

PiXL Independence:

Business Studies - Student Booklet

KS5

Unit 4: Decision Making to Improve Performance

Elements covered: 3.4.1 setting operational objectives, 3.4.2 analysing operational performance, 3.4.3 making operational decisions to improve performance, 3.4.4 improving quality, 3.4.5 managing inventory and supply chains

Contents:

- I. Multiple Choice Questions – 20 credits per quiz
- II. Short Exam Questions – 5 credits with additional 10 credits available
- III. Reading – 20 credits per summary
- IV. Academic Reading – 50 credits per summary
- V. Extended Exam Style Questions – 80 credits per essay

i. Multiple Choice Questions

Answer the questions that explore the themes of this unit, you will need to draw on your knowledge and wider reading to support you in completing this.

20 credits for completing this quiz.

1. Outsourcing is defined as?
 - a. Utilising the skills/resources of another firm to help production where needed
 - b. Sending all production to be completed by another firm
 - c. Opening a new store outside of the home base to take advantage of lower wage rates

2. TQM is associated with what stage of the production process?
 - a. The research and design stage
 - b. The process stage
 - c. All stages ensuring complete customer satisfaction

3. Improvements in quality may lead to which benefit for a manufacturing firm?
 - a. Increase in profits due to reduction in waste
 - b. A happier workforce
 - c. Increase in market share for the firm

4. Automation is typically defined as the process of?
 - a. The workforce operating more machines
 - b. The workforce being trained on machines
 - c. Machinery taking the significant role previously owned by the workforce

5. Kaizen is typically associated with?
 - a. Management and leadership styles
 - b. Continuous improvements
 - c. Increasing sales turnover and reducing labour turnover

6. A firm moves away from a labour intensive production method to a capital intensive production method. The impact on the firm is most likely to be?
- a. Increase in profits in the short term
 - b. Kaizen implemented across the firm
 - c. Fall in cash flow in the short term
7. A firm manufactures 15,000 spinners per month. There are 120 staff members employed, what is the labour productivity rate for the year?
- a. 125 units
 - b. 0.8 units
 - c. 1,500 units
8. A plane is flying back from Greece to England in August. The flight was nearly full with 178 passengers. The capacity of the plane was 188. What was the capacity utilisation for the flight?
- a. 94.7%
 - b. 5.6%
 - c. 92.5%
9. An increase in labour turnover is likely to have what impact on a business?
- a. Improve employee morale
 - b. Increase labour productivity
 - c. Increase training costs
10. All firms in every industry should always seek to achieve 100% capacity utilisation
- a. Agree
 - b. Disagree

ii. Short Exam Questions

Explain the following, each are worth 4 marks in total

Answer these questions, each of them are based on the unit of study but may draw from your wider reading. You should time yourself for each answer and aim to complete each question to a high standard in 5 minutes.

Each question answered is worth 5 credits. There are a further 10 credits available for self-assessment marking and adding to your answers if needed!

1. Explain one reason why unit costs are more important for a company such as Primark as opposed to Louis Vuitton

(4)

2. Explain why targeting 100% capacity utilisation is not a good objective for managers to set

(4)

3. Explain one way a firm with spare capacity may increase demand for its product/service

(4)

4. Explain why a firm may benefit from subcontracting as opposed to investing in new machinery and staff when meeting seasonal increases in demand

(4)

5. Explain two problems a business may face when trying to increase productivity in a labour intensive firm

(4)

6. Explain two ways in which implementing JIT may benefit a large manufacturing firm

(4)

7. Explain how a flexible workforce may help a firm overcome shortages in capacity **(4)**
8. A firm experiences an increase in the number of faulty products produced. Explain two impacts this may have on the image of the company **(4)**
9. Explain how an operational focus on quality will benefit the profits of the company in the long run **(4)**
10. Explain why UK firms might prefer to use manufacturers and suppliers from within the UK as opposed to those found in China who may be cheaper **(4)**

iii. Hyperlinks for Reading

Read each of the articles below, they have strong links and themes to the unit of study but also focus on Business as a holistic topic. Once you have completed your reading of each, summarise the key points in a bullet point format. You should aim for between 5 – 10 significant points from each article.

20 credits for each summary completed

1. **Cadbury bringing manufacturing home:**
<http://www.telegraph.co.uk/news/2017/04/06/cadburys-comes-home-dairy-milk-production-set-return-uk/>
2. **Who is the leanest?:**
<http://www.manufacturingglobal.com/top-10/top-10-lean-manufacturing-companies-world>
3. **What is mass customisation and why is it a thing?:**
<http://www.manufacturingglobal.com/technology/ford-model-t-coffee-move-towards-mass-customisation>
4. **A warehouse in the sky:**
<http://www.bbc.co.uk/news/technology-38458867>
5. **Capacity utilisation:**
<https://www.tutor2u.net/business/reference/capacity-utilisation>
6. **Happiness leads to productivity:**
<http://www.telegraph.co.uk/news/shopping-and-consumer-news/11553473/Are-happy-workers-more-productive.html>
7. **IKEA and outsourcing:**
<https://www.forbes.com/sites/walterloeb/2012/12/05/ikea-is-a-world-wide-wonder/#5e12db9127b9>
8. **The battle to overcome spare capacity:**
<https://www.thenational.ae/business/with-british-airways-in-need-qatar-airways-seizes-on-chance-to-put-spare-aircraft-to-work-1.55285>
9. **Primark looking out for slavery in its supply chain:**
<http://www.independent.co.uk/news/business/news/primark-british-american-tobacco-greene-king-business-news-in-brief-thursday-1-december-a7447926.html>

iv. Academic Reading

The following chapters/ books/ academic articles have been chosen for you to help in extending your understanding of this theme. They will have value in other units as well. You should read the selected items and compose a 200 – 300 word summary of the main themes found.

