



Topic Tests for GCSE (9–1) OCR Business

Business 2: Operations, finance and influences on business

zigzageducation.co.uk

POD
9819

Publish your own work... Write to a brief...
Register at publishmenow.co.uk

Follow us on X (Twitter) [@ZigZagBusiness](https://twitter.com/ZigZagBusiness)

Contents

Product Support from ZigZag Education	ii
Terms and Conditions of Use	iii
Teacher’s Introduction.....	1
Examination Question Guidance	2
Assessment objectives.....	2
Command words.....	3
Important points to note about an answer structure	4
Higher-level marking table – for ‘Discuss’ and ‘Evaluate’ questions.....	5
Examples test: Questions.....	6
Examples test: Answers and mark scheme.....	9
How each examination topic test question is structured.....	13
Feedback sheet	14
Write-on Topic Tests.....	15
Test 1: Production processes & Quality of goods and services (2.4.1–2.4.2).....	15
Test 2: The sales process and customer service & Consumer law (2.4.3–2.4.4)	19
Test 3: Business location & Working with suppliers (2.4.5–2.4.6)	23
Test 4: The role of the finance function & Sources of finance (2.5.1–2.5.2).....	29
Test 5: Revenue, costs, profit and loss; Break-even; Cash and cash flow (2.5.3–2.5.5).....	33
Test 6: Ethical and environmental considerations & The economic climate (2.6.1–2.6.2)	40
Test 7: Globalisation & The interdependent nature of business (2.6.3–2.7)	44
Non-write-on Topic Tests.....	48
Test 1: Production processes & Quality of goods and services (2.4.1–2.4.2).....	48
Test 2: The sales process and customer service & Consumer law (2.4.3–2.4.4)	50
Test 3: Business location & Working with suppliers (2.4.5–2.4.6)	52
Test 4: The role of the finance function & Sources of finance (2.5.1–2.5.2).....	55
Test 5: Revenue, costs, profit and loss; Break-even; Cash and cash flow (2.5.3–2.5.5).....	57
Test 6: Ethical and environmental considerations & The economic climate (2.6.1–2.6.2)	60
Test 7: Globalisation & The interdependent nature of business (2.6.3–2.7)	62
Answers	64
Test 1: Production processes & Quality of goods and services (2.4.1–2.4.2).....	64
Test 2: The sales process and customer service & Consumer law (2.4.3–2.4.4)	65
Test 3: Business location & Working with suppliers (2.4.5–2.4.6)	66
Test 4: The role of the finance function & Sources of finance (2.5.1–2.5.2).....	68
Test 5: Revenue, costs, profit and loss; Break-even; Cash and cash flow (2.5.3–2.5.5).....	69
Test 6: Ethical and environmental considerations & The economic climate (2.6.1–2.6.2)	71
Test 7: Globalisation & The interdependent nature of business (2.6.3–2.7)	73

Teacher's Introduction

This resource has been produced to support teaching and learning of **GCSE (9–1) OCR Business 2**. It is made up of a variety of end-of-topic test time-restricted questions, with suggested answers and a marking scheme. Each topic test will cover the same level of skills and depth of knowledge as the most difficult and longest questions in an actual GCSE examination. This resource also provides a suggested answer structure and examination tips, and highlights common errors made by students.

Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

Each test will:

- Reduce your workload as a teacher with on-hand topic tests and answers accompanied by suggested answer outlines
- Allow you as a teacher to diagnose students' knowledge, strengths and weaknesses after a specification topic has been taught
- Help students develop good examination technique, as it uses exam-style command words that will be used in the actual examination
- Encourage students to develop structured answers to meet the assessment objectives examined, as it allocates marks appropriate to the assessment objective
- Indicate how and why marks are awarded at each level of the higher-level questions
- Raise students' awareness of the examination's 'limited time' aspect

This resource can be used as:

- A very useful student revision guide, as all topics in the specification are addressed
- A formal class test of 40–60 minutes duration
- A multiple homework resource for students
- An examination revision guide for students
- A basis for an interactive teacher–student class review of a specification topic and how to approach answering an examination question on it in a structured way

The Examination Question Guidance section focus on **10** specific areas:

- Assessment objectives
- Command words
- Higher-level marking table for 'Discuss' and 'Evaluate' questions
- Examples of the questions you will get – with answers and marking schemes
- How each examination topic test question is structured
- Tips for answering a question
- Common mistakes made when answering a question
- Important note on suggested answers
- Feedback sheet
- Teacher's revision tick sheet

Important note on suggested content for answers

Please note that there may be correct answers other than those provided. Consequently, it is up to the teacher/examiner to decide whether any alternative answers given are worthy of credit.


