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GCSE  
BUSINESS  
8132/1

PAPER 1

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Mark scheme

Specimen Assessment Material

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V1.0

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from [aqa.org.uk](http://aqa.org.uk)

## Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

### Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

### Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Examiners are required to assign each of the candidates' responses to the most appropriate level according to its overall quality, then allocate a single mark within the level. When deciding upon a mark in a level examiners should bear in mind the relative weightings of the assessment objectives (included in each question) and be careful not to over/under credit a particular skill. For example, in question 3.6, more weight should be given to AO3 than to AO1. This will be exemplified and reinforced as part of examiner training and standardisation.

## Section A

Total for this section: 20 marks

Question number	Answer
1.1	B
1.2	D
1.3	C
1.4	B
1.5	D
1.6	A

1.1–1.6 = AO1 × 6  
(1 mark for each correct answer)

**01.7** Identify **two** methods of external growth that a business could choose.

**[2 marks]**

**Marks for this question: AO1 = 2**

1 mark for each method identified up to 2 marks.

**Possible answers include:**

- Takeover
- Merger
- Franchise.

**01.8** Explain how communication could be easier in a flat organisational structure rather than in a tall organisational structure.

**[2 marks]**

**Marks for this question: AO1 = 2**

1 mark for knowledge of flat organisational structure.

1 mark for understanding of communication in a flat organisational structure.

**Possible answers include:**

- Understanding of flat organisation structure – few management layers, wider span of control
- Communication – fewer links in communication chain (up or down), messages can travel faster.

**Example of a developed response:**

A flat organisational structure has few layers of management (1). Messages can be passed from the most senior level to the most junior level more quickly because there are fewer people through which the message will pass (1).

**01.9** Explain **one** benefit to a business of using part-time staff.

**[3 marks]**

**Marks for this question: AO1 = 3**

1 mark for knowledge of a benefit of using part-time staff.

2 marks for developing the answer explaining a benefit of using part-time staff.

**Possible answers include:**

- Flexibility to cover breaks and holidays
- Keep costs down when full-time cover is not required
- Facilitates staff retention by offering family friendly working practices
- Gives opportunity to buy in particular staff expertise without having to invest in full-time employee.

**Example of a developed response:**

It will allow the business to be flexible (1) for example times when the full-time staff are on holiday (1) part-time staff can be used to cover all the work hours (1).

**01.10** Explain **one** benefit of providing induction training for employees.

**[3 marks]**

**Marks for this question: AO1 = 3**

1 mark for knowledge of a benefit of induction.

2 marks for developing the answer explaining a benefit of induction.

**Possible answers include:**

**Knowledge and understanding:**

- new recruits become productive as quickly as possible
- avoid costly mistakes by recruits not knowing the procedures
- new recruits feel confident and knowledgeable
- new recruits will adapt quickly and be likely to stay.

**Example of a developed response:**

Induction training enables new recruits to learn business procedures (1) this means that they will be less likely to make mistakes (1) and become productive as quickly as possible (1).

**01.11** Explain **two** benefits to a business of ensuring the protection of their employees' health and safety.

**[4 marks]**

**Marks for this question: AO1 = 4**

1 mark for each valid benefit identified × 2.

1 mark for developing the answer explaining a benefit × 2

**Possible answers include:**

- Legal responsibility for H&S
  - business avoids a fine by complying with the act
  - business avoids having to pay compensation to employees or customers who are harmed as a result of not complying with the act
  - negative publicity may result if employees or customers who are harmed as a result of not complying with the act
- Reduction in absence from work due to accidents
- Good health and safety record may encourage recruitment of good workers.

**Example of a developed response:**

A business can avoid being fined (1) as it is their legal responsibility for H&S (1).

## Section B

Total for this section: 34 marks

**02.1** Identify **two** drawbacks to Krispy Kreme of using responsibly sourced ingredients. **[2 marks]**

**Marks for this question: AO1 = 2**

1 mark for each drawback identified up to 2 marks.

**Knowledge:**

- Responsibly sourced ingredients can cost more.
- Can increase the price of products.
- Profits may be reduced.
- Supply may be difficult to obtain.