50 credits are awarded for each summary provided

Title: Business for A Level AQA, Ian Marcouse

Link: https://www.amazon.co.uk/AQA-Business-Level-Marcouse-Eurostars-x/dp/1471835693/ref=sr_1_16?s=books&ie=UTF8&qid=1501584998&sr=1-16&keywords=aqa+business+a+level

Reading: Page 161 – 220

Title: Business for A Level Year 1, Wolinski and Coates

Link: https://www.amazon.co.uk/d/Books/AQA-Level-Business-1-Third-Wolinski-Coates/1471836096/ref=sr_1_1?s=books&ie=UTF8&qid=1501585265&sr=1-1&keywords=aqa+business+a+level+wolinski

Reading: 235 – 328

Title: Operations management, Jones & Robinson

Link: https://www.amazon.co.uk/Operations-Management-Peter-Jones/dp/0199593582/ref=sr_1_7?s=books&ie=UTF8&qid=1501598966&sr=1-7&keywords=operations+management

Reading: Part D operations strategies

Title: The lean book of lean

Link: https://www.amazon.co.uk/Lean-Book-Concise-Management-Business/dp/1119096197/ref=sr_1_1?s=books&ie=UTF8&qid=1501599096&sr=1-1&keywords=lean+management

Reading: 7 – 26

Title: Lean production simplified

Link: https://www.amazon.co.uk/Lean-Production-Simplified-Third-Plain-Language-x/dp/1498708870/ref=sr_1_1?s=books&ie=UTF8&qid=1501599193&sr=1-1&keywords=lean+production

Reading: 89 – 106

Title: Over capacity

Link: <https://www.economist.com/news/business/21695013-overcapacity-hits-another-part-transport-industry-too-little-freight-too-much-space>

Reading: N/A

Title: Outsourcing all you need to know

Link: https://www.amazon.co.uk/Outsourcing-All-You-Need-Know/dp/0992343615/ref=pd_cp_14_1?encoding=UTF8&psc=1&refRID=6EJNC32JQC5BQC4C765V

Reading: 5 – 31

Title: How to motivate every employee

Link: https://www.amazon.co.uk/d/Books/How-Motivate-Every-Employee-Productivity/0071413332/ref=sr_1_16?s=books&ie=UTF8&qid=1501599482&sr=1-16&keywords=employee+motivation

Reading: 23 – 47

Title: The motivation to work, Herzberg

Link: https://www.amazon.co.uk/d/Books/Motivation-Work-Frederick-Herzberg/156000634X/ref=sr_1_1?s=books&ie=UTF8&qid=1501599615&sr=1-1&keywords=herzberg

Reading: Chapter 1

Title: Herzberg two factor theory

Link: <http://www.managementstudyguide.com/herzbergs-theory-motivation.htm>

Reading: N/A

v. Extended Exam Style Questions

Using the knowledge gained from completing all the above activities you are now ready to write high quality essay style answers. The reading you have done should be included within these essays

You should consider the structure and format of your essays and the context they are written in. Use this short presentation to help you with 'structuring your essay'. Each essay should take up to 20 minutes to write (you should use the format you would in the exam e.g. word processed/hand written so you are used to the length of the essay)

80 credits for each completed essay

1. To what extent is the long term financial success of a manufacturing firm determined by its operational objectives being set correctly?
(20)

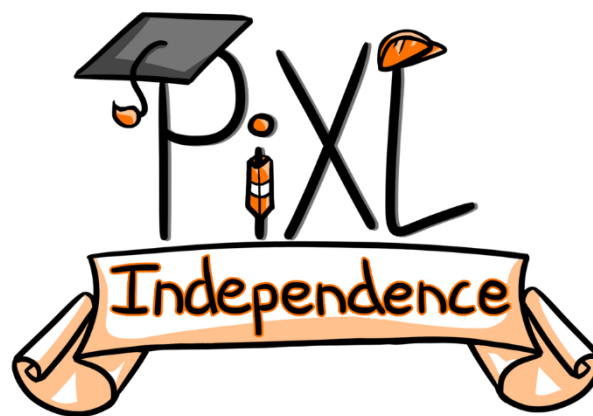
2. Should all firms involve employees in decisions on how best to improve labour productivity? Justify your view
(20)

3. Analyse the factors which influence the success of lean production methods within manufacturing firms
(16)

4. Discuss the implications on a train firm of increasing capacity by 50%
(20)

5. With the growth in online shopping and therefore increasing demand for delivery services. Evaluate approaches firms such as Royal Mail may take to manage this change in demand
(20)

6. With ever improving technology and automation processes, managers are right to choose investment in capital intensive processes as opposed to labour intensive processes. To what extent do you agree? You may reference firms of your choice
- (20)**
7. Quality is the key component for any firm in a competitive market. To what extent do you agree with that statement?
- (20)**
8. Analyse why a firm may choose to use zero hour contracts for part time staff
- (16)**
9. Inventory control should be managed purely by information technology and not by humans. To what extent do you agree with this?
- (20)**



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