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Read this page, then answer the questions which follow.

Context

Bojup Construction Ltd, known as *BC*, builds houses and flats (apartments) for people to live in. It sells these houses and flats to the public. *BC* faces a lot of competition from other builders.

BC's offices are located in the south of England. Most of its work is in this area, and most of its sales are to people living locally. *BC* employs local workers, some of whom construct the houses and flats, such as

- bricklayers, who build the outside walls of the houses and flats
- carpenters, who work on the wooden parts of the houses and flats
- plumbers, who make sure water is connected correctly
- electricians, who make sure the electrical systems are safe.

These are skilled specialist workers, who use a lot of specialist building equipment.

BC is now building a small block of flats.



1. *BC* is advertising for people to work in its Finance Office. When appointed, these employees will attend an induction training programme lasting two days.

(a) (i) What is the purpose of an induction training programme?

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(ii) Give **three** examples of items that should be in the induction training programme for new employees at *BC*'s **Finance Office**.

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..... (3)

The new employees will have job security through their contract of employment.

Job security is one of Herzberg's **hygiene factors**. These employees will have the chance to develop and be promoted, which is one of Herzberg's **motivators**.

(b) Compare Herzberg's hygiene factors and motivators as ways for the directors of *BC* to motivate their employees.

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Some of *BC*'s employees receive bonuses if they meet productivity targets.

(c) (i) What is meant by the term 'productivity'?

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(ii) How could *BC* increase its productivity?

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BC has recently introduced a Total Quality Management (TQM) system.

(d) Discuss whether TQM will be important to *BC*.

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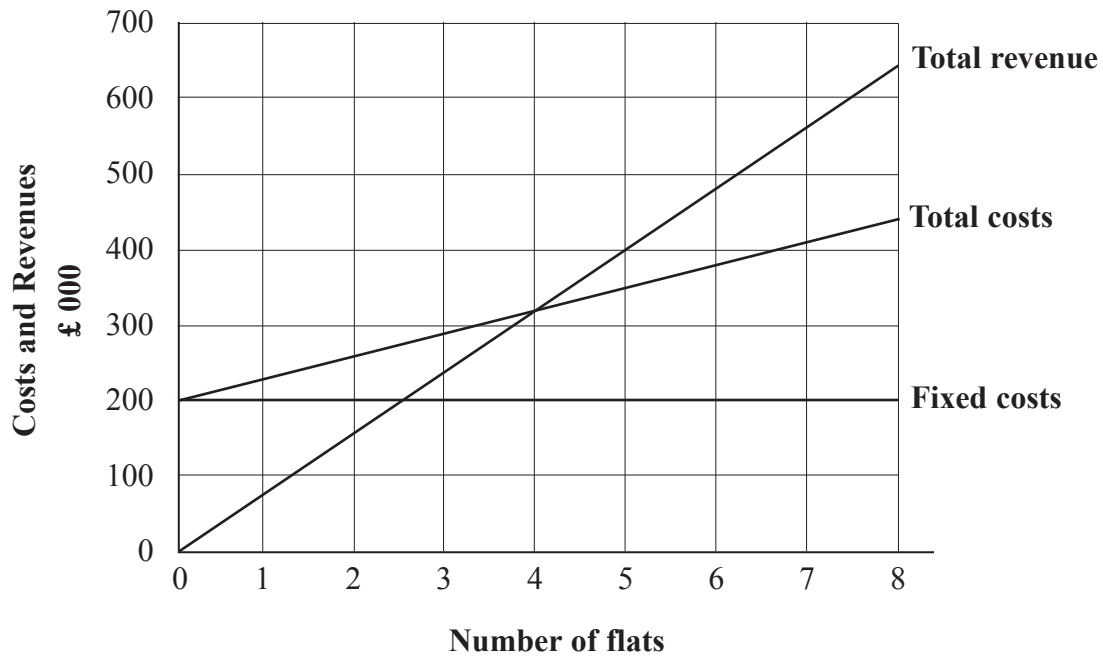
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Q1
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2. *BC* has a project to construct a building that contains eight flats (apartments). The directors have been given the break-even graph below, which shows the costs and revenues for this project.

Break-even graph showing costs and revenues for an eight-flat building



Using the information in the above break-even graph, answer the questions below.

- (a) (i) How much are the fixed costs for this project? £ (1)
- (ii) Calculate the variable cost for each flat. £ (1)
- (iii) Calculate the selling price for each flat. £ (1)
- (iv) How many flats must *BC* sell to break even? £ (1)
- (v) Calculate the profit or loss *BC* will make if it sells all the flats. (State clearly whether it is a profit or a loss.) £ (1)



(b) To what extent is break-even analysis likely to help house builders such as *BC* in making business decisions?

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(5)

As well as the break-even graph, the directors have the most recent final accounts for *BC*.

(c) Analyse why *BC* prepares both a Profit & Loss Account and a Balance Sheet.

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(4)



Some of the work carried out by *BC* is very labour-intensive. People who are skilled in different aspects of building work – for example, bricklayers, carpenters, plumbers and electricians – are employed.

(d) (i) What is meant by the term ‘labour-intensive’?

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(ii) Analyse **one** benefit and **one** drawback to *BC* from employing skilled workers rather than unskilled workers.

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(4)

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Q2

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