified but with low levels of analysis linked to level of passion for work. The third paragraph links back to the original point and begins to explain why a lack of control over standards takes place and the subsequent impact on reputation. Some context is applied to doughnut production throughout. To gain the higher levels of analysis, the student should look to develop one point fully or make a link with issues.

## Specimen paper, question 03.4

### Question

Item C – Park Designs Ltd (PDL)

Park Designs Ltd (PDL) is a family business that makes high quality wooden furniture to order. The Park family owns all the shares.

As part of its commitment to training, PDL run an annual team building day for all 72 employees which is good for staff motivation. The factory is closed for the day and the staff go off-site for the day. Group challenges are run which help develop team skills and improve communication.

“I loved the team building day, we had great fun and it was better than being at work for the day. However I am not sure how useful it was to my job in the admin department?” Sue, Admin department.

The production manager will retire soon. Like him, many of the production staff have worked at PDL for many years. They enjoy their work and most stay until they retire. Consequently, there are several possible candidates to take over as production manager, but none have management experience.

Customer reviews say that the furniture is made to a very high standard, however, they also suggest that the administration staff do not always deliver a good service. Complaints show that order processing is not always accurate. Recently, some customers have asked about the negative reviews when enquiring about possible purchases.

A £9000 budget has been set aside for the team building day. The team building day will cost £65 per delegate.

Other costs include

- Set up fee £750.75
- Coach Hire £459.50

State the formula for calculating total costs. Calculate the percentage of the budget remaining after the team building day. Show your workings and answer to **two** decimal places.

**[5 marks]**

### Mark scheme

**Marks for this question: AO1 = 1 AO2 = 4**

Variable costs + fixed costs = total costs, AO1 = (1)

Cost per delegate £65 × 72 = £4680 (1)

Total cost £750.75 + £459.50 + £4680 = £5890.25 (1) (OFR)

Remaining training budget £9000 – £5890.25 = £3109.75 (1) (OFR)

Percentage of remaining training budget £3109.75/9000 = 34.55% (1) (OFR)

**Student response 7**

$$FC + VC = TC$$

Fixed cost + variable cost = total cost

$$TC = 1210.25$$

$$65 \times 72 = 4680$$

£4680.00	
£750.75	× 100% = 65.4472
459.50	
5890.25	65.4472
	34.55%
5890.25	
9000	

**5 marks**

The student has completed the calculation correctly and is awarded full marks. The method may be different from the mark scheme but as long as the student has shown logic in their approach, they will not be penalised for a different approach.

**Student response 8**

Fixed cost + variable cost

$$65 \times 72 = 4680$$

$$\begin{array}{r}
 \phantom{+} \frac{750.75}{459.50} \\
 + \\
 \phantom{+} \frac{1210.25}{4680} \\
 \hline
 \phantom{+} \frac{5890.25}{5890.25}
 \end{array}$$

£9000

10% = 900

20% = 1800

50% = 4500

30% = 2700

40% = 3600

**3 marks**

The student gains the formula mark (A01) and has calculated the costs per delegate and the total cost of team building day so gains a further two marks.

**Student response 9**

Total cost = fixed cost + variable cost

$$\begin{array}{rcl}
 \text{FC} & + & \text{VC} \\
 (65 \times 72) & & 750.75 + 459.50 \\
 4680 & + & 1210.25 \\
 \text{TC} & = & 5890.25
 \end{array}$$

$$\begin{array}{r}
 9000 - 5890.25 \\
 = 3109.75
 \end{array}$$

$$\frac{3109.75}{9000} \times 100\%$$

$$\begin{array}{r}
 = 34.5527 \\
 = \underline{34.55\%}
 \end{array}$$

**5 marks**

Correct answer and clear methodology. It is important to note that the final answer, if correct, will make the workings superfluous to requirements and are only important when the final answer is not correct.

**Student response 10**

Fixed cost + variable costs

$$\begin{array}{rcl}
 72 \times 65 = & 4680 & \\
 & 750.75 & \\
 & \underline{459.50} & + \\
 & 5890.25 &
 \end{array}$$

$$\begin{array}{r}
 \underline{5890.25} \\
 7000 \\
 \times 100 \\
 84.15\%
 \end{array}$$

**3 marks**

The student gains the formula mark (A01) and has calculated the costs per delegate and the total cost of team building day so gains a further two marks.

### Student response 11

Total costs = fixed costs + variable cost

$$£65 \times 72 = £4680$$

$$£4680 + £750.75 + 459.50$$

#### 2 marks

The student gains the formula mark (A01) and has calculated the costs per delegate so gains a further mark. Although they have identified the costs to calculate the total cost of the team building day unfortunately they have not added these up and so do not gain the mark.

