

## Year 11 revision - week beginning March 10<sup>th</sup>



Revision book - read through and refresh your knowledge of pages 2-4 and 47-51

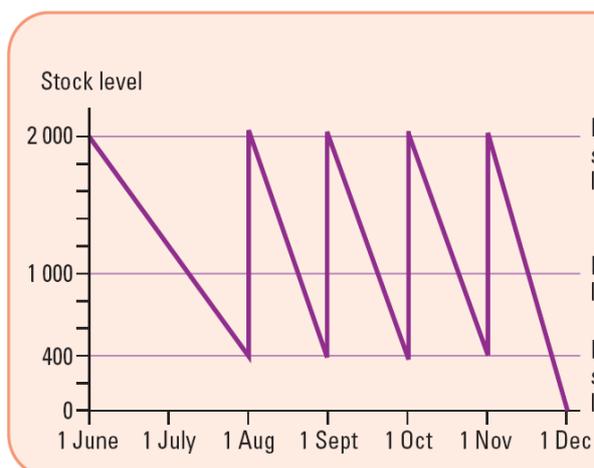
1/ Learn the meaning of the following key words:- **primary research, secondary research, qualitative data, quantitative data, market map, JIT stock control, buffer stock, quality control, quality assurance, productivity**

### Match It-

	Focusing on quality at every stage of the production process. Everyone is involved and responsible for achieving quality
	Date that can be expressed as numbers and statistically analysed
	Collecting information that does not exist.
	The lowest amount of stock a business holds. The stock level will never fall below this amount.
	A diagram used to position and compare products in a market and identify opportunities where customer needs are not being met
	Checking or testing a product at the end of the production process
	Output per worker. It measures the amount a worker can produce over a period of time
	The process of gathering information that already exists
	A stock management system where stock is delivered only when it is needed. No stock is kept by the business.
	Information about opinions, judgements and attitudes

### 2/ - Stock Control Diagram

a) Label the graph with maximum level, minimum level and re-order level



b) State what the buffer stock level is .....

### 3/ Exam Technique

1/ Identify **two** methods of primary research a business might use. (2 marks)

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2/ Identify two ways a fast food restaurant could improve productivity (2 marks)

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3/

2. Which is the best definition of qualitative research? (1)
- a) Uses questionnaires to find out the opinions of customers.
  - b) Finds out in-depth answers from a small group of customers.
  - c) Asks questions among a large sample of potential customers.
  - d) It's a way of finding out what percentage of customers like your products.
  - e) Uses 'blind product testing' to find out what people really think.

4/

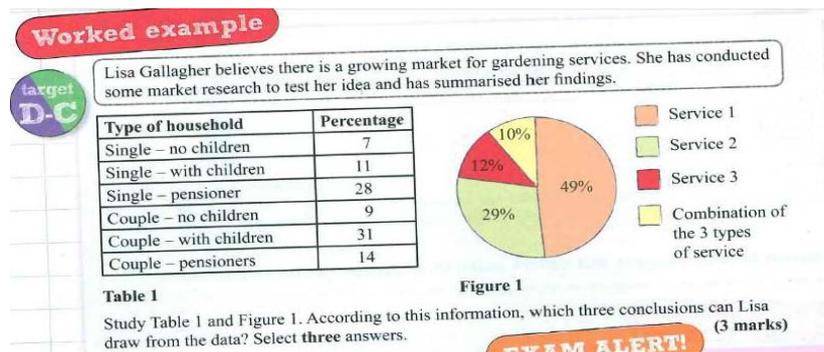
1. Karen is planning to open a new shoe shop aimed at expensive tastes. Identify two good reasons why she should carry out market research before getting started. (2)
- a) To see if there are enough locals who want to buy the type of shoes she plans to sell.
  - b) To find out the cost of renting shop premises.
  - c) To work out the precise profit for the first two years of running the shop.
  - d) To help decide on the right location for the shop.
  - e) To find out the best place to recruit shopfloor staff.

5/ Which of the following are the benefits of conducting secondary market research instead of primary market research? Select two answers

- A It adds value to the product
- B It is less time consuming
- C It offers a wide range of information
- D It is more specific to the target market
- E It will lower the costs of production

6/ The managing director of a company has a policy of not ordering stock unless it is absolutely necessary. However, all too frequently, work has to come to a stop because there is not any stock of components in the factory. As a result, output is lost and time is wasted. This would suggest that

- A the maximum stock level is too low
- B the re-order level is too high
- C the minimum stock level should be lowered
- D the buffer stock level should be raised



- A 100% more single pensioners than pensioner couples are interested in Lisa's business
- B Lisa should not offer services 2 and 3
- C Her 2 main segments are couples with children and single pensioners
- D More than half of people prefer something other than service 1
- E Couples with children are more likely to use service 1

8/ Which of the following is not a key factor in effective stock management?

