



Oxford Cambridge and RSA

Wednesday 17 June 2015 – Afternoon

A2 GCE APPLIED BUSINESS

F257/01 Managing Risk in the Workplace

Candidates answer on the Question Paper.

OCR supplied materials:

None

Other materials required:

None

Duration: 2 hours



Candidate forename		Candidate surname	
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Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- Your quality of written communication will be assessed in the question marked with an asterisk (*).
- This document consists of **20** pages. Any blank pages are indicated.

Answer **all** questions.

Edgbaston Luxury Lettings

Text 1

Shefali stood proudly outside another finished residential property. She is the sole owner of a 'buy-to-let' renovation business called *Edgbaston Luxury Lettings*. She realised her dream of becoming a property developer 20 years ago, having been inspired by a popular TV show. At that time, using £30 000 of her inheritance and securing a mortgage for £100 000, Shefali bought her first property for renovation.

Today the business owns 100 properties. Shefali employs a team of eight workers: six builders, an electrician and a plumber. Shefali has previously only recruited fully trained, experienced workers who have a good knowledge of relevant legislation, such as the Health and Safety at Work Act.

Recently, Shefali's nephews, Aanan and Daksh joined the business. They have just left school and have had no relevant training. Shefali is aware how dangerous renovating properties can be. There are many hazards such as dust and other airborne particles, unstable walls and ceilings, and working with a variety of tools and equipment. She realises, therefore, that Aanan and Daksh would benefit from induction training which would include off-the-job training in basic health and safety. Her nephews will receive further training which will be overseen by her most experienced builder, Zak.

1 Refer to Text 1.

(a) What is meant by the term 'hazard'?

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..... [2]

(b) The workers at *Edgbaston Luxury Lettings* could suffer from physical conditions because of their working environment when renovating properties.

Identify **three** possible physical conditions they could suffer from and explain the likely cause of each physical condition.

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[9]

(c) (i) Explain why induction training is important at *Edgbaston Luxury Lettings*.

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(ii) State **one** type of off-the-job training which could be provided for *Edgbaston Luxury Lettings*' workers.

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(iii) Explain **two** disadvantages to *Edgbaston Luxury Lettings* of off-the-job training.

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[6]

(d) Explain **three** principles of the Health and Safety at Work Act which would have an impact on *Edgbaston Luxury Lettings*.

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[6]

Text 2

Three months after Shefali’s nephews had started work at *Edgbaston Luxury Lettings* they had still not received any relevant training.

Aanan and Daksh were helping on the latest renovation project, when disaster struck. The property was in a particularly poor state of repair and required the workers to take extra care. Despite Zak having pointed out the risks associated with the property, Aanan and Daksh continued to work in their usual carefree manner.

They were clearing out an upstairs bedroom. As they were moving an old wardrobe, they both stepped on a rotten floorboard which suddenly gave way under them. Screaming, they crashed straight through the floor to the downstairs living room and landed on a pile of dust sheets with parts of the wardrobe landing on top of them. Witnessing the accident, Zak rushed over to them.

“Hold on there, don’t move, I’m calling for an ambulance,” shouted Zak, getting his mobile phone out of his pocket.

Having been contacted by Zak, Shefali arrived at the scene of the accident an hour after the ambulance had taken her nephews to the hospital.

“The thing I’m most concerned about is whether we’re going to meet our deadline for finishing this property now that we’re two workers down,” she said.

“Don’t you have a contingency plan in place?” replied Zak.

“Well no! I’ve never had a problem like this before as my workers are usually so careful!” she snapped.

2 Refer to Text 2.

(a) Explain **three** possible factors contributing to the accident involving Aanan and Daksh. **[6]**

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Text 3

The day after the accident, Shefali phoned her sister, Sabeena, who is Anan and Daksh’s mother to find out when they would be back at work. Sabeena said that Anan had suffered a broken arm and Daksh had a broken leg. Sabeena was so furious that she told Shefali she would be seeking legal advice from her solicitor.

“My sons had to go to hospital because of the lack of effective risk management at your business. You know you had a duty of care for them!”, Sabeena screamed down the phone at Shefali.

“I thought I had effective risk management, Sabeena. This has never happened before. Besides, I have already organised and paid for some health and safety training for them next week,” Shefali replied.

“I don’t care. It’s too little too late. I just don’t think I can trust you any more Shefali,” her sister replied as she slammed down the phone.

Great, Shefali thought. That’s all I need, potential legal action against the business when I’m two workers down and this project has such a short deadline. What am I going to do?

3 Refer to Text 3.

(a) What is meant by the term ‘risk management’?

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(b) Describe **three** benefits to *Edgbaston Luxury Lettings* of effective risk management. [6]

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(e)* Evaluate the extent to which Shefali is responsible for the injuries sustained by Aanan and Daksh. [14]

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Text 4

Despite Anan and Daksh’s absence, *Edgbaston Luxury Lettings* was able to meet the deadline for that property. However, it was only because the other workers had worked through weekends to get it finished.

At the end of the project the workers were hoping for a bonus. However, the problem was that Shefali seemed to take their loyalty to the business for granted. She refused to pay them anything extra. She told them that she needed to keep whatever money was spare for any potential legal action which may be taken against *Edgbaston Luxury Lettings*, and to reinvest in the business. She went on to explain that she had been planning to expand the business into the housing construction market, as she believed it was a profitable opportunity. It was a strategic risk which Shefali was very keen to take, regardless of her lack of knowledge in this area.

“You must be joking! After everything the workers and I have done for this business,” yelled Zak. “Now you expect us to construct properties, something which needs more experience and training. You won’t even pay us a bonus when we work extra hard for you!”

“I think it’s a worthwhile move, Zak, especially if we want to remain competitive,” replied Shefali.

“I think it’s a ridiculous idea. You need to recognise the needs of your workers first. Some of the workers here feel so unhappy, they’re considering industrial action! Furthermore, how much about this market do you know?”, questioned Zak.

“I’m a good businesswoman,” Shefali replied. “Although it’s a new market and changes will need to be made, how hard can it be?”

4 Refer to Text 4.

(a) Identify **three** types of industrial action available to the workers at *Edgbaston Luxury Lettings*.

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[3]

(b) Explain **two** consequences to *Edgbaston Luxury Lettings* of poor industrial relations.

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(c) Evaluate the extent to which a move into the housing construction market could be an effective strategic change for *Edgbaston Luxury Lettings*. [14]

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