### Student response 12

Total costs = fixed costs + variable costs

Fixed costs –

$$72 \times 65 = £4680$$

Setup fee = £750.75

Coach hire = £459.50

$$\text{Total} = £5890.25$$

#### 3 marks

The student gains the formula mark (A01) and has calculated the costs per delegate and the total cost of team building day so gains a further two marks.

## Specimen paper, question 03.5

### Question

#### Item C – Park Designs Ltd (PDL)

Park Designs Ltd (PDL) is a family business that makes high quality wooden furniture to order. The Park family owns all the shares.

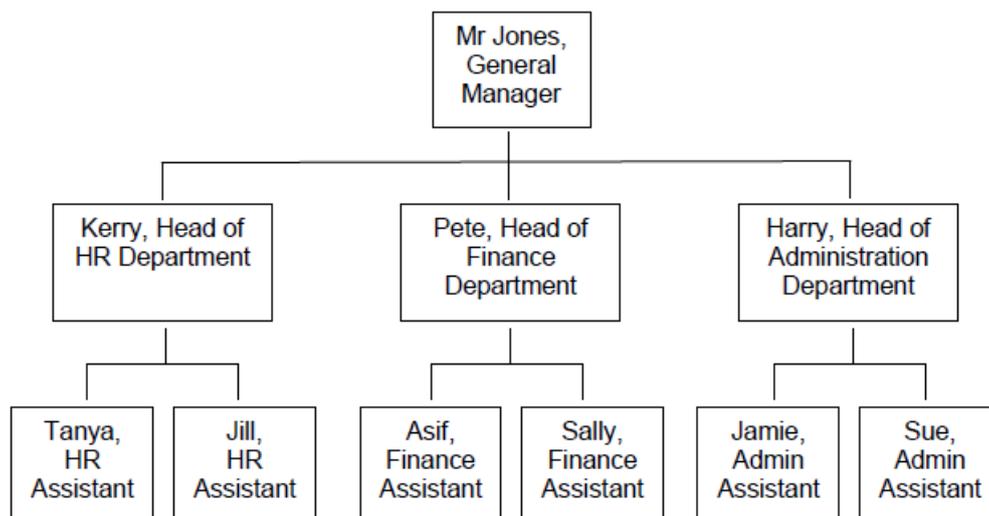
As part of its commitment to training, PDL run an annual team building day for all 72 employees which is good for staff motivation. The factory is closed for the day and the staff go off-site for the day. Group challenges are run which help develop team skills and improve communication.

“I loved the team building day, we had great fun and it was better than being at work for the day. However I am not sure how useful it was to my job in the admin department?” Sue, Admin department.

The production manager will retire soon. Like him, many of the production staff have worked at PDL for many years. They enjoy their work and most stay until they retire. Consequently, there are several possible candidates to take over as production manager, but none have management experience.

Customer reviews say that the furniture is made to a very high standard, however, they also suggest that the administration staff do not always deliver a good service. Complaints show that order processing is not always accurate. Recently, some customers have asked about the negative reviews when enquiring about possible purchases.

Figure 2: Organsiation chart



PDL set an overall training budget of £30 000 and allocated £9 000 for this year’s team building day. Recommend whether they should spend £9 000 on the team building day again next year. Give reasons for your answer.

**[9 marks]**

## Mark scheme

Marks for this question: AO2 = 3 AO3 = 6

Level	Description	Marks
3	<p><b>Detailed analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified.</li> <li>• Business areas are fully analysed.</li> <li>• Detailed applications of interpretation of financial data including calculation of relevant figures.</li> </ul>	<p>7–9 AO3  AO3 AO2</p>
2	<p><b>Sound analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• A line of reasoning, with a conclusion that has some justification.</li> <li>• Business areas are partially analysed.</li> <li>• Applies some knowledge and understanding to the context.</li> <li>• Sound application of interpretation of financial data including calculation of relevant figures.</li> </ul>	<p>4–6 AO3  AO3 AO2</p>
1	<p><b>Basic analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• Basic line of reasoning with a conclusion</li> <li>• Basic analysis of business areas.</li> <li>• Basic application of interpretation of financial data including calculation of relevant figures.</li> </ul>	<p>1–3 AO3 AO3 AO2</p>
0	<b>Nothing worthy of credit.</b>	

### Indicative content:

#### Application:

- Other types of training that could be organised – induction for new starters; everyone at PDL goes on the team building day – but they may not all receive any other form of training, includes calculation from previous question – remaining amount from £9000
- Training is a non-financial motivator, customer service issues in the admin department and the complaints, new range of furniture
- Opportunity cost, interpretation of percentage spent on training day.