November 2024

Examination Question Guide

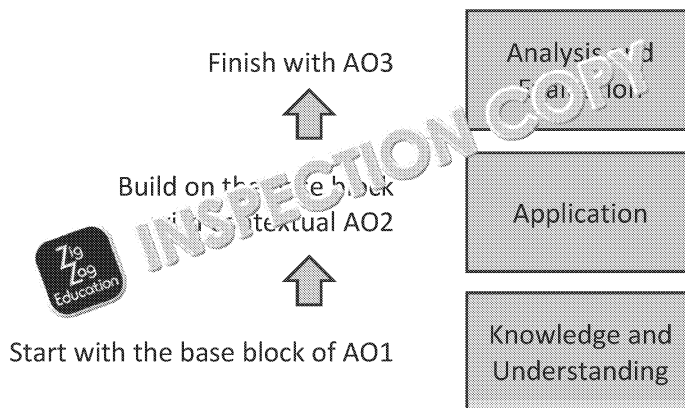
Assessment objectives

What they mean

An assessment objective (AO) is a target that the examiner expects the candidate to demonstrate in the content and quality of their answer:

AO3 Analyse and Evaluate 	<p><i>Analyse (AO3a):</i> consider a possible consequence of a point you make and the context in which it depends on.</p> <p><i>Evaluate (AO3b):</i> consider the pros/cons of any point you make and justify your final conclusion or recommendation based on your analysis of the circumstances on which it depends.</p>
AO2 Application	<p><i>Apply (AO2)</i> your knowledge and understanding to the specific context that the question is examining and the stimulus material is provided.</p>
AO1 Knowledge and Understanding	<p>Simply show <i>knowledge (AO1a)</i> in your answer, e.g. the correct definition; or, for the higher-level skill questions, show your <i>basic understanding (AO1b)</i> of a specific business context, i.e. bring relevant concepts into your answer, say, by way of an example.</p>

You should think of AOs as building blocks for the structure of your answer, linked together by the common cement of the stimulus material and linking words and phrases:



Level of skill demanded

The increasing skill level required to satisfy each assessment objective:

AO1	AO2	
Knowledge and Understanding	Application	Analysis and Evaluation
Low level skill		

**COPYRIGHT
PROTECTED**



Command words

Meaning / AO level / mark awarded

The command word indicates the assessment objective level that is being examined in the question.

AOs and command words:

AO1	AO2	AO3
Explain Identify State	Calculate Complete Explain	Analyse Recommend Discuss Evaluate
Multiple-choice questions – various words and phrases		

Suggested outline for a structured answer response

Command word	Answer structure
MCQs (1 mark)	<ul style="list-style-type: none"> Can examine AO1a (1 mark), AO1b (1 mark) or AO2 (1 mark) Simply select one answer from the choice of A, B, C or D
State (1 mark)	<ul style="list-style-type: none"> Examines AO1a (1 mark). Correctly state what the question asks with one or two short sentences, for each statement you make.
Identify (1 mark)	<ul style="list-style-type: none"> Examines AO1a/b (1 mark). Correctly identify what the question asks. One word, or a very short sentence, should suffice for each statement you make.
Complete (2 marks)	<ul style="list-style-type: none"> Examines AO1a/AO2 (2 marks) Correctly fill in all missing gaps/words/phrases/figures
Explain (Non-contextual) (2 marks)	<ul style="list-style-type: none"> Examines AO1a (1 mark) and AO1b (1 mark). Make one appropriately correct point. Then develop it with a short explanation. You might use an example to clarify your explanation. No reference to the 'Text' is needed. Write at least two well-developed, structured and linked sentences for each statement you make.
Explain (Contextual) (2 marks)	<ul style="list-style-type: none"> Examines AO1a (1 mark) and AO2 (1 mark). Make one appropriately correct point referencing the 'Text' with a linked and relevant explanation clearly applied to the 'Text' to clarify your explanation. Correct and appropriate reference to the 'Text' must be made. Write at least two well-developed, structured and linked sentences for each statement you make.
Calculate (2/3 marks)	<ul style="list-style-type: none"> Examines AO1a/AO2 (2/3 marks). Show formula if required. Correctly calculate the answer and show all your working. Own figure rule applies. Clearly identify your final answer.
Analyse (3 marks)	<ul style="list-style-type: none"> Examines AO1a/b (1 mark), AO2 (1 mark) and AO3a (1 mark) Demonstrate knowledge/understanding by making a point and then answers the question. You might use an example to clarify your point. Apply that knowledge/understanding with direct reference to the 'Text' to correctly contextualise it. You might use an example to clarify your point. Give the consequence of your applied point. Again, use an example to clarify. Write at least three well-developed and linked sentences for each statement you make. A fully justified and contextual 'final judgement' is NOT required.

**COPYRIGHT
PROTECTED**



Command word	Answer structure
Recommend (3 marks)	<ul style="list-style-type: none"> Examines AO3b (3 marks) <ul style="list-style-type: none"> Make your recommendation. Positively justify it within context... possibly giving an example. Give a contextual negative point explaining why the recommendation is not a good idea, possibly giving an example. Write at least three well-developed and linked sentences. Only one fully justified and contextual 'recommendation'.
Discuss (7/9 marks)	See: Higher-level marking table – 'Discuss/Evaluate'. Note that a fully justified and contextual 'final judgement' is required.
Evaluate (7/9 marks)	See: Higher-level marking table – 'Discuss/Evaluate'. Note that a fully justified and contextual 'final judgement' is required.

