



**General Certificate of Education  
Advanced Subsidiary/Advanced**

323/01

**BUSINESS STUDIES  
BS3**

A.M. WEDNESDAY, 9 January 2008  
(1 hour)

**ADDITIONAL MATERIALS**

In addition to this examination paper, you will need an 8 page answer book.

**INSTRUCTIONS TO CANDIDATES**

Answer **both** questions.

**INFORMATION FOR CANDIDATES**

Mark allocations are shown in brackets.

Candidates will be assessed on their quality of written communication i.e. the structure and presentation of ideas; the clarity of expression; grammar, punctuation and spelling. Up to three marks will be awarded for written communication.

No certificate will be awarded to a candidate detected in any unfair practice during the examination.

1. Study the information below and then answer the questions that follow.

### Clutter Ban

Staff in Government Tax Offices have been told to remove family snaps from their desks because they make them 'unproductive'.

The ban is part of a HM Revenue & Customs programme to improve efficiency. The new rules, designed to make work-stations clutter-free, itemises things such as money, shopping and handbags as non-essential. Items including a computer document holder, calculator, pens, a desk and chair were described as essential in a managerial memo sent only to processing staff at tax offices in Wrexham and Rhyl.

The ban affects staff in offices signed up to the LEAN programme – a controversial style of working method introduced earlier this year. It sparked **industrial action** among 14 000 civil servants across the country. The Public and Commercial Services Union general secretary, Mark Serwotka, said: 'By reducing staff to nothing more than machines, on the whim of consultants, the department is **undermining the morale of staff**, especially those who face imminent job cuts and office closures. It is ridiculous that unlike their colleagues working for the same organisation in the same office, this group of workers is banned from having things such as a photo of a loved one on their desk.'

The Union said the Revenue & Customs' claims that LEAN would deliver 30% efficiency gains lay in 'tatters'. A Revenue & Customs spokesman said: 'LEAN is about offering better service to customers and staff. Staff are asked to make sure they have everything set up to do their job effectively.'

*Source: adapted from 'The Mail', November 2006*

- (a) (i) Identify **two** functions of a trade union. [2]
- (ii) Describe **three** forms of *industrial action* that trade unions could take. [6]
- (b) Explain the possible consequences of *undermining the morale of staff*. [4]
- (c) Outline the main types of leadership style and consider which might be the most appropriate for Government Tax Offices. [8]

2. Study the information below and then answer the questions that follow.

John Cadbury opened his first shop in 1824. Since then the business has continued to grow and nowadays provides the world with many of its favourite brands, e.g. Dairy Milk, Flake, Crunchie, etc. Some of the items it makes are seasonal, e.g. cream eggs, Easter eggs, Christmas puddings, whilst others are required throughout the year in vast quantities. Cadbury is also known for its annual donation of a giant Easter Egg to Great Ormond Street hospital for children.

In an attempt to continue its growth Cadbury, like many companies nowadays, is keen to embrace some or all of the Japanese approaches to management. The Japanese approaches focus on three main elements:

- strategic goals being more important than long-term profit;
- a trained workforce that is given a key role in improving methods and output;
- **lean production**.

Cadbury does not use a single method of organising production but a mixture, and it uses robots to pick up the bars of chocolate and put them into boxes. Naturally, **quality assurance** is a vital part of the business. If it gets this wrong, it can severely damage its profits.

- (a) Explain the benefits of *lean production* to a business such as Cadbury. [4]
- (b) State, with reasons, **two** methods of production which are suitable for making Easter eggs. [4]
- (c) Explain the ways in which a food manufacturer, such as Cadbury, might ensure the quality of its products. [6]
- (d) “*Quality assurance* is essential for business success.” Discuss. [6]