**02.2** Employees receive 20% discount off coffee. **Figure 1** shows the number of coffees bought by employees last week.

**Figure 1**

	Number of coffees	Discount received
Sarah	2	
Robert	5	
Ali	4	
	Total cost to store	

Using **Item A**, complete **Figure 1** to show how much discount each employee received and the total cost to the store of discounts last week.

**[3 marks]**

**Marks for this question: AO2 = 3**

AO2 Applies the correct calculations × 3

$$1.90 \times 20\% = 0.38 \text{ (1) OFR}$$

$$2 \times 0.38 = 0.76 \quad 5 \times 0.38 = 1.90 \quad 4 \times 0.38 = 1.52 \text{ (1) OFR}$$

$$\text{Total cost to store } 0.76 + 1.90 + 1.52 = 4.18 \text{ (1) OFR}$$

**02.3** Identify **two** stakeholders of a business.

**[2 marks]**

**Marks for this question: AO1 = 2**

1 mark for each item of knowledge of stakeholders up to 2 marks.

**Indicative content:**

- customers
- local community
- suppliers
- owners.
- employees

The indicative content is not exhaustive; other credit worthy material should be awarded marks as appropriate.

**02.4** Analyse **one** way in which a stakeholder of Krispy Kreme may be affected by the opening of a new store.

**[6 marks]**

**Marks for this question: AO2 = 3 AO3 = 3**

Level	Description	Marks
3	<p><b>Detailed analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• Business areas are fully analysed.</li> <li>• Applies knowledge and understanding to the context sufficiently.</li> </ul>	5–6 AO3 AO2
2	<p><b>Sound analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• Business areas are partially analysed.</li> <li>• Applies some knowledge and understanding to the context.</li> </ul>	3–4 AO3 AO2
1	<p><b>Basic analysis of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• Basic analysis of business areas.</li> <li>• Basic knowledge and understanding is applied to the context.</li> </ul>	1–2 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

**Application:**

- local community – suffering traffic chaos, jobs for local people – especially long term unemployed
- local government, jobs for local people, taxes
- customers – interest in new store (even those many miles away), additional place to go; internet ordering viable for more customers.

**Analysis:**

- local community –
  - positive – jobs, fewer unemployed good for local economy
  - negative – traffic issues, but these are only temporary



- local government
  - positive – historic building renovated and has a new use
  - increased taxes
- customers
  - positive – increased number of outlets, may not have to travel so far, local customers will be able to order online for collection instore.

**Example of a developed response:**

The arrival of a new store in a city is a good thing for the local community especially for the unemployed because KK offer employment opportunities (L1). The local store in Glasgow would likely have many jobs as they have taken three times more than other KK stores meaning these people would now have an income (L2). With a policy of recruiting long-term unemployed, this leads to helping make the city more prosperous because there are more people with money to spend on other business in the local area (L3).

**02.5** Analyse the effect that the growth of Krispy Kreme may have on maintaining the quality of their doughnuts.

**[6 marks]**

**Marks for this question: AO2 = 3 AO3 = 3**

Level	Description	Marks
3	<b>Detailed analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>• Business areas are fully analysed.</li> <li>• Applies knowledge and understanding to the context sufficiently.</li> </ul>	5–6 AO3 AO2
2	<b>Sound analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>• Business areas are partially analysed.</li> <li>• Applies some knowledge and understanding to the context.</li> </ul>	3–4 AO3 AO2
1	<b>Basic analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>• Basic analysis of business areas.</li> <li>• Basic knowledge and understanding is applied to the context.</li> </ul>	1–2 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

**Application:**

- Increased demand for products means quality control of the product may be difficult, some growth through new cabinets – Tesco, motorway services, shelf life of one day, original recipe from America
- Levels of customer service may decrease as more staff are employed, Induction training, internal training
- As number of stores increase, training of new staff needs to be consistent, top hygiene rating.

**Analysis:**

- All doughnuts made in one of the 13 main stores so this should maintain quality of the product, this will require a small increase in staff but most will be in the stores
- Slow growth means time to train staff to give quality service
- Limited number of places making products keeps quality consistent
- Keeping close control through organic growth – easier to maintain/monitor standards.