Important points to note about an answer structure

Note 1

- First, carefully **read the question** and make sure you know what you are being asked. **Underline the command word** to remind you of your answer structure.
- Next, carefully **read the Text (case study)** and underline relevant business words and phrases. These can be referenced in your answer.
- Then, **read the Text (case study) again**. Highlight information relevant to the question, and that adds value and depth to, your answer.
- Next, **plan** your answer structure.
- Finally, **write your answer**.

Note 2

- Read each question very carefully** to make sure that you answer only what you think you are being asked.
- Also, reading the question carefully should ensure that you **structure your answer** around its **command word**.

Note 3

- With the 'Discuss' and 'Evaluate' questions, worth 7 or 9 marks.
- You must always clearly make **direct reference** to the case study **at least four times** to achieve the maximum marks. Questions worth 9 marks require **all five skill areas** (AO1a, AO2a, AO2b, AO3a, AO3b) to be addressed.

Note 4

- I would, whenever relevant, **give an example** to clarify a point made in my answer.

Note 5

- A question with the **command word** 'Examine', 'Analyse', 'Recommend', 'Discuss' requires a clear and logical flow of connecting, or linking, sentences.
- To achieve this, **use words and phrases** such as alternatively; because; consequently; which / this will lead to; which / this will result in my conclusion; and my final judgement.


Note 6

- A question with the **command word** 'Discuss' or 'Evaluate' needs a fully contextualised conclusion.
- For example:
 - Make your decision: *In conclusion, I believe that...*
 - Contextually justify your decision: *... because...*
 - Contextually link another relevant point: *Consequently...*

**COPYRIGHT
PROTECTED**



Higher-level marking table – for 'Discuss' and 'Evaluate' questions

Level	AO1a	AO1b	AO2	AO3
9 marks	1 mark	1 mark	2 marks	2 marks
7 marks	-	-	2 marks	2 marks
Strong	 Knowledge demonstrated when required.	Understanding demonstrated when required.	Make two correct points and apply both to the 'Text'. APP × 1 mark APP × 1 mark	Analyse the two points you apply to the 'Text'. AN × 1 AN × 1
Good	K × 1 mark	U × 1 mark		
Weak			Make one weak point of application. APP × 1 mark	Limited analysis of that point. AN × 1

Note:

- Any point made must be fully developed, relevant and contextual. It may be supported by a relevant and relevant example.
- If any question is not answered, wrongly answered, or the answer is totally irrelevant, no marks are awarded.
- To get 7 marks in a 9-mark question your answer must **demonstrate all five** understanding, application, analysis and evaluation.

INSPECTION COPY

**COPYRIGHT
PROTECTED**



INSPECTION COPY



Examples test: Questions

Section A

- Why is the keeping of a high standard of quality so important to any business?
 A A reputation for high quality should help it to retain and maybe even increase its market share.
 B A reputation for high quality will frighten off any competition.
 C A high standard of quality will guarantee that the business will be a market leader.
 D A high standard of quality will guarantee the business will have a high profit margin.
- A business will use its financial accounts to measure performance. What type of formula is used to calculate the profit margin? [profit ÷ turnover) × 100] measure?
 A Net growth
 B Productivity
 C Profitability
 D Liquidity
- If there is an expected average rate of return of 2.5% on a 10-year investment that has generated a total profit of £50,000, what was the initial amount of the investment?
 A £250,000
 B £200,000
 C £150,000
 D £100,000
- The earth has many finite resources that are quickly being consumed by us. Which of the following is a non-renewable finite energy resource?
 A Wave power
 B Solar power
 C Wind power
 D Nuclear power
- Which of these statements is true?
 A In business economics the acronym GDP stands for good domestic product.
 B Globalisation means less competition for UK businesses.
 C All functional areas operating in a business work independently.
 D All functional areas operating in a business work interdependently.

INSPECTION COPY

**COPYRIGHT
PROTECTED**



INSPECTION COPY



Text 1: Home Bakery

Agnes started up a bakery from her parents' home kitchen two years ago after she was very lucky because the kitchen of her town flat, which gives her personal independence and security, as she owns it outright, would be far too small for such a venture. However, her family had input to her business, and as Agnes is very determined, single-minded and independent, she was not overly keen on that!

Redundancy is a position that Agnes does not want to find herself in again, not least because that it brought with it a financial redundancy payment started to diminish. So, to avoid thinking of her family as a financial boss. She has always been helped by her family – to buy cakes and bread to order. Her products and service are of such good quality that she

Many have suggested to Agnes that she open a small commercial bakery, especially her colleague, Bernadette, who has expressed interest in such a business venture as she sees herself in the not-too-distant future.

