

Unit 3 Production

It is useful to undertake this unit after some of the basic groundwork (Unit 1) and Marketing (Unit 2) as students will need some appreciation of businesses relationships with customers before they study production.

The unit lends itself well to visits, particularly if there are manufacturing businesses in the locality. Alternatively, videos are available from some of the major manufacturers, particularly car manufacturers.

The topics will require access to a suitable textbook. For this purpose, IGCSE Business Studies by Karen Borrington and Peter Stimpson is recommended. Chapters 6, 23 and 24 in IGCSE Business Studies will be very useful, in particular the case studies and exercises as well as activities on the accompanying CD-ROM.

Assessment is most likely to be through class exercises, mainly from textbooks.

Topics covered in this unit are:

- 3.1 Using resources to produce goods and services
- 3.2 Methods of production
- 3.3 Scale of production
- 3.4 Quality control
- 3.5 Location decisions
- 3.6 Efficiency
- 3.7 Costs and their classification
- 3.8 Break-even analysis
- 3.9 Revision

Assessment may not be suitable through assignments but more usefully through case studies and multiple choice questions.

The Scheme is neither intended to be prescriptive, nor complete as local conditions will vary: time and resource availabilities are likely to differ considerably. More the Scheme is intended to give ideas to teachers upon which they can build. It is certainly not intended that teachers undertake all of the activities shown in the various units – that would be impossible in the time usually available – but rather to offer choices which could depend on local conditions. Timings for topics have not been given as there is a great deal of variability in time available for the qualification from centre to centre.

	Topic	Specification	Chapter	Activities	Resources	Glossary
3.1	Using resources to produce goods and services.	Understand how resources can be used and managed to help organisations achieve their objectives.	6	Job batch and flow can be demonstrated in class by getting students to make something using the three methods – perhaps in 3 different groups. Link in with efficient use of resources IGCSE CD-ROM class activity on production methods	Resources for making an artefact e.g. paper, scissors, pens, glue etc. Design of what to make. IGCSE Business Studies CD-ROM	Factors of production Product life cycle Job production Batch production Flow production Mass production
3.2	Methods of production (job, batch, flow).	Explain job, batch and flow production methods.	23			
3.3	Scale of production	Understand economies and diseconomies of scale.	6	Mainly classroom explanation with practical exercise to show change in costs with differing levels of production. Class activity on CD-ROM	IGCSE Business Studies CD-ROM	Economies of scale Diseconomies of scale.
	Lean production		23			Lean production.
3.4	Quality control	Appreciate the importance of quality control	23		Some useful international quality control information on www.mec.go.ke (Kenya) and www.piqc.com.pk (Pakistan)	
3.5	Location decisions	Show understanding of the main factors influencing a firm's location and relocation decisions.	24	Explanation together with use of textbook to simulate a location decision in your country, investigating constraints factors and incentives. This	Investigate incentives in your country and one other for businesses to come to the country. E.g. www.economy.gov.ae , (UAE) www.economy.gov.eg (Egypt) www.ipa.gov.pg (Papua New Guinea) www.gov.bw (Botswana)	

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	Location decision			can be achieved through visiting appropriate websites. It may be useful to do a country comparison with another in the list. Multinational Business – location issues class activity on IGCSE CD-ROM.	www.bccthai.com/business (Thailand) www.mop.gov.kw (Kuwait), www.saudinf.com (Saudi Arabia) www.investinspain.org (Spain) IGCSE Business Studies CD-ROM	
3.6	An appreciation of how production can be made more efficient.	Understand the concept of productivity.	23	Link in with job/batch/flow exercise		Efficiency Productivity Automation
		Awareness of methods of improving efficiency e.g. automation, new technology.				
3.7	Costs and cost classification.	State and explain the cost structure of a business	6	Mainly through class work and use of books. Exercise in identifying the costs of some activity such as owning a car. Classify costs into types.		Contribution Direct costs Fixed costs Indirect costs Marginal costs Overhead costs Total costs Unit costs Variable costs
		Classify costs into fixed and variable/direct and indirect.				
3.8	Break-even analysis and simple cost	Explain, interpret and use a simple break-even chart	6	Teacher input, class exercises. Worksheets on	IGCSE Business Studies CD-ROM The break even topic at www.osl-ltd.co.uk	

	Topic	Specification	Chapter	Activities	Resources	Glossary
	based decision making.			IGCSE CD-ROM	may be useful.	
3.9	Revision	End of unit test		Test for students at end of unit.	Multiple choice and case study questions e.g. IGCSE CD-ROM, Revision websites such as www.learn.co.uk , www.revision-notes.co.uk and www.bbc.co.uk/schools/gcsebitesize/business/ and revision questions at end of chapters of IGCSE Business Studies textbook.	