

**ADVANCED GCE**  
**APPLIED BUSINESS**  
Managing Risk in the Workplace

**F257**

Candidates answer on the question paper.

**OCR supplied materials:**

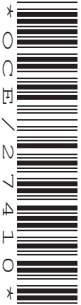
None

**Other materials required:**

None

**Friday 24 June 2011**  
**Morning**

**Duration: 2 hours**



Candidate forename		Candidate surname	
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Centre number						Candidate number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Answer **all** the questions.
- Do **not** write in the bar codes.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- Your quality of written communication is assessed in the question marked with an asterisk (\*).
- This document consists of **20** pages. Any blank pages are indicated.

Cliff Face Camping (CFC)

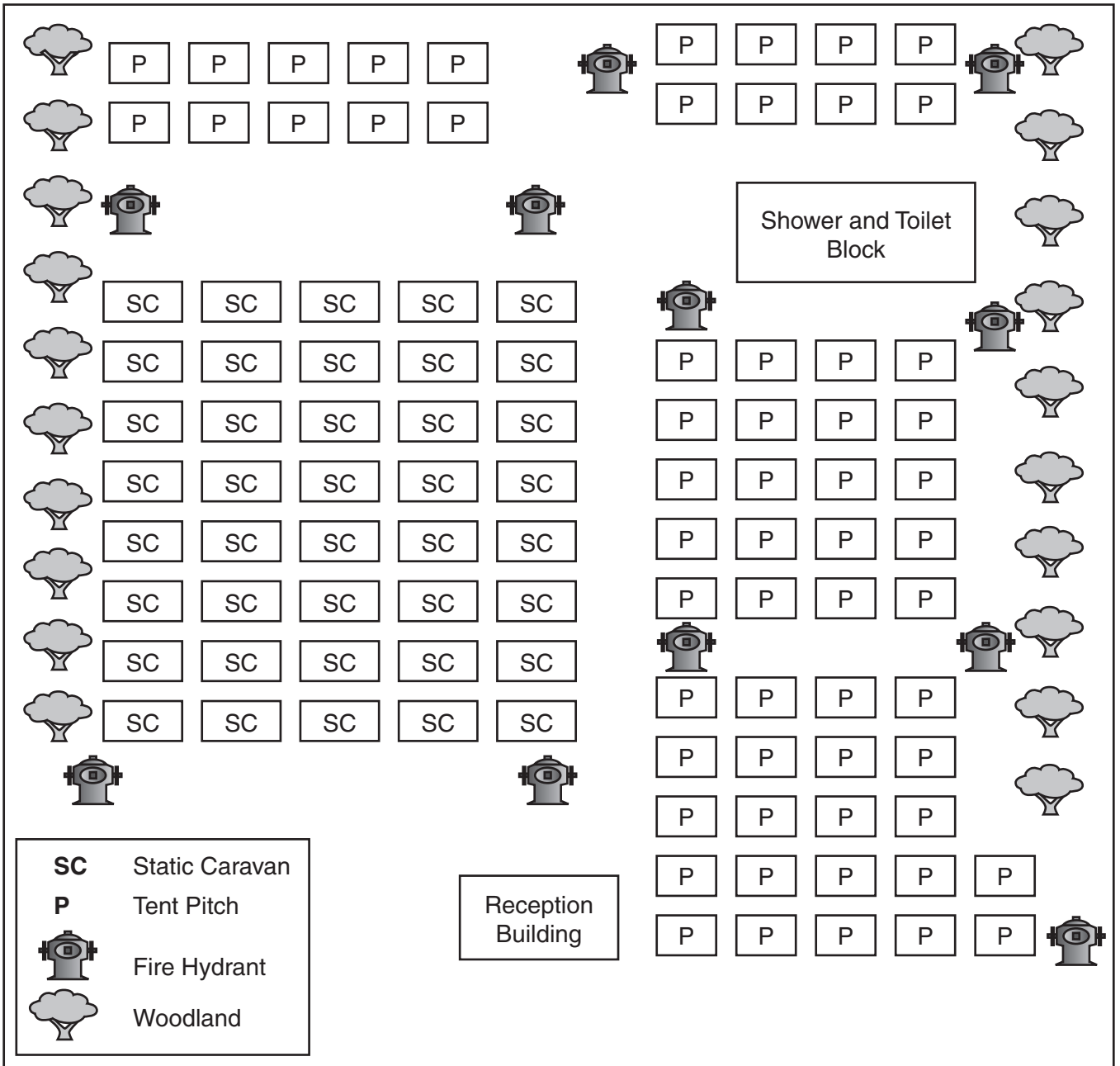


Fig. 1

**Text 1**

Cliff Face Camping (*CFC*) is a campsite on the Devon coast. It was set up five years ago by a young couple, Tom and Ellie Newton-Turner from Birmingham, who wanted to escape their high-powered city jobs and enjoy the delights of life beside the sea.

The campsite comprises 40 static caravans, 60 tent pitches, a shower and toilet block and a reception building (**see Fig. 1**). Tom spends most of his time in the reception building keeping the accounts, answering the telephone and greeting customers. Ellie, together with the two employees, Mike and Brenda, maintain the ground and pitches. Both the owners knew that it would be important to have an understanding of the relevant health and safety laws to which they would need to adhere. Therefore, they both attended a basic health and safety course and read a manual on the Health and Safety at Work Act (1974). As a result, they installed fire hydrants at each corner of the static caravan and tent pitch areas on the site, signs indicating meeting points in the event of a fire and kept a first aid kit and accident book in the reception building.

During *CFC*'s first three years, demand was high during the peak season from June until September. However, in 2009, having had a very wet and cold summer, all that changed. During the months of June and July, torrents of rain caused small streams to form on the campsite's grounds. Some of the customers started to complain that Tom and Ellie had not done enough to ensure that the tent pitches were adequately drained. One customer, Alice, said that the lack of drainage had caused stagnant pools of water to form at the edge of her family's pitch. "It's ridiculous, we're supposed to be staying here for two weeks. We've only been here for three days and already we're being eaten alive by the bugs breeding in that water! It's not good enough, I know you have a duty of care for everyone on your premises – your pitches are hazardous to health!"