As this would be a much bigger endeavour for Agnes, she thought it best to get professional advice before embarking on such a venture.

Agnes's business consultant has pointed out just how risky such a venture might be. He has outlined the financial and non-financial advantages and disadvantages of such a venture. One of the areas he has focused on three areas for Agnes to consider: cash flow, profit and return on investment for each. Estimates for within the first three months of her business are:

- The purchase of a two-unit convection commercial baking oven costing £1,000 with a 10-year life and producing a net profit of £600,000 over that time.
- Cash flow

	Month 1 (£)	Month 2 (£)	Month 3 (£)
Cash inflows	25,000	35,000	29,000
Cash outflows	30,000	25,000	26,000
Net cash flow	(5,000)	10,000	3,000
Opening balance	0	(5,000)	5,000
Net cash flow	(5,000)	10,000	3,000
Closing balance	(5,000)	5,000	8,000

- Total revenue and cost flows

	Month 1 (£)	Month 2 (£)	Month 3 (£)
Revenue inflows	35,000	45,000	40,000
Costs outflows	45,000	30,000	35,000

Agnes knows that if she decides to start the business she will not only have to retail but also expand it. She is aware that the economic climate is rather uncertain and that even though there is an increase in ethical and environmental awareness, including herself – have to be careful. She realises that product quality must be balanced with price, customer expectation and

Her business consultant has emphasised that although Agnes would have a relatively stable market, her business will still be impacted by globalisation. Agnes has begun to follow the advice that survival and success is to ensure that all functional areas of the business operate interdependently.

Agnes is still considering becoming an entrepreneur despite knowing she will face challenges in finance, dealing with stock procurement, and negotiating the minefield of consumer expectations. However, Agnes is seeking further advice on this matter.

INSPECTION COPY

COPYRIGHT
PROTECTED

1. Identify **one** method a business can use of ensuring the quality of its products.
2. State **one** method of selling.
3. Identify **two** factors that would influence where a business would set up its operations.
4. State **two** problems that someone like Agnes would face when setting up a new business.
5. Identify **two** reasons why a business might need finance.
6. State **two** sources of finance that would **not** be initially available to Agnes if she started her business.
7. Explain **one** reason why a business with a large product portfolio might not use a ratio analysis as a decision-making tool.
8. The business consultant also produced a cash flow forecast for Month 4 as follows:

	Month 1 (£)	Month 2 (£)	Month 3 (£)	Month 4 (£)
Cash inflows	25,000	35,000	29,000	33,000
Cash outflows	30,000	25,000	26,000	24,000
Net cash flow	(5,000)	10,000	3,000	9,000
Opening balance	0	(5,000)	5,000	A
Net cash flow	(5,000)	10,000	3,000	B
Closing balance	(5,000)	5,000	8,000	C

Complete the cash flow forecast by inserting the correct numeric values in cells 'Month 4' column.

9. Calculate Agnes's annual percentage return if she decides to set up the bakery as a commercial bakery. Her kitchen costing £1,000,000 with an estimated 15-year life and a residual value of £600,000 at the end of its life.
10. Analyse **one** disadvantage to Agnes of becoming her own boss.
11. Recommend whether, at the very early stage of Agnes's 'kitchen home bakery', she should focus on maintaining a positive cash flow rather than making a profit. Give reasons for your recommendation.
12. Explain **three** possible sources of finance for Agnes's proposed new 'Home Bakery'.
13. Discuss, with reference to **Text 1**, should Agnes decide to open her fully commercial bakery? Should she initially operate it as a sole trader?
14. Evaluate, with reference to **Text 1**, whether or not opening a commercial home bakery is a good idea for Agnes.

**COPYRIGHT
PROTECTED**



Examples test: Answers and mark scheme

Section A

Question	Answer	Mark
1.	A	[1]
2.	C	[1]
3.	B	[1]
4.	D	[1]
5.	D	[1]

Section B

Key: **K** = Knowledge
U = Understanding
AP = Application
AN = Analysis
E = Evaluation

1. Quality control. ✓ (K = 1 mark)
2. E-commerce. ✓ (K = 1 mark)
3. Proximity to its market. ✓ (K = 1 mark)
Its cost of operations. ✓ (K = 1 mark)
4. Raising finance. ✓ (K = 1 mark)
Fully complying with the myriad of complex company laws. ✓ (K = 1 mark)
5. For its day-to-day running. ✓ (U = 1 mark)
To undertake a marketing campaign. ✓ (U = 1 mark)
6. Retain its assets. ✓ (U = 1 mark)
Sale of assets. ✓ (U = 1 mark)
7. Break-even analysis is a financial tool that allows a business to predict and number of units that must be produced and sold to cover all costs, i.e. to break even. ✓ (U = 1 mark)
A business with an extensive product portfolio is not likely to use break-even analysis as a financial tool precisely because of the wide product range. Costs and revenues are too variable and unpredictable, making the break-even analysis that is really unrealistic and meaningless; or, a break-even analysis could be used but it is not in the range but that is too time-consuming and expensive. ✓ (U = 1 mark)

(Note that there is no need to reference 'Text 1' so there are no marks for application of knowledge.)

