

Write your name here

Surname

Other names

**Edexcel
Principal Learning**

Centre Number

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Candidate Number

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Manufacturing and Product Design

Level 2

Unit 1: Running a Manufacturing Business

Wednesday 16 May 2012 – 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.

Turn over ►

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PEARSON

Answer ALL questions. Write your answers in the space provided.
One question must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** What type of manufacturing business structure is involved when a self employed potter makes unique tableware?

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(Total for Question 1 = 1 mark)

- 2** An employee of a manufacturing company is responsible for passing phone call messages to appropriate departments.

(a) Name the role of this employee.

(1)

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(b) A phone call is received regarding a mistake in the company's end of year accounts.

Name the role of the employee responsible for resolving this issue.

(1)

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(Total for Question 2 = 2 marks)

- 3** Describe the role of the planning function.

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(Total for Question 3 = 2 marks)



4 Describe how the sales function cooperates with the distribution function.

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(Total for Question 4 = 2 marks)

5 On the left are four financial terms used in business. On the right is a description of each term.

Draw a straight line to link each financial term to its correct description.

Financial term	Description
Budget	the number of products that aim to be sold
Margin	profit generated from money put into a business
Sales target	an allocation of money
Return on investment (ROI)	the difference between the cost and selling price

(Total for Question 5 = 4 marks)



6 Which **one** of the following would best describe sustainable enterprise?

A	Employs more than ten staff	<input type="checkbox"/>
B	Maintains company profits	<input type="checkbox"/>
C	Supplies environmentally friendly products	<input type="checkbox"/>
D	Uses a hierarchical structure	<input type="checkbox"/>

(Total for Question 6 = 1 mark)

7 A small business structure operates as a partnership and a micro business is a sole trader.

Describe **two** differences between the partnership and the sole trader.

1

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(Total for Question 7 = 4 marks)



8 Describe **three** benefits of a staff development programme.

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(Total for Question 8 = 6 marks)



9 The current General Product Safety Regulations requires manufacturers to supply safe products.

(a) Outline **two** pieces of information that should be included with a product to ensure customers know how to use the product safely.

(4)

1

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2

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(b) State the local authority department responsible for enforcing these Regulations.

(1)

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(Total for Question 9 = 5 marks)

10 State **two** examples of indirect fixed costs.

1

2

(Total for Question 10 = 2 marks)

11 State **two** examples of indirect variable costs for a manufacturer.

1

2

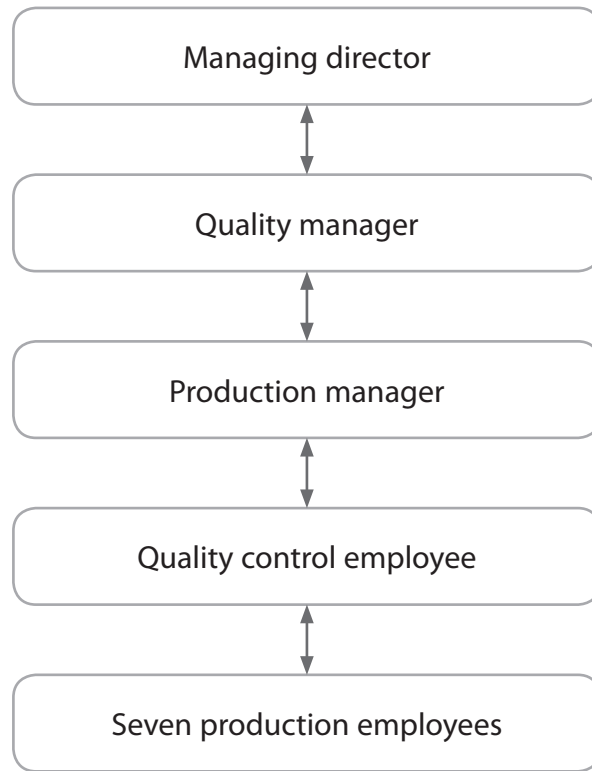
(Total for Question 11 = 2 marks)



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12 The following diagram shows an organisational structure.