#### Analysis/evaluation:

- Reduce the cost of the day by running the day onsite
- Focus on training admin staff who are compromising PDL's reputation by giving poor service
- Team building day is a motivational tool and may contribute to the job satisfaction of the whole workforce
- The money could be used for other training
- Alternative types of training could be focused on individual needs.

### Student response 13

I think that they should not spend £9,000 next year on the team building day. If they were to do this it will cost them money that could be used elsewhere for example in the case study, it says there are employees eg the production manager and it also says that nobody else within the business have any management experience. This could mean that the business may have to use off-the-job training which could be expensive and they may have to turn to the extra they saved by not wasting money on

This is a level 2 response.

Judgement is made with some justification; money could be used elsewhere. The student identifies other areas that require money spent on training and uses the context. Partial analysis linked to the cost of off the job training, as there is no calculation of relevant figures.

### Student response 14

They should because training can be use full to many business'. This is because training can help an employee get better at there job, £9000 seems like enough money for a team building day. The will need the nine thousand because the costs will not be cheap like travel to the venue

This is a level 1 response.

Basic judgement made, "get better at the job". Some basic analysis of why £9000 is required.

### Student response 15

Off-the job training is training that is done away from the business. PDL should not spend £9000 on the team building day next year as it is an unefficient way of spending their money. Although the team building day does motivate employees such as: Sue, it does not help and it is not useful to her job in the admin department. PDL are better of setting the money aside for recruiting and replacing the production manager that will soon retire. It is also advisable for PDL to improve their services coming from the Admin department, as they are getting negatives reviews. These negative reviews may lead to lower customers coming to them for their product, reducing their repeat custom. Lower repeat custom will lead to a lower income. PDL in conclusion, should set the money aside for a specialised off-the-job training for the admin department, because in the long term their high quality will stay high. However, this decision may, in the short term create an opportunity costs, because the staff will be away and not able to their job, therefore, they need to employ people to do the job.

This is a level 3 response.

There is no credit for a definition as no A01 marks are available. Sound context throughout although no calculations were completed. Some unjustified or unexplained statements. Analysis of issues in the admin department on negative reviews and therefore, overall, gives a sustained line of reasoning with a conclusion with clear judgement made, however only some justification of judgement.

### Student response 16

Training is when someone practices a certain area in their work or gets taught how to do something they practice it.

PDL should not spend £9000 on the team building day as from the last question they did not spend all the money. Another reason why they shouldn't is because in the case study it says that it is not useful for her job. Also they will need to spend more money on training the new employees because a lot of people will be retiring so they will need to employ more people and train them. They could also spend the extra money on the admin so that the problem would be fixed.

#### This is a level 1 response.

There is no credit for a definition as no A01 marks are available. There's a basic line of reasoning with a conclusion. Numerous points made linked to the context but no clear analysis. The student gives a basic explanation of the need to spend money on training due to the high amounts of new staff.

## Specimen paper, question 03.6

### Question

Item D – Park Designs Ltd (PDL)

Park Designs Ltd (PDL) have built a good reputation for high quality traditionally styled furniture made to exact customer specification by skilled craftsmen. Each worker is responsible for making an order from start to finish. The workers enjoy their work and are paid high wages. There are very few other local employment opportunities for skilled woodwork craftsmen.

The design team has been developing a range of more modern designs to be made to order and delivered in 4 weeks. The directors of PDL believe that this will help them to compete with larger firms that produce modern furniture that sells at a low price but is of a lower quality.

The factory is relatively small for the 40 furniture makers and space is limited. Similarly, there is little space for the storage of stock and finished furniture.

PDL has had many orders for their new modern designs, but finds it difficult to know when these orders will be placed by customers. Sometimes customers have to wait 12 weeks for their delivery. The directors have noticed that many of the new pieces of furniture ordered are very similar. It is only the finishing touches that make each order unique to each customer.

The directors of PDL are considering changing to flow production for future orders. The skilled craftsmen will need training to use the new machinery and will be responsible for small parts of the production process.

Analyse the impact of changing from job production to flow production. In your answer you should consider:

- The suitability of flow production
- Staff motivation.

You must evaluate which area will have the biggest impact on the business. Use evidence to support your answer.