That is:

- Make a point for 1 mark.
- Expand on that point for 1 mark.

INSPECTION COPY

**COPYRIGHT
PROTECTED**



8.

	Month 1 (£)	Month 2 (£)	Month 3 (£)	Month 4
Cash inflows	25,000	35,000	29,000	33,000
Cash outflows	30,000	25,000	26,000	24,000
Net cash flow	(5,000)	10,000	3,000	9,000
Opening balance	0	(5,000)	5,000	8,000 ✓
Net cash flow	(5,000)	10,000	3,000	9,000 ✓
Closing balance	(5,000)	5,000	8,000	17,000

That is:

- Put a correct monetary value in each cell for 1 mark. (× 3)

9. Annual rate of return = (Average profit ÷ Initial cost of the investment) × 100

$$= ([£600,000 \div 15] \div £1,000,000) \times 100 = (0.4) \times 100 \checkmark \text{ (AP = 1 mark)}$$

$$= 40\% \checkmark \text{ (AP = 1 mark)}$$

That is:

- Correctly state the formula for 1 mark.
- Correctly input data into it for 1 mark.
- Clearly show the correct answer for 1 mark.

10. If Agnes were to become her own boss she would have to take all responsibility for the enterprise she started, ✓ (K = 1 mark) including covering all the finance, complying with laws, employing staff, enduring the problem of stock procurement, selecting equipment and keeping customers satisfied, to mention but a few. ✓ (AP = 1 mark) put a lot of mental stress on Agnes, as well as drastically reducing her financial realisation in a domestic business environment. ✓ (AN = 1 mark)

That is:

- Make a correct point demonstrating knowledge for 1 mark.
- Apply it to 'Text 1'; that is, contextualise it for 1 mark.
- Give a contextual analysis of the point made – that is, a resulting consequence for 1 mark.

11. At the early stages in the life of Agnes's home bakery she should be more focused on positive cash flow rather than making a profit. ✓ (E = 1 mark) This is because her home bakery is solvent, meaning that she will be able to pay its bills when they are due, which is important when establishing a good image for a new small venture like her home bakery. On the other hand, profit could just be on paper and a measure of success which is essential for the survival of her home bakery. However, paper profit will not necessarily reflect the real success of Agnes's home bakery.

That is:

- Make a clear recommendation for 1 mark.
- Contextually justify your recommendation by giving a valid reason why you think it is a good idea for 1 mark.
- Contextually justify your recommendation by giving another valid reason why you think it is a good idea for 1 mark.

INSPECTION COPY

**COPYRIGHT
PROTECTED**



12. If Agnes were to start her own business, she might think of sourcing finance
1. Herself and her family ✓ **(K = 1 mark)** – as she has some, albeit much of it is still available. Agnes could supplement her own input with an interest-free loan from them as they are always there to support her. ✓ **(AP = 1 mark)**
 2. Agnes could apply for a bank loan. ✓ **(K = 1 mark)** This would be costly as interest rates are high, as over an agreed fixed term, Agnes must repay the interest. Her mortgage-free flat could be used as collateral security. ✓
 3. Agnes could take on a partner. ✓ **(K = 1 mark)** This would involve sharing work and responsibility, but on the negative side, also sharing profits. Her partner would have to agree to such a suggestion as she fears that her time with her current business is limited. ✓ **(AP = 1 mark)**

(Note that there must be contextualisation; that is, reference 'Text 1' so that the marks can be awarded.)

That is:

- Make a correct point for 1 mark. (× 3)
- Expand on that point, with application to 'Text 1', for a further 1 mark. (× 3)

13. On the positive side, starting as a sole trader would give Agnes total control over her business ✓ **(AP = 1 mark)** and so be in keeping with her characteristic traits of independence, determination and single-mindedness. She could initially set up the bakery in her home, with profits to herself. ✓ **(AN = 1 mark)**

However, on the other hand, being a sole trader from the get-go would mean that Agnes would have no control for some aspects of her business, such as the interest rate on a bank loan, which she has no control over. If she were to need to be repaid, the rate of which she has no control over, the result would be a sole trader business paying more in interest when the bank rate rises. ✓

Finally, in conclusion, I think that a sole trader should be Agnes's initial business structure to allow Agnes time to set up the business in 'her image', with her rules and regulations, and to treat it as 'her business'. ✓ **(E = 1 mark)** Also, it would then be easier for Agnes to seek help from Bernadette, if she needed extra finance or to share the burden of entrepreneurship.

That is:

- Make two correct contextual points for application to the 'Home Bakery' scenario in a legal format for 2 marks.
- Analyse both points for 2 marks.
- Come to **one single and fully justified** contextual conclusion for 3 marks.

