

Write your name here	
Surname	Other names
Edexcel Principal Learning	Centre Number
	Candidate Number
Manufacturing and Product Design	
Level 2	
Unit 1: Running a Manufacturing Business	
Thursday 14 January 2010 – Morning Time: 1 hour	Paper Reference MP201/01
You may use a calculator.	Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 60.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

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Answer ALL questions. Write your answers in the space provided.

1 State the type of manufacturing business structure required for mass production of clothing.

.....

(Total for Question 1 = 1 mark)

2 A cabinet maker produces one-off items of furniture.
State the type of manufacturing business structure required.

.....

(Total for Question 2 = 1 mark)

3 Businesses use a variety of organisational structures.

(a) List **three** features of a hierarchical structure.

(3)

1

2

3

(b) Describe **one** disadvantage of using a hierarchical structure.

(2)

.....

.....

.....

(c) An alternative to a hierarchical structure is a matrix structure.

Describe **one** disadvantage of using a matrix structure.

(2)

.....

.....

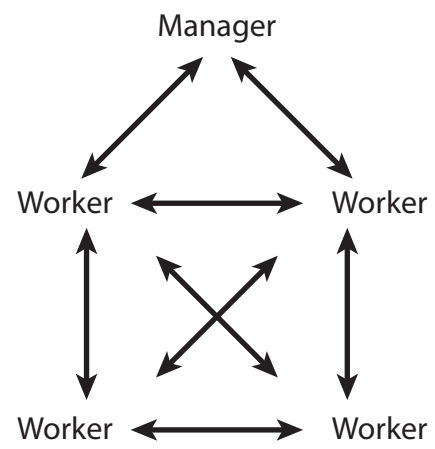
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(Total for Question 3 = 7 marks)



- 4 A toy manufacturing company currently has five employees. The following diagram shows its organisational structure.



- (a) State the name given to this type of organisational structure.

(1)

- (b) The toy manufacturing company will change to a centralised organisational structure.

Redraw the diagram to show a centralised organisational structure with one manager and four workers.

(2)

(Total for Question 4 = 3 marks)



5 State the business function responsible for transporting finished goods.

.....

(Total for Question 5 = 1 mark)

6 State the business function responsible for promoting the company's products.

.....

(Total for Question 6 = 1 mark)

7 Describe the role of the quality function.

.....

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(Total for Question 7 = 2 marks)

8 Describe how the quality function cooperates with the production function.

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(Total for Question 8 = 2 marks)

9 Describe how the quality function cooperates with the design function.

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(Total for Question 9 = 2 marks)



10 The Health and Safety at Work Act 1974 is an important piece of legislation which affects all UK manufacturing companies.

(a) Outline **one** responsibility of the **employer** under this Act.

(2)

.....
.....

(b) Outline **one** responsibility of the **employee** under this Act.

(2)

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.....

(Total for Question 10 = 4 marks)

11 A manufacturer produces mobile phones. Product innovation in the mobile phone market is a key business success factor.

(a) Identify **three** further business success factors.

(3)

1
2
3

(b) Describe **two** ways in which product innovation is critical to the financial success of a mobile phone manufacturer.

(4)

1
.....
2
.....

(Total for Question 11 = 7 marks)



12 A company wishes to increase its profit by reducing costs.

State **three** methods of reducing costs.

1

2

3

(Total for Question 12 = 3 marks)

13 Other than by reducing costs, describe how a bakery could maintain its profit margin if the cost of flour increases.

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

(Total for Question 13 = 2 marks)

14 Outline **two** reasons why a manufacturer would need to consider cash flow before purchasing equipment.

1

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.....
.....

2

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.....
.....

(Total for Question 14 = 4 marks)



15 The table below is a cash flow forecast for the first five months of a small manufacturing company.

July	August	September	October	November	
0	(625)	(1 460)	(985)	200	Opening balance
940	830	2 160	2 900		Sales
365	465	485	515	535	Costs
1 200	1 200	1 200	1 200	1 200	Salary
(625)	(1 460)	(985)	200		Closing balance

(a) State what brackets are used for in cash flow forecasts.

(1)

(b) In which month did the company first show a cash surplus?

(1)

(c) In November the sales totalled £3 210.

Calculate the closing balance in November.

You must show your working.

(2)

(Total for Question 15 = 4 marks)



16 A manufacturer of garden benches increases the scale of production from batches of 5 to batches of 100.

Outline **two** reasons why unit costs will change with this increase in production.

1

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2

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(Total for Question 16 = 4 marks)



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17 The following summary of accounts table is for an ice cream manufacturer.

	£	£
Sales		980 000
Cost of sales		
Opening stock		
Purchases	813 000	
Sub-total	853 000	
Less closing stock	(41 000)	812 000
Gross profit		
Expenses		
Wages	50 000	
Power	2 000	
Advertising	3 000	
Telephone and postage	1 900	
Rent and rates	28 000	
Sub-total	84 900	84 900
Net profit before tax		

(a) What is the name given to this type of summary of accounts? (1)

(b) Calculate the value of the opening stock. (1)



(c) Calculate the gross profit.

