

**ADVANCED GCE UNIT
APPLIED BUSINESS**

F257

UNIT 18: Managing Risk in the Workplace
THURSDAY 21 JUNE 2007

Afternoon

Time: 2 hours

No additional materials are required.



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Candidate
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INSTRUCTIONS TO CANDIDATES

- Write your name, Centre Number and candidate number in the boxes above.
- Answer **all** questions.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- Write your answers in the spaces provided on the question paper.
- Read each question carefully and make sure you know what you have to do before starting your answer.
- If you run out of space for an answer, continue on the lined pages at the back of this booklet.
- Tell the invigilator if you do not have something that you need.
- Do **not** write in the bar code.
- Do **not** write outside the box bordering each page.

INFORMATION FOR CANDIDATES

- The number of marks available is given in brackets [] at the end of each question or part question.
- The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (*).
- The total number of marks for this paper is 100.

FOR EXAMINER'S USE	
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TOTAL	

This document consists of **13** printed pages and **3** lined pages.

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(c) Explain **three** problems Wendy might encounter if she did **not** attempt to minimise risks at *Wendy's House*.

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[Total: 17]

Text 2

During the school summer holidays, Wendy had noticed that the play areas became very full and she often worried that there were too many children in the building for her staff to keep a watchful eye over them. One summer afternoon, Wendy’s worst fears became reality. A number of children were jumping up and down on the trampoline when there was a tremendous ripping sound. The canvas on the trampoline split under the stress and all the children fell into a heap on the floor. Several children were injured, including one girl, Helen, who twisted her ankle when a heavy boy fell on her. Unfortunately, that shift’s first aid officer was on holiday, so Wendy offered to take Helen to hospital. Helen’s mother refused, saying she didn’t want anything else to do with *Wendy’s House*.

At the end of the day, Wendy was speaking to Tina, one of her employees, about the accident. “I haven’t really carried out a risk assessment of the trampoline but I thought it would be safe,” Wendy said. “However, its official maximum capacity is three children and there were 12 children on it when it collapsed. I should have had someone watching more closely,” she added.

2 Refer to Text 2.

(a) As the owner of *Wendy’s House*, explain **two** responsibilities which Wendy has in minimising risk.

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(b) (i) Identify the **five** stages of a risk assessment.

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- 2.
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(ii) Wendy should have undertaken a risk assessment of the use of the trampoline.

Explain **two** actions this risk assessment may have identified which might have prevented the trampoline accident.

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[Total: 30]

Text 3

One month later, *Wendy's House* was as busy as ever. Luckily, there did not seem to be any serious repercussions from the trampoline accident. However, Wendy suspected that if there had been fewer children in the building the accident would not have happened. Then, it occurred to her. There was an area behind *Wendy's House* which was overgrown with weeds. She had always seen it as a bit of a wilderness but now she saw it as an opportunity. If it was cleared, an outdoor activity playground could be built. This would be popular in the summer months when *Wendy's House* was at its busiest.

The next day Wendy got three quotes for the work. The cheapest was from a local gardener, Tim O'Tay. Tim's quote came to a total of £25 000 for the work. This would involve himself, a number of employees and mechanical equipment being on site for six weeks. Wendy knew that after a recent refurbishment, the business only had £5 000 in the bank. She would have to borrow the money from a bank, but this would have to be secured against the building and she could lose everything if she defaulted on the payments.

3 Refer to Text 3.

(a) In the context of business strategy, explain the term 'risk'.

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(b*) Evaluate the extent to which Wendy's proposed expansion may create a risk for *Wendy's House*.

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(c) Explain **three legal** responsibilities which employers such as Tim have for their employees.

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[Total: 26]

Text 4

Helen’s mother has, however, got all the parents of the injured children together and they are, collectively, campaigning for a ‘goodwill payout’. The ‘total compensation’ claim would amount to about £15 000. This would be potentially catastrophic for *Wendy’s House*. If the outdoor activity playground was to be built, Wendy knew the business did not have the money to cover such a ‘payout’. However, Wendy decided it would still be in the best interests of the business to build the outdoor activity playground.

When the outdoor activity playground was opened, *Wendy’s House* was busier than ever. Wendy was pleased with the increase in revenue, but found it impossible to predict demand for the outdoor activity playground as it is was only popular on warm sunny days. Consequently, she did not employ any extra staff to run it. She just sent one or two members of staff, who were only trained to supervise the indoor activities, outside when children started to venture onto the outdoor activity playground. Staff were thin on the ground and they soon started to complain of the heavy workload. Wendy knew her employees were in a trade union and worried about the possibility of industrial action.

4 Refer to Text 4.

(a) Explain **two** possible risks for *Wendy’s House* should Wendy not respond to the request for a ‘goodwill payout’.

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(b) Outline **three** types of industrial action the staff at *Wendy's House* could carry out.

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(c) Evaluate the extent to which improved human resource management would benefit *Wendy's House*.

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