**COPYRIGHT
PROTECTED**



14. Being an independent entrepreneur ✓ (K = 1 mark) has its own advantages. For Agnes it appears to be a means of controlling her own destiny and this is a

A benefit to Agnes is that she will be her own boss in her own home bakery. Being determined, single-minded and independent does not easily afford Agnes to have a boss, and now she wouldn't have to. Also, Agnes will never be subject to redundancy as she was previously, and this will no longer be a psychological negative, as it applies to her.

On the downside, being an independent entrepreneur is not only a 24/7 commitment, but an extremely risky venture. Her business consultant has advised that she will need a non-financial investment of £10,000. ✓ (AP = 1 mark) If Agnes started her business, she would need a bank loan. Her town flat could be used as collateral security, but if she didn't repay the loan, her ownership of the flat could be at risk and without the security. ✓ (AN = 1 mark)

Overall, I think that it would not be too much of an endeavour for Agnes to start her home bakery, ✓ (E = 1 mark) as she has the characteristics of an entrepreneur: single-mindedness, confidence and independence. ✓ (E = 1 mark) In addition, she has a good market, a good reputation, a sound cash flow forecast, steady revenue income and the support of her family. ✓ (E = 1 mark)

That is:

- Demonstrate knowledge of what Agnes is aiming to become for 1 mark.
- Demonstrate contextual understanding of that business term for 1 mark.
- Make two correct contextual points for another term that would impact Agnes for 2 marks.
- Analyse both points for 2 marks.
- Come to one single and fully justified conclusion for 3 marks.



INSPECTION COPY

COPYRIGHT PROTECTED



INSPECTION COPY



How each examination topic test question is structured

Section A will have:

- 10–15 multiple-choice questions requiring an answer to a command phrase.

Section B will have:

- A 'Text' (a short case study).
- A number of short, medium and longer-answer questions requiring answers to Identify, State, Calculate, Complete, Explain, Analyse, Recommend, Discuss and Evaluate.

The duration of each topic test will be 40 or 60 minutes and all questions must be answered.

Tips for answering a question

- Read the question thoroughly and highlight its command word and any specific information.
- Carefully read the case study (Text stimulus material) and highlight business scenarios it contains.
- Carefully read the question to get a clear understanding of what it is asking you to do – be specific and do not waffle!
- Mentally (think about) and/or physically (make bullet points on a spare sheet) refer to the question's command word, assessment objective(s) and the information given.
- Always answer the questions using appropriate business vocabulary.
- Always apply your business knowledge by giving a relevant contextual example. Always give appropriate reference to relevant material in the stimulus case study scenario.
- If the answer requires calculations to be made, you must show all your working. Your answer stands out clearly and distinctly.
- Use a black ink pen to write your answer.
- If required to draw a diagram, graph or chart, use a straight edge then carefully draw constituent parts in black. A rough outline should be first practised on a separate sheet.
- Do not write or doodle in the margins of your answer page.
- Your handwriting and answer presentation must be clear, logical and legible. Present the example so that the examiner must be able to read and understand. You will do your best if you take a little time trying to decipher your answer.
- Memorise mathematical formulae required by the examination specification.
- Avoid any repetition in your answer, including not repeating the question itself.
- Do not leave any multiple-choice question unanswered – even if it is a wild guess.

Common mistakes made when answering a question

- An incorrectly structured answer that does not correctly correspond to the command word and assessment objective(s) being assessed.
- Writing too much for a short-answer question worth 1–2 marks.
- Writing too little for a medium-to-long-answer question worth 3–9 marks.
- Not applying the answer to the question or the Text (case study) stimulus material.
- Not knowing formulae needed for calculation questions.
- Not completing the entire question in the allotted time.
- Not reading the question properly and answering a question you think is the one that has actually been asked!
- Not writing in clear, properly constructed, linked sentences to form a meaningful answer.
- Not having a clear break between one paragraph and another.
- Not giving a completely specific answer to a question that requires such.

Important notes on suggested content for answers

Please note that there may be correct answers other than those provided. Consequently, the teacher/examiner to decide whether any alternative answers given are worthy of marks.