**Example of a developed response:**

Regardless of how many additional stores and cabinets KK opens, every doughnut is still made in one of the 13 larger stores (L1). This will help KK to maintain the quality of the product that is sold in all outlets – old or new as the same staff will be making these products to the original recipe with only a few new staff requiring training (L2). This operational model means that KK can deliver high quality training to these new staff to maintain the quality of the doughnuts as the business grows (L3).

**02.6** Analyse the impact of the use of motivational techniques at Krispy Kreme.

**[6 marks]**

**Marks for this question: AO2 = 3 AO3 = 3**

Level	Description	Marks
3	<b>Detailed analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are fully analysed.</li> <li>Applies knowledge and understanding to the context sufficiently.</li> </ul>	5–6 AO3 AO2
2	<b>Sound analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Business areas are partially analysed.</li> <li>Applies some knowledge and understanding to the context.</li> </ul>	3–4 AO3 AO2
1	<b>Basic analysis of topics based on the context.</b> <ul style="list-style-type: none"> <li>Basic analysis of business areas.</li> <li>Basic knowledge and understanding is applied to the context.</li> </ul>	1–2 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

**Application:**

- Financial methods, 20% staff discount, incentive scheme
- Non-financial, training, skills & talent workshops, induction
- Non-financial, promotion, responsibility, internal promotion – 60% of senior staff internally promoted
- Annual rewards, fun environment.

**Analysis:**

- Offering employees non-financial methods of motivation helps to ensure that they have real passion & belief in the products so that the products are always made to the highest standards
- HR recruit & train people who can show creativity, resourcefulness, expertise & problem solving, hence they contribute to the development of ops processes
- No compromise attitude ensures that all employees focus on quality.

**Example of a developed response:**

Opportunities for internal promotion motivate employees (L1) because they want to be able to access higher earnings and status (L1). Over 60% of senior staff at Krispy Kreme have been recruited as a result of internal promotions (L2). They will be able to share their expertise and experience with their colleagues (L2). These employees will be motivated to perform at the highest level and will be loyal to the business (L3) rather than looking for promotion opportunities elsewhere (L3).

**02.7** Recommend whether Krispy Kreme should invest in the development of an app for UK customers. Give reasons for your advice.

**[9 marks]**

**Marks for this question: AO2 = 3 AO3 = 6**

Level	Description	Marks
3	<p><b>Detailed analysis and evaluation of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified.</li> <li>Business areas are fully analysed.</li> <li>Applies knowledge and understanding to the context sufficiently.</li> </ul>	<p>7–9</p> <p>AO3 AO3 AO2</p>
2	<p><b>Sound analysis and evaluation of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>A line of reasoning, with a conclusion that has some justification.</li> <li>Business areas are partially analysed.</li> <li>Applies some knowledge and understanding to the context.</li> </ul>	<p>4–6</p> <p>AO3 AO3 AO2</p>
1	<p><b>Basic analysis and evaluation of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>Basic line of reasoning with a conclusion</li> <li>Basic analysis of business areas.</li> <li>Basic knowledge and understanding is applied to the context.</li> </ul>	<p>1–3</p> <p>AO3 AO3 AO2</p>
0	<b>Nothing worthy of credit.</b>	

**Indicative content:**

**Application:**

- Digital communication changing the way businesses communicate with customers, linked to the cost to develop app (£30 000–40 000) or the fact there are only 45 stores across the UK
- Use of apps on smart phones/use of apps to communicate with customers, linked to the fact the app is available to USA customers
- Potential impact of competition, linked to the fact other coffee shops have apps, with functionality – store locator, offers, loyalty bonuses, menus.

**Analysis/evaluation:**

- App could operate loyalty scheme, provide information to customers – payment options, store locations, menus, personalised offers etc
- Not many stores – maybe not enough to justify cost of app development
- Need further information about use of app in USA
- Opportunities to develop the business further.

## Section C

Total for this section: 36 marks

**03.1** Using an example from the organisation chart of the staff at PDL, explain how PDL could use delegation.

[2 marks]

**Marks for this question: AO2 = 2**

1 mark for applying knowledge of delegation.