**1 Refer to Text 1.**

(a) In the context of health and safety, what is meant by the term 'hazard'?

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..... [2]

(b) State **three** principles of the Health and Safety at Work Act.

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(e) Other than poor customer relations, describe **three likely negative** consequences to *CFC* of **not** fully meeting its required duty of care.

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[6]

[Total: 18]

## Text 2

By Autumn 2009, Tom and Ellie were concerned about the dismal summer *CFC* had just experienced. Furthermore, they had received a letter from the customer, Alice, informing them that she was actually a campsite critic and wrote for a national campsite guide. She added that after the “dreadful experience” during her stay, she would be writing a negative report on *CFC*. It was clear that the tent pitches needed drainage. So, over the next few months, Ellie, Mike and Brenda worked hard digging trenches and installing pipes which would drain surface rain water away. The total cost of the project was £5 000 – certainly an expense *CFC* could have done without.

At the start of 2010, when work installing the drainage system was finally complete, everyone at *CFC* sat down for a meeting about how to take the business forward. “Surely installing the new drainage system was enough?”, questioned Ellie. “Besides we haven’t got any spare cash for any other grand plans”, she continued.

“I know what you’re saying Ellie, but we need to persuade those potential customers who go abroad to come to *CFC*. We need an attraction for them, whatever the weather”, answered Tom.

Mike suggested that they should build an indoor swimming pool with a little kiosk for drinks and snacks. “I’ve heard that loads of campsites on the continent have pools for campers”, he said. “Besides, you wouldn’t need to employ anyone new – I could do it. I know I’m 35, but I am actually a qualified life guard. I could also give Brenda some on-the-job training in basic life saving skills. Think of the money you could save!”, he added.