**COPYRIGHT
PROTECTED**



Test 1: Production processes & Quality of goods and

Section A

- The factors of production are land, labour, capital and what?
 A Money
 B Enterprise
 C Ingenuity
 D Insurance
- Baking a unique wedding cake is an example of:
 A Mass production
 B Flow production
 C Batch production
 D Job production
- Which method of manufacture creates large numbers of identical products?
 A Flow production
 B Batch production
 C Job production
 D Cell production
- Which of the following **best** defines the word automation?
 A A production system that relies totally on artificial intelligence to function
 B A production system that never breaks down
 C A system capable of operating without constant human intervention
 D A system that can always operate without any human intervention whatsoever
- Batch production is:
 A The preferred manufacturing method for special one-off single unique products
 B Manufacturing similar units of a product individually at different times
 C Manufacturing relatively small groups of similar items at the same time
 D The preferred manufacturing method for large-scale motor car manufacture
- Which of these is most likely to have the biggest impact on production processes?
 A The concept of human factors
 B Changes to the turnover law
 C Changing income tax rates
 D Developments in technology
- Which of these is the most appropriate definition of the quality of a product?
 A The extent to which it meets supplier expectations
 B The extent to which it meets customer expectations
 C It does not have a built-in obsolescence time frame
 D It is better than what competitors have to offer
- Which of these statements about product quality is true?
 A Consumers care about product quality
 B Quality control checking never ensures product quality
 C Product quality is never achievable
 D Product quality is achieved using inferior raw material input
- Which one of the following statements is **not** true?
 A A business should at least maintain a consistent quality for its products
 B Quality control and quality assurance involve exactly the same processes
 C A business should always attempt to improve the quality of its products
 D Quality control and quality assurance do not involve exactly the same processes
- Why is it important to maintain a good standard of quality in a business?
 A To ensure that it has a high rate of labour turnover
 B To keep its workforce happy
 C To maintain its reputation
 D To save it time and money on improving quality

INSPECTION COPY

**COPYRIGHT
PROTECTED**



Text 1: Cover-up Limited

Cover-up Limited produces plastic screen covers for notebook computers for screens up to 15". They also make, using their somewhat 'dated' production processes, screen covers for existing mobile smartphones, the designs of which are rapidly changing. Cover-up Limited is an industrial estate located in an area of high unemployment. For this reason, it was granted a grant aid. Its products are fairly highly priced because each screen is manufactured from a hard plastic anti-glare material.

Cover-up Limited employs 15 experienced, skilled and content people, including Donald. The notebook covers have the responsibility of a team of six, and the mobile smartphone covers have a team of four. There is also an administration team of four. Donald himself is in overall 'hands-on' control of the production process. The process is fairly lean, but some human error causes some preventable waste in production.

The company has been operating for just over 10 years and has retained the same management team. However, it has never upgraded its computer system, its production equipment or its premises. Donald believes this to be a drawback to improving the overall productivity of the company and he plans to change the current set-up from the start of the next trading year by:

- Upgrading the company's entire computer network.
- Upgrading and streamlining the entire production process.
- Installing a new state-of-the-art integrated computer-aided design / computer-aided manufacturing (CAD/CAM) system.
- Changing the company's raw material input to the more expensive 'wonder material' which is more durable, flexible and lightweight material.

Donald, the sole shareholder in the company, realises that such a radical 'facelift' involves both risks and rewards.

11. Identify **two** technological factors that have influenced the production process.

1.
2.

12. Explain what is meant by the production process.

.....

.....

.....

.....

INSPECTION COPY

**COPYRIGHT
PROTECTED**



13. Identify **three** production processes.

- 1.
- 2.
- 3.

14. Explain **one** positive and **one** negative impact that technology has had on the a whole

-
-
-
-
-
-
-
-

15. Explain **three** reasons why quality is an important concept to all businesses.

- 1.
- 2.
- 3.

**COPYRIGHT
PROTECTED**



16. Analyse **two** methods a business can use to ensure the quality of its output.

1.
.....
.....
.....
.....

2.
.....
.....
.....
.....

17. Discuss, with reference to **Text 1**, positive and negative impacts that the introduction of automation could have on Donald's business.

.....
.....
.....
.....
.....

.....
.....
.....
.....
.....

.....
.....
.....
.....
.....

**COPYRIGHT
PROTECTED**



Test 1: Production processes & Quality of goods and

Section A

- The factors of production are land, labour, capital and what?
A Money
B Enterprise
C Ingenuity
D Insurance
- Baking a unique wedding cake is an example of:
A Mass production
B Flow production
C Batch production
D Job production
- Which kind of manufacture creates large numbers of identical products?
A Flow production
B Batch production
C Job production
D Cell production
- Which of the following **best** defines the word automation?
A A production system that relies totally on artificial intelligence to fully function
B A production system that never breaks down
C A system capable of operating without constant human intervention
D A system that can always operate without any human intervention whatsoever
- Batch production is:
A The preferred manufacturing method for special one-off single unique items
B Manufacturing similar units of a product individually at different times
C Manufacturing relatively small groups of similar items at the same time
D The preferred manufacturing method for large scale motor car manufacture
- Which of these is most likely to have the biggest impact on production processes?
A The concept of break-even
B Changes to company law
C Changing income of consumers
D Developments in artificial intelligence
- Which one is the most appropriate definition of the quality of a product?
A The extent to which it meets supplier expectations
B The extent to which it meets customer expectations
C It does not have a built-in obsolescence time frame
D It is better than what competitors have to offer
- Which of these statements about product quality is true?
A Consumers care about product quality
B Quality control checking never ensures product quality
C Product quality is never achievable
D Product quality is achieved using inferior raw material input
- Which one of the following statements is **not** true?
A A business should at least maintain a consistent quality for its product or service
B Quality control and quality assurance involve exactly the same processes
C A business should always attempt to improve the quality of its product or service
D Quality control and quality assurance do not involve exactly the same processes
- Why is it important to maintain a good standard of quality in a business?
A To ensure that it has a high rate of labour turnover
B To keep its workforce happy
C To maintain its reputation
D To save it time and money on improving quality