1 mark for applying understanding of delegation.

**Possible answers:**

- A head of department will entrust a task to a subordinate
- The manager may pass a duty to a head of department
- An assistant will be given control of a task by their head of department
- The manager will assign responsibility of a task to a head of department
- The manager will pass the authority to a head of department to make a decision.

**Example of a developed response:**

A head of department in the second level of the hierarchy will entrust a task to an assistant below them (1). For example, the head of the administration department, Harry, could give the admin assistant, Jamie, responsibility for a particular task such as organising a meeting (1).

**03.2** Explain **one** benefit to the owners of PDL being a private limited company.

[4 marks]

**Marks for this question: AO1 = 2 AO2 = 2**

Level	Description	Marks
2	<p><b>Sound understanding and application of the topics.</b></p> <ul style="list-style-type: none"> <li>• Applies knowledge and understanding to the context sufficiently.</li> <li>• A sound understanding of one or more business concepts and issues.</li> </ul>	<p>3–4 AO2  AO1</p>
1	<p><b>Basic understanding and application of the topics.</b></p> <ul style="list-style-type: none"> <li>• Applies basic knowledge and understanding to the context.</li> <li>• A basic understanding of one or more business concepts.</li> </ul>	<p>1–2 AO2 AO1</p>
0	<b>Nothing worthy of credit.</b>	

**Possible answers include:**

- Limited liability
- Owned by a few shareholders
- Sale of shares not open to all
- Accounts not made public.

**Application:**

- Shares can only be bought with the agreement of shareholders

- Park family will be able to keep control of shares
- Competitor would not be able to take over PDL
- PDL will continue as an independent furniture manufacturer.

**Example of a developed response:**

A private limited company is owned by shareholders and at Park Designs Ltd these are family members (L1), as the sale of shares can be controlled by the family, this means that the business cannot be taken over by the large national company that took over the only local competitor (L2).

**03.3** PDL is considering promoting an employee from within the factory to the position of production manager. Explain a benefit to PDL of using this method of recruitment.

**[4 marks]**

**Marks for this question: AO1 = 2 AO2 = 2**

Level	Description	Marks
2	<b>Sound understanding and application of the topics.</b> <ul style="list-style-type: none"> <li>• Applies knowledge and understanding to the context sufficiently.</li> <li>• A sound understanding of one or more business concepts and issues.</li> </ul>	3–4 AO2  AO1
1	<b>Basic understanding and application of the topics.</b> <ul style="list-style-type: none"> <li>• Applies basic knowledge and understanding to the context.</li> <li>• A basic understanding of one or more business concepts.</li> </ul>	1–2 AO2 AO1
0	<b>Nothing worthy of credit.</b>	

**Possible answers:**

- A vacancy is filled by an employee who is already experienced in the business
- Opportunity for an employee who is looking to move to a higher grade role with more responsibility
- Cheaper than advertising for external applicants
- Vacancy filled more quickly than recruiting externally.

**Application:**

- Loyal workforce who have worked at Park Designs Ltd for many years
- Suitable candidates on the staff – reliability, ability, potential, experience and knowledge of production.

**Example of a developed response:**

A vacancy is filled by an employee who is already experienced in the business as the new production manager would be working for them already (L1), this will mean that their knowledge of production procedures at Park Designs Ltd would be better and they could become more efficient at the job quicker than an external candidate (L2).

**03.4** A £9 000 budget has been set aside for the team building day. The team building day will cost £65 per delegate.

Other costs include

- Set up fee            £750.75
- Coach Hire            £459.50

State the formula for calculating total costs. Calculate the percentage of the budget remaining after the team building day. Show your workings and answer to **two** decimal places.

**[5 marks]**

**Marks for this question: AO1 = 1 AO2 = 4**

Variable costs + fixed costs = Total costs, AO1 = (1)

Cost per delegate                                    £65 × 72 = £4680 (1)  
 Total cost    £750.75 + £459.50 + £4680 = £5890.25 (1) (OFR)

Remaining training budget                                    £9000 – £5890.25 = £3109.75 (1) (OFR)  
 Percentage of remaining training budget                                    £3109.75/9000 = 34.55% (1) (OFR)

**03.5** PDL set an overall training budget of £30 000 and allocated £9 000 for this year’s team building day. Recommend whether they should spend £9 000 on the team building day again next year. Give reasons for your answer.