Select one answer

- A ( ) The necessary for a thorough stock check at regular intervals
- B ( ) The effective training of all staff involved in stock handling
- C ( ) The static demand levels for products by customers
- D ( ) The need for the right level of buffer stock

9/ Belk's is a company that operates a chain of sandwich shops. It wants to increase the productivity of its workers. Which **one** of the following is most likely to achieve this?

- A Opening a new sandwich shop in London
- B Installing new coffee machines which make coffee faster than old machines
- C Hiring 20 new workers
- D Tightening health and safety regulations in the company's outlets

10/ Explain one benefit to Sony of improving productivity (3 marks)

(Remember your answer must be in context - link to Sony - technology, electronic products, gaming - playstation, competitors e.g Nintendo Wii)

Improving productivity is important because.....

.....

This means that .....

.....

This leads to .....

11/ Improving the quality of a product and improving productivity are two ways in which a business like McDonald's might become more competitive.

Which of these **two** methods do you think would be most effective in improving the competitiveness of a business such as McDonald's and why? (6 marks)

. Remember your answer must be in context - **mention fast food, burgers, Burger King, KFC**

For this type of question you must make a judgement about which is the better option. There is no right or wrong answer, but you need to **justify** your choice.

I think the best method is...

The first reason for this is ... This means that... This leads to.....

The second reason it is better is .... This means that... This leads to....

It is better than the other method because...

However it depends upon .....

# Parent Help Sheet and Answers

Answers

1/

Quality Assurance	Focusing on quality at every stage of the production process. Everyone is involved and responsible for achieving quality
Quantitative Data	Data that can be expressed as numbers and statistically analysed
Primary Research	Collecting information that does not exist.
Buffer Stock	The lowest amount of stock a business holds. The stock level will never fall below this amount.
Market Map	A diagram used to position and compare products in a market and identify opportunities where customer needs are not being met
Quality control	Checking or testing a product at the end of the production process
Productivity	Output per worker. It measures the amount a worker can produce over a period of time
Secondary Research	The process of gathering information that already exists
Just in Time	A stock management system where stock is delivered only when it is needed. No stock is kept by the business.
Qualitative Research	Information about opinions, judgements and attitudes

2/ Buffer stock = 400

3/ Exam technique

1/ Survey, focus group, observations

2/ Training workers, new equipment, use of incentives for meeting targets,

3/ b

4/ a, d

5/ b, c

6/ d

7/ a, c, d

8/ c

9/ b

10/

Question Number	Answer	Mark
6(c)	<p>For 3 marks, the candidate should explain one benefit to Sony through improving productivity. Within the answer there will be at least two clearly identifiable strands of explanation with the answer rooted in a Sony/electronics context. Two marks are awarded for the links and 1 mark is awarded for the use of context.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> <li>• Higher profits</li> <li>• Lower units costs</li> <li>• Increased competitiveness</li> <li>• Out-compete rivals</li> <li>• Lower break-even point.</li> </ul> <p>E.g. Increasing productivity means Sony can make more PlayStation 3 consoles in an hour (1 mark). This will reduce the cost of making each console (1 mark) allowing Sony to lower prices (1 mark).</p> <p>This answer would gain three marks since there are at least two linked strands that build the explanation and there is reference to the context Sony/home electronics.</p>	(3)

11/ The aim here is for candidates to make a judgement as to whether product quality or improved productivity is more important in allowing McDonald's to improve its competitiveness. There is no right answer and the candidate can argue that either method is best, depending on the circumstances. Candidates might consider the following possible ideas as part of their answer:

**Product quality:**

- Adds value.
- Allows a premium price to be charged.
- Higher profits.
- Makes demand price insensitive.
- Increases customer loyalty.
- Out-compete Burger King/KFC etc.

**Improved productivity:**

- Lowers unit costs.
- Allows a lower price to be charged.
- Increases profit.
- Increased efficiency.

To be evaluative the candidate might suggest that most effective method differs depending on the time period e.g. McDonalds might gain competitiveness in the short term by cutting unit costs and prices but in the long term with health worries might be better focused on improving the product

Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-2	A judgement or point is given as to which method is most likely to improve competitiveness. If there is just a simple judgement, 1 mark should be awarded or where the support shows a misunderstanding of the concept. If this judgement/point has some simple support, the response should be placed at the top of this level.
Level 2	3-4	A judgement/point is given on one or both issues with some development/support, which includes at least <u>one</u> reason/cause/consequence etc. At the top of the level this analysis will be relevant and linked to the judgement/point made.
Level 3	5-6	A judgement/point is given on one or both points with some development which includes at least <u>two</u> relevant, linked reasons/causes/consequences etc. At the top of the level there will be a conclusion drawn from the analysis.