INSPECTION COPY

**COPYRIGHT
PROTECTED**



Text 1: Cover-up Limited

Cover-up Limited produces plastic screen covers for notebook computers for screens up to 15". They also make, using their somewhat 'dated' production processes, screen covers for existing mobile smartphones, the designs of which are rapidly changing. Cover-up Limited is an industrial estate located in an area of high unemployment. For this reason, it was granted a grant aid. Its products are fairly highly priced because each screen is manufactured from a hard plastic anti-glare material.

Cover-up Limited employs 15 experienced, skilled and content people, including Donald. The notebook covers have the responsibility of a team of six, and the mobile smartphone covers have a team of four. There is also a general administration team of four. Donald himself is in overall 'hands-on' control of the production process. The process is fairly lean, but some human error causes some preventable waste in production.

The company has been operating for just over 10 years and has retained the same management team. However, it has never upgraded its computer system, its production equipment or its raw material input. Donald believes this to be a drawback to improving the overall productivity of the company and he wants to change the current set-up from the start of the next trading year by:

- Upgrading the company's entire computer network.
- Upgrading and streamlining the entire production process.
- Installing a new state-of-the-art integrated computer-aided design / computer-aided manufacturing (CAD/CAM) system.
- Changing the company's raw material input to the more expensive 'wonder material' which is more durable, flexible and lightweight material.

Donald, the sole shareholder in the company, realises that such a radical 'facelift' involves both risks and rewards.

11. Identify **two** technological factors that have influenced the production process.
12. Explain **two** issues meant by the production process.
13. Identify **three** production processes.
14. Explain **one** positive and **one** negative impact that technology has had on the company as a whole.
15. Explain **three** reasons why quality is an important concept to all businesses.
16. Analyse **two** methods a business can use to ensure the quality of its output.
17. Discuss, with reference to **Text 1**, positive and negative impacts that the introduction of new technology could have on Donald's business.

INSPECTION COPY

COPYRIGHT
PROTECTED

Preview of Questions Ends Here

This is a limited inspection copy. Sample of questions ends here to avoid students previewing questions before they are set. See contents page for details of the rest of the resource.

Answers

Test 1: Production processes & Quality of goods and services (2.4.1–2.4.2)

Section A

1.	B	[1]	6.	D	[1]
2.	D	[1]	7.	B	[1]
3.	A	[1]	8.	A	[1]
4.	C	[1]	9.	B	[1]
5.	C	[1]	10.	C	[1]

Section B

11. • Developments in robotics • Use of computers in CAD/CAM
 • Increasing advancements and uses in AI • The use of automation
12. The production process is the tangible physical production of goods a business can produce at its disposal (land, labour, capital and enterprise) in a given period of time from the input of raw materials to a transformation process which results in the output of a finished product.
13. • Job production
 • Batch production
 • Flow production
14. Positive impacts:
- Increased production output
 - Reduced costs over time
 - Better-quality output
 - Reduction in the workforce
- Negative impacts:
- Initial capital outlay
 - Specialist training costs
 - Human casualties – increased
 - Human casualties – deskilling
15. Quality is an important success factor for any business because it helps to:
- Increase customer satisfaction
 - Increase sales
 - Keep customers and increase its reputation
 - Reduce all types of business waste
 - Reduce costs
 - Reduce or eliminate its level of defects
 - Retain and increase its customer base
 - Satisfy customer expectations
16. To achieve effective quality maintenance, a business could use:
- A traditional system of quality control such as sample batch checking by inspecting the end of its production run or at each stage of the production process.
 - The more modern approach of quality assurance, involving all aspects of business culture of total quality management (TQM), employing techniques such as benchmarking, control, quality circles, quality chains and enforcing a zero-defects policy.
17. Positive impacts:
- It should increase Cover-up Limited's products from a high-quality standard to a lower-quality standard.
 - It should reduce Cover-up Limited's production waste to an even lower level and increase its productivity.
 - It should improve the overall productivity of Cover-up Limited.
 - The same workforce has been there since the start, so they must be 'set in their ways' and not react quickly enough to change in a fast-changing market with the help of new technology.
- Negative impacts:
- It would result in the majority of Cover-up Limited's experienced and skilled workforce being made redundant.
 - It would result in redundancies and so increase unemployment in an area which would not make Cover-up Limited a popular business.
 - Cover-up Limited has a content workforce. Introducing new technology could displace the workforce.
 - It would cost time and money to retrain a workforce that is 'set in its ways'.

INSPECTION COPY

**COPYRIGHT
PROTECTED**



Preview of Answers Ends Here

This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.