**[9 marks]**

**Marks for this question: AO2 = 3 AO3 = 6**

Level	Description	Marks
3	<b>Detailed evaluation of topics based on the context.</b> <ul style="list-style-type: none"> <li>• Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified.</li> <li>• Business areas are fully analysed.</li> <li>• Detailed applications of interpretation of financial data including calculation of relevant figures.</li> </ul>	7–9 AO3 AO3 AO2
2	<b>Sound evaluation of topics based on the context.</b> <ul style="list-style-type: none"> <li>• A line of reasoning, with a conclusion that has some justification.</li> <li>• Business areas are partially analysed.</li> <li>• Sound application of interpretation of financial data including calculation of relevant figures.</li> </ul>	4–6 AO3 AO3 AO2
1	<b>Basic evaluation of topics based on the context.</b> <ul style="list-style-type: none"> <li>• Basic line of reasoning with a conclusion</li> <li>• Basic analysis of business areas.</li> <li>• Basic application of interpretation of financial data including calculation of relevant figures.</li> </ul>	1–3 AO3 AO3 AO2
0	<b>Nothing worthy of credit.</b>	

**Indicative content:****Application:**

- Other types of training that could be organised – induction for new starters; everyone at PDL goes on the team building day – but they may not all receive any other form of training, includes calculation from previous question – remaining amount from £9000
- Training is a non-financial motivator, customer service issues in the admin department and the complaints, new range of furniture
- Opportunity cost, interpretation of percentage spent on training day.

**Analysis/evaluation:**

- Reduce the cost of the day by running the day onsite
- Focus on training admin staff who are compromising PDL's reputation by giving poor service
- Team building day is a motivational tool and may contribute to the job satisfaction of the whole workforce
- The money could be used for other training
- Alternative types of training could be focused on individual needs.

**3.6** Analyse the impact of changing from job production to flow production. In your answer you should consider:

- The suitability of flow production
- Staff motivation.

You must evaluate which area will have the biggest impact on the business. Use evidence to support your answer.

**[12 marks]**

**Marks for this question: AO1 =3 AO2 = 3 AO3 = 6**

Level	Description	Marks
4	<p><b>Developed integrated analysis and evaluation of topics with sustained judgement based on context.</b></p> <ul style="list-style-type: none"> <li>• An integrated line of reasoning, which is coherent, relevant, with a conclusion with the area which has been impacted on the most has been fully justified.</li> <li>• Interdependent nature of business areas is fully analysed.</li> <li>• Applies knowledge and understanding to the context and successfully draws together several functional areas of business.</li> </ul>	<p>10–12</p> <p>AO3</p> <p>AO3</p> <p>AO2</p>
3	<p><b>Detailed analysis and evaluation of topics based on the context.</b></p> <ul style="list-style-type: none"> <li>• A line of reasoning, which is coherent, relevant, with a conclusion that is justified.</li> <li>• Different business areas are analysed independently or the interdependent nature of business areas is partially analysed.</li> <li>• Applies knowledge and understanding to the context and starts to draw together several functional areas of business.</li> </ul>	<p>7–9</p> <p>AO3</p> <p>AO3</p> <p>AO2</p>
2	<p><b>Sound analysis and evaluation of topics in isolation of their interdependence based on the context.</b></p>	<p>4–6</p>

	<ul style="list-style-type: none"> <li>• A line of reasoning, with a conclusion that has some justification.</li> <li>• One business area is analysed independently.</li> <li>• Applies some knowledge and understanding to the context.</li> </ul>	AO3 AO3 AO2
1	<p><b>Basic generic discussion of topics.</b></p> <ul style="list-style-type: none"> <li>• A basic understanding of business concepts in isolation.</li> <li>• A basic understanding of one or more business concepts.</li> <li>• Partial relevance to the question.</li> </ul>	1–3 AO1 AO1 AO1
	<b>Nothing worthy of credit.</b>	