Given the state of the business’ finances and her doubts about Mike’s abilities as a life guard, Ellie had her concerns about such a big strategic change. However, the other three at the meeting thought it was something worth considering if they were to improve the campsite in the long term. So the next day, Tom made enquiries at some local builders. The cheapest estimate, with an eight week schedule, was £20 000. “That would mean we would have to take out a loan, Tom!”, Ellie grimaced. “You know that’s risky given the bad press that we are likely to receive. How do we know we won’t have the same problems again?”, she added.

## 2 Refer to Text 2.

(a) Identify **two** types of on-the-job training which Mike could provide for Brenda.

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(b) Explain **two** relevant health and safety issues Mike could discuss with Brenda if she were to receive some training in basic life saving skills.

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(c) What is meant by the term 'strategic change'?

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**Text 3**

At the start of spring 2010, it was agreed that the building of the indoor swimming pool and kiosk should go ahead. After Tom had conducted an initial risk assessment and the bank had approved the loan, the builders started work. They brought with them a digger, two pneumatic drills and all manner of cables in order to commence their work. During this time, Tom and Ellie allowed the public to stay on the campsite in order to gain some much needed revenue.

Construction of the swimming pool was finally completed at the end of June 2010. Mike had read his old life guard's manual and was initially happy to be the campsite's life guard, whilst Brenda managed the kiosk. When July came, the campsite was busy once again, and everything seemed to be improving.

August was an even better month for sales. This meant that the demands placed upon the staff at *CFC* were increasing. As Mike and Brenda were now working at the pool and kiosk, Ellie found that she could no longer manage the grounds by herself. Therefore, she asked Brenda to help her maintain the grounds, leaving Mike to manage the pool and kiosk by himself.

Unfortunately, during the first week in September, Mike was serving in the kiosk, when a boy, whom he had repeatedly asked not to run in the pool area, started to take a running dive but slipped before he jumped. The boy, Joe, hit his head on the poolside before falling into the water. Mike did not see it happen. However, there was a telephone in the kiosk and Mike called an ambulance as soon as he was told of the incident.

Luckily, Joe was released from hospital the next day having only suffered mild concussion. However, Joe's parents threatened legal action.





(b) Whilst work was carried out to construct the indoor swimming pool and kiosk, explain **three** hazards that could have affected *CFC*'s customers.

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## Text 4

Towards the end of the 2010 season things got worse for *CFC*. In addition to the threat of legal action from Joe's parents, there were problems brewing amongst the staff. Mike felt that he was to blame for Joe's accident and coupled with his mounting stress at having to manage the kiosk and the indoor pool, he began to take days off work because of the stress. Being the only other person with any relevant training, Brenda was left to cover in his absence. However, she complained to Tom that she was not qualified or paid enough to do such a job and that it was her right to go back to grounds maintenance. After one of her frequent arguments with Tom, she shouted, "I know my rights Tom, I don't care if Mike is stressed, you can't force me to cover for him!"

Tom became increasingly worried. He felt that running *CFC* was becoming almost impossible, with discontented staff, the threat of legal action and a large bank loan to repay. In addition, Ellie approached him and quietly added that she had overheard a conversation between Mike and Brenda, where Brenda had suggested that they take some form of industrial action against the business for unfair treatment. "Great that's all we need!", shouted Tom.

Just then the telephone rang. It was Karen, a representative of Eucamp, a national holiday group. She explained that she had stayed in one of *CFC*'s static caravans earlier in the summer and really enjoyed her stay. She explained that Eucamp wanted to rent all the static caravans from *CFC* each season at a 50% reduced price. Naturally, this would mean that only Eucamp's customers could use them, but there was a guaranteed rental income each year. After the conversation, Ellie was very excited. "This could be just what we need Tom!", she said. Tom was not so sure. He was concerned that the campsite he loved so dearly could be 'lost at a discount rate' to a faceless camping giant. Then again, he knew the enormous struggle which lay in front of them.



4 Refer to Text 4.

(a) Explain **three** possible consequences of poor industrial relations to a business such as *CFC*.

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(b) Describe **two** ways in which Tom and Ellie could minimise the risk of industrial action at *CFC*.

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(c) Evaluate whether or not Tom and Ellie should accept the contract on offer from Eucamp for its use of the static caravans.

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