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

(1)

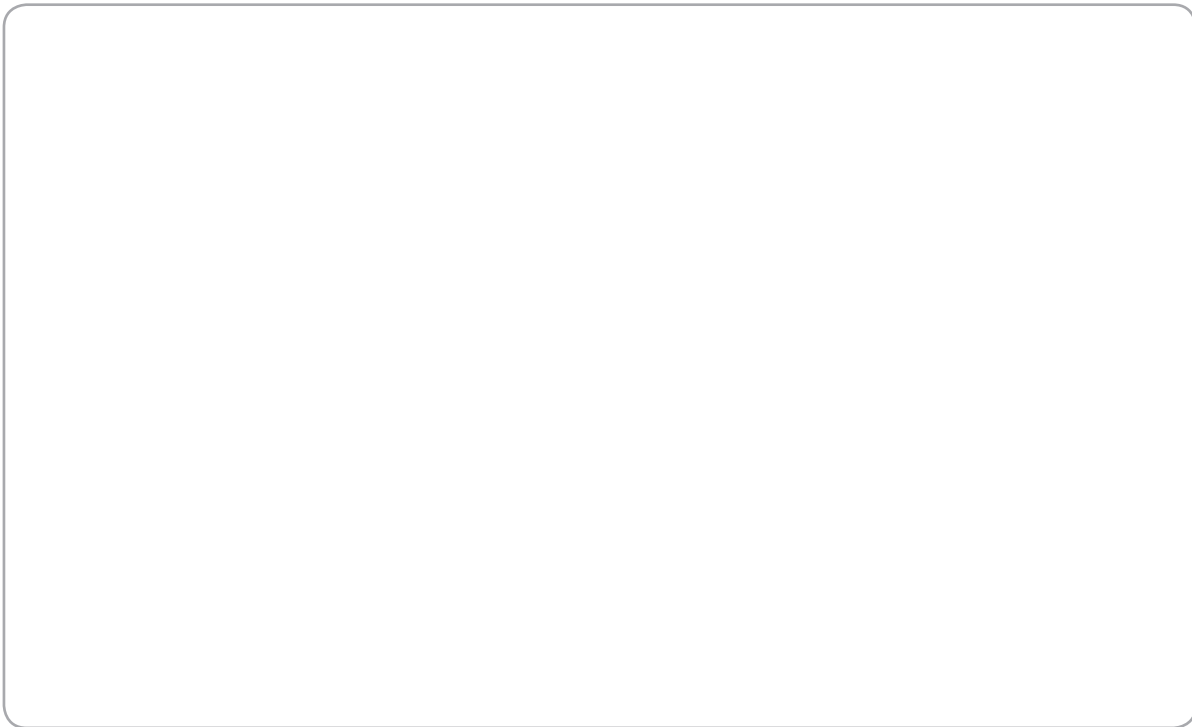


(b) A new electronics company has a flat organisational structure.

Draw a diagram to show a flat organisational structure with the following employees and managers:

- Sales employee
- Production manager
- Management administrative employee
- Six production employees
- Quality manager
- Sales manager
- Quality employee
- Managing director

(5)



(Total for Question 12 = 6 marks)



13 The number of people who report to one manager in a business hierarchy is called a **span of control**.

Describe **two** disadvantages of a narrow span of control where only a few people report to a manager.

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(Total for Question 13 = 4 marks)

14 A machine tools manufacturer is registered for Value Added Tax (VAT). It sells some of its machine tools abroad. Machine tools sold abroad do not attract VAT.

Outline **one** factor that would influence whether the manufacturing business remains registered for VAT.

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(Total for Question 14 = 2 marks)



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15 The profits of two paint manufacturing businesses are compared in Table 1.

(a) Using Table 1, state which business has the higher margin of profitability.

(1)

Profit and loss for year end	Household paint manufacturer	Industrial coating manufacturer
	£000	£000
Sales	1 100	3 400
Costs of sales	725	2 800
Gross profit	375	600
Gross profit %	34%	18%
Operating expenses	300	350
Net profit after tax deducted at 27%		

Table 1

(b) Complete Table 1 by calculating the net profit for both businesses.

You must show your working.

(6)

space for working	
Household paint manufacturer	Industrial coating manufacturer



(c) Complete Table 2 below and calculate the net profit margin for both businesses.
 You must show your working. Show your answer to one decimal place.

	Household paint manufacturer	Industrial coating manufacturer
Net profit margin (%)		

Table 2

(4)

space for working	
Household paint manufacturer	Industrial coating manufacturer

(d) Both paint manufacturers are selling shares in their business.

Outline **one** reason why the business with the lower net profit margin would make a better investment.

(2)

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(Total for Question 15 = 13 marks)



16 Table 3 shows the number of deliveries and returns of washing machine parts for a white goods manufacturer over the last six months.

Month	Jan	Feb	Mar	Apr	May	June
Parts delivered	1 000	1 200	1 440	1 728	2 074	2 489
Parts returned by customer	200	300	432	605	830	996

Table 3

Using the information in Table 3, explain how the manufacturer is performing.

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(Total for Question 16 = 4 marks)

TOTAL FOR PAPER = 60 MARKS



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