(1)

(d) Calculate the net profit before tax.

(1)

(e) State **two** possible expenses not listed on the summary of accounts table.

(2)

1

2

(Total for Question 17 = 6 marks)

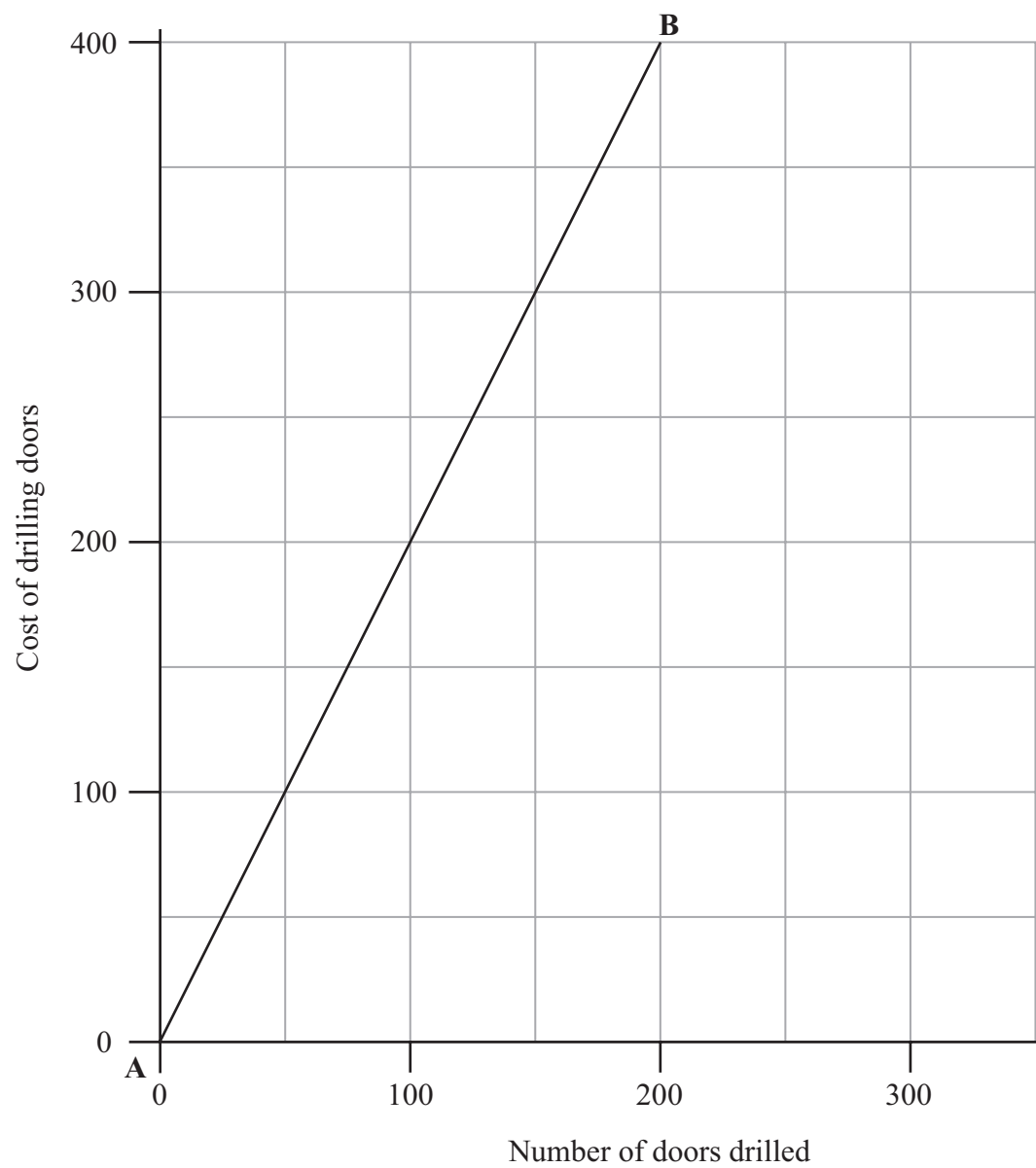


18 It costs £2.00 to manually drill holes in a door. This reduces to 50p when automated.

The cost of installing automation is £150.

The break-even diagram below is incomplete.

Line AB represents the cost of manually drilling the doors.



(a) Calculate the total cost to drill the first 200 doors when the process is automated. (2)

.....
(b) Use your answer in (a) and other given information to complete the break-even diagram. (2)

(c) (i) Label the break-even point on the diagram. (1)

(ii) How many doors have to be manufactured for the company to break-even? (1)

.....
(Total for Question 18 = 6 marks)

TOTAL FOR PAPER = 60 MARKS



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