**[12 marks]**

## Mark scheme

Marks for this question: AO1 = 3 AO2 = 3 AO3 = 6

Level	Description	Marks
4	<p><b>Developed integrated analysis and evaluation of topics with sustained judgement based on context.</b></p> <ul style="list-style-type: none"> <li>• An integrated line of reasoning, which is coherent, relevant, with a conclusion with the area which has been impacted on the most has been fully justified.</li> <li>• Interdependent nature of business areas is fully analysed.</li> <li>• Applies knowledge and understanding to the context and successfully draws together several functional areas of business.</li> </ul>	<p>10–12</p> <p>AO3</p> <p>AO3</p> <p>AO2</p>
3	<p><b>Detailed analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• A line of reasoning, which is coherent, relevant, with a conclusion that is justified.</li> <li>• Different business areas are analysed independently or the interdependent nature of business areas is partially analysed.</li> <li>• Applies knowledge and understanding to the context and starts to draw together several functional areas of business.</li> </ul>	<p>7–9</p> <p>AO3</p> <p>AO3</p> <p>AO2</p>
2	<p><b>Sound analysis and evaluation of topics in isolation of their interdependence based on the context.</b></p> <ul style="list-style-type: none"> <li>• A line of reasoning, with a conclusion that has some justification.</li> <li>• One business area is analysed independently.</li> <li>• Applies some knowledge and understanding to the context.</li> </ul>	<p>4–6</p> <p>AO3</p> <p>AO3</p> <p>AO2</p>
1	<p><b>Basic generic discussion of topics.</b></p> <ul style="list-style-type: none"> <li>• A basic understanding of business concepts in isolation.</li> <li>• A basic understanding of one or more business concepts.</li> <li>• Partial relevance to the question.</li> </ul>	<p>1–3</p> <p>AO1</p> <p>AO1</p> <p>AO1</p>
0	<b>Nothing worthy of credit.</b>	

### Integrated approach

- Staff enjoy their work; if they move to flow will this remain? It may improve or reduce the costs of production but will the negative impact on motivation outweigh this?
- Training in the use of new machinery for flow production – enough to act as a motivator?
- Workers may have no choice; there are few opportunities outside the business for their craftsmen's skills
- Financial v non-financial methods of motivation, both are currently used. High wages alone will not motivate staff; will the de-skilling of their job affect staff retention?
- Risk of trade-off between lowering costs and meeting customer demand/expectations for high quality furniture
- Management of change, depends on how the directors/managers drive the change and if staff are consulted.

**Indicative content:**

<b>Understanding</b>	<b>Application</b>	<b>Analysis/evaluation</b>
<b>Job production</b> Items made individually by one person	Currently high quality made by skilled craftsmen Limited range of products	It is what PDL have always used – they have built a strong reputation as a result Only the new range could be suitable for flow production – others are individual
Made to exact customer specification	More traditional furniture is made to order to exact customer specification PDL have built a good reputation for high quality handmade items made to order, quality product. But a limited range of products. Items in the new range are very similar	
Job satisfaction and varied jobs as workers make whole items	Staff enjoy their work as they are skilled craftsmen and make the more traditional furniture from start to finish	Staff are happy in their role and therefore produce quality products they are proud of and are less likely to be absent from work.
Slower and more expensive	Sometimes a customer's wait has been 12 weeks beyond the target 4 weeks for the new range. Predicting the orders for the new range has been difficult – sometimes workers have too little to do & sometimes they have so much that they can't deliver in the 4-week target	Need to address the issue of customers having to wait for 3 times as long as delivery target
Labour intensive	There are 40 furniture makers at PDL	Flow production would enable PDL to make the new range more efficiently - more items with fewer workers but this would mean redundancies & costs
<b>Flow production</b> Assembly line designed to simplify workers' tasks	PDL reputation built on high quality, handmade items by skilled craftsmen. New range does not need this skill so simplification of worker tasks is appropriate	
Assembly line not flexible – not easy to change to a different product and whole line stops if one part breaks down	No indication that the directors of PDL intend to expand further.	May be difficult to fulfil the 4 week target if the line breaks down
High volume output	Limited space for new machinery, stock and for finished furniture – stock control methods – JIT, JIC, deliveries/costs	Space is limited – storing products may not be possible Economies of scale – benefits v stock control issues
Low unit cost	PDL want to compete with larger firms that sell at a lower price	Risk of trade-off between lowering costs and meeting customer demand/expectations for high quality furniture

<p><b>Motivation</b> <i>Financial – wages/salaries</i></p>	<p>Workers currently earn high salaries as they are highly skilled. PDL can pay lower wages for less specialised work. There are few other local employment opportunities for woodwork craftsmen.</p>	<p>Staff working on lower wages may be poorly motivated.</p>
<p><i>Non-financial – training, responsibility</i></p>	<p>Workers will be given training in the new machinery and have new responsibilities for small parts of the production. However they will no longer be responsible for producing an order from start to finish and may feel unmotivated that they cannot use their skills.</p>	<p>Training in the use of new machinery for flow production – will this be enough to act as a motivator? Skilled workforce – may not be motivated by doing small repetitive parts of the task rather than creating whole item</p>