**Integrated approach**

- Staff enjoy their work; if they move to flow will this remain? It may improve or reduce the costs of production but will the negative impact on motivation outweigh this?
- Training in the use of new machinery for flow production – enough to act as a motivator?
- Workers may have no choice; there are few opportunities outside the business for their craftsmen’s skills
- Financial v non-financial methods of motivation, both are currently used. High wages alone will not motivate staff; will the de-skilling of their job affect staff retention?
- Risk of trade-off between lowering costs and meeting customer demand/expectations for high quality furniture
- Management of change, depends on how the directors/managers drive the change and if staff are consulted.

**Indicative content:**

Understanding	Application	Analysis/evaluation
<p><b>Job production</b> Items made individually by one person</p>	<p>Currently high quality made by skilled craftsmen Limited range of products</p>	<p>It is what PDL have always used – they have built a strong reputation as a result Only the new range could be suitable for flow production – others are individual</p>
<p>Made to exact customer specification</p>	<p>More traditional furniture is made to order to exact customer specification PDL have built a good reputation for high quality handmade items made to order, quality product. But a limited range of products. Items in the new range are very similar</p>	
<p>Job satisfaction and varied jobs as workers make whole items</p>	<p>Staff enjoy their work as they are skilled craftsmen and make the more traditional furniture from start to finish</p>	<p>Staff are happy in their role and therefore produce quality products they are proud of and are less likely to be absent from work.</p>
<p>Slower and more expensive</p>	<p>Sometimes a customer’s wait has been 12 weeks beyond the target 4 weeks</p>	<p>Need to address the issue of customers having to wait for 3 times as long as delivery target</p>



	for the new range Predicting the orders for the new range has been difficult – sometimes workers have too little to do & sometimes they have so much that they can't deliver in the 4-week target	
Labour intensive	There are 40 furniture makers at PDL	Flow production would enable PDL to make the new range more efficiently - more items with fewer workers but this would mean redundancies & costs
<b>Flow production</b> Assembly line designed to simplify workers' tasks	PDL reputation built on high quality, handmade items by skilled craftsmen. New range does not need this skill so simplification of worker tasks is appropriate	
Assembly line not flexible – not easy to change to a different product and whole line stops if one part breaks down	No indication that the directors of PDL intend to expand further.	May be difficult to fulfil the 4 week target if the line breaks down
High volume output	Limited space for new machinery, stock and for finished furniture – stock control methods – JIT, JIC, deliveries/costs	Space is limited – storing products may not be possible Economies of scale – benefits v stock control issues
Low unit cost	PDL want to compete with larger firms that sell at a lower price	Risk of trade-off between lowering costs and meeting customer demand/expectations for high quality furniture
<b>Motivation</b> <i>Financial</i> – wages/salaries	Workers currently earn high salaries as they are highly skilled. PDL can pay lower wages for less specialised work. There are few other local employment opportunities for woodwork craftsmen.	Staff working on lower wages may be poorly motivated.
<i>Non-financial</i> – training, responsibility	Workers will be given training in the new machinery and have new responsibilities for small parts of the production. However they will no longer be responsible for producing an order from start to finish and may feel unmotivated that they cannot use their skills.	Training in the use of new machinery for flow production – will this be enough to act as a motivator? Skilled workforce – may not be motivated by doing small repetitive parts of the task rather than creating whole item

**Assessment Objectives**

	<b>AO1</b>	<b>AO2</b>	<b>AO3</b>	<b>TOTAL</b>
1.1–1.6	6			6
1.7	2			2
1.8	2			2
1.9	3			3
1.10	3			3
1.11	4			4
2.1	2			2
2.2		3		3
2.3	2			2
2.4		3	3	6
2.5		3	3	6
2.6		3	3	6
2.7		3	6	9
3.1		2		2
3.2	2	2		4
3.3	2	2		4
3.4	1	4		5
3.5		3	6	9
3.6	3	3	6	12
<b>Paper total</b>	<b>32</b>	<b>31</b>	<b>27</b>	<b>90</b>