### Student response 17

PDL's most ideal production method would be flow production because of the large amount of furniture ordered meaning the firm should consider mass customisation. The directors have noticed that many of the new pieces of furniture are very similar indicating that they are standardised products until the finishing point which suggests flow product would be the most beneficial because products are standardised. Therefore, PDL should change to flow production because it would take it much quicker to produce meaning lead time would be reduced which leads to better customer satisfaction as they prefer a quick delivery. Also, in turn, labour cost would be reduced as less workers would be needed and cost per unit would be reduced as more furniture may be produced at the same time thus costs would be spread throughout more products so cost per unit would decrease.

Ultimately, as costs per unit unit reduces profit increases so the business may compete against larger firms. However, the costs reduced would also considerably rise in the short term due to the initial vast of new machinery and training on the new staff, but in the long-term, revenue would rise.

In terms of staff motivation, the workers may be reluctant to change to flow production. The workers are skilled and responsible for their products, so the workers are happy as they are and they are paid high wages. This indicates that if the change they would feel demotivated because they would feel less responsible of products by machines taking over the product. Also, labour units are reduced because of machines so workers may leave the workplace, so workers may feel demotivated because their colleagues are forced to leave. Further, their high skilled would no longer be required or reduced too on small scale so they may feel less valuable to the business leading to demotivation.

On the other hand, some workers may feel motivated to change to flow production because they could feel more valued as they are being trained so they may feel they are important to the business.

#### This is a level 3 response.

There is no definition of key terms, however a judgement is made at start of answer. The benefit of flow production is well analysed in first paragraph, related to the decreasing cost per unit, and then evaluates the short and long term consequences. The student gives clear context throughout the paragraph, eg the importance of speeding up delivery and level of standardised products. Reasons for demotivation are identified and explained in the second paragraph but there's limited analysis on what the results on the business of this demotivation might be. There's no conclusion justifying judgement at the end of the answer.

Overall this answer is lacking an integrated approach, and so doesn't answer the question fully.

### Student response 18

Flow Production is when a product is made on conveyor type belt, where the product is moved from stage to stage, while job production is when a product is made to meet specifications of the customer.

Changing from job production to flow production will mean their production method will be more efficient, as there will be using machinery which will be faster than the craftsmen they have. The sustainability of flow production is that the business will be able to source some money as they may dismiss some of their highly paid staff to be replaced by machinery. As most of the furnitures are similar, it would be better to use flow production as they can at cost and make the specialised specification at the end.

Staff motivation may also decrease because of the introduction of new machinery, to do their jobs, they may feel PDL is not recognizing their skills. However, some may be motivated by the fact they will be receiving training to be able to use the new machinery, they will think business values them and wants them to improve.

A depreciation in staff motivation will have the greatest impact on the business, in evaluation. Lower motivated staff may mean a decrease in customs. This is because in the staff may provide bad products of bad quality, causing the business to lose customers and get a bad reputation. Demotivated staff may also acquire jobs the other few local employment. In the long term, demotivated may lead to a dsyfunctional business because staff no longer care about the success of business. However, in short term, business will save costs from efficient machinery.

#### This is a level 3 response.

The first paragraph starts with definitions which would get them L1 as a generic discussion of topics. The second paragraph includes various reasons for flow production but they are not well analysed. However the student does go on to analyse this further in the conclusion. Links are made with motivation and production methods, which is the interdependent nature of business. The third paragraph gives an overall judgement over which area has the largest impact and therefore fully answers the question, although it only looks at one side in detail and the interdependent nature of business areas is only partially analysed. Good evaluation of short term and long term impacts. There is stronger evaluation than the previous script but analysis is weaker.

### Student response 19

Job production is where items are made individually and each item is finished before the next one is started. An advantage of this is that the item is made to what the consumer wants. There furniture is made based on what the customer wants but PDL also have got a good reputation for their high quality, handmade items. But then there is a limited range of products as their factory is relatively small, in addition to this their items are also very similar. Job production is what PDL have always used, they have built a good reputation on it. However their new range is only suitable for flow production.

#### This is a level 2 response.

In the first paragraph there is a line of reasoning for flow production but the impact is not detailed and is only evidence of sound analysis. The student has applied some knowledge and understanding to the context. The focus on motivation is limited and is isolated as it is not linked to the move to flow. There is no attempt to make a judgement.

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