

**ADVANCED GCE
 APPLIED BUSINESS**

F257

Unit 18: Managing Risk in the Workplace

FRIDAY 18 JANUARY 2008

Morning
 Time: 2 hours

Candidates answer on the question paper

Additional materials: No additional materials are required



Candidate Forename

Candidate Surname

Centre Number

Candidate Number

INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use blue or black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Do **not** write outside the box bordering each page.
- Write your answer to each question in the space provided.
- Additional answer space is available on the lined pages at the back of this booklet. Answers on these pages **must** be clearly numbered.

INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (*).

FOR EXAMINER'S USE	
1	
2	
3	
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5	
TOTAL	

This document consists of **16** printed pages and **4** lined pages.

Rough Cut Ltd (RCL) Visitor's Map

→ → = overhead log conveyer

/// /// /// = fork lift trucks in operation

→ = tour route

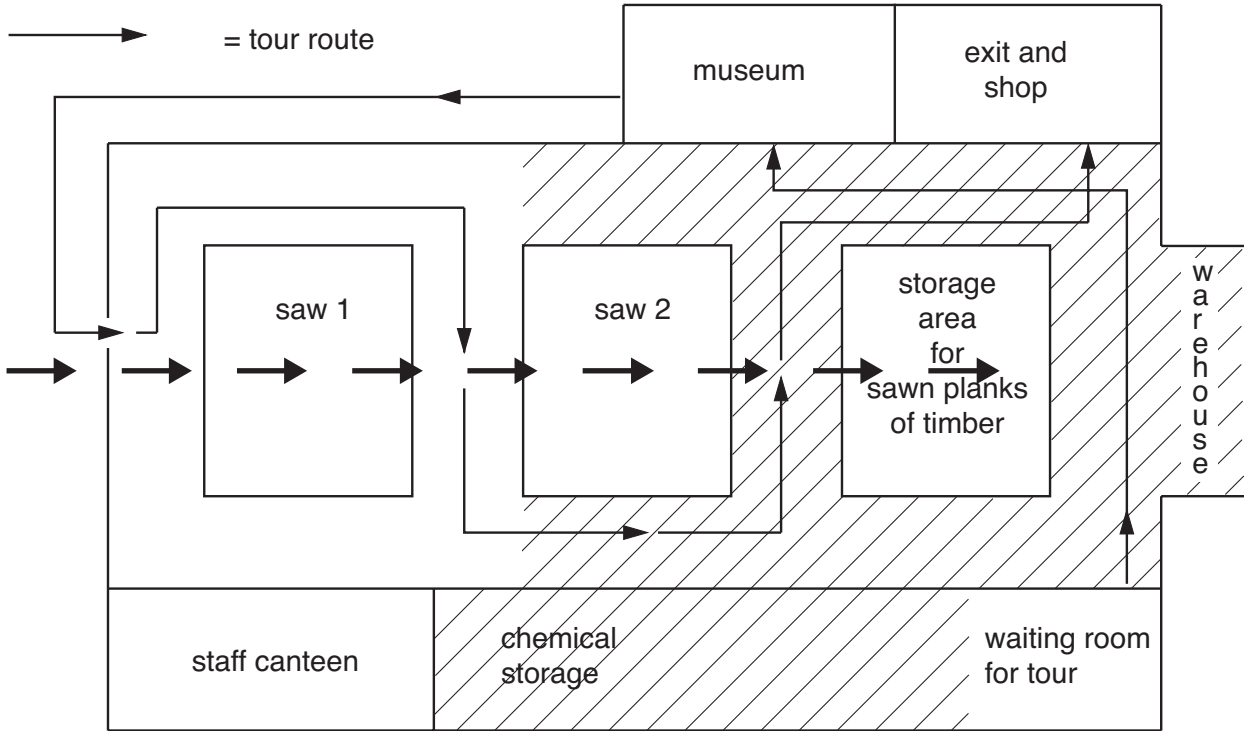


Fig. 1

Text 1

Rough Cut Ltd (RCL) is a saw mill, cutting timber harvested from local forests in the Scottish Highlands. RCL is owned by Angus and his two sons, Hamish and Callum. The business had been successful in the past, but is now struggling financially because of the lack of demand for Scottish timber as a result of cheap foreign imports. The area in which RCL is situated receives many tourists attracted by the natural beauty of the area. These tourists come to enjoy the scenery and participate in a range of other activities. Recently, Angus has begun to take tourists on tours of the saw mill one day a week, (see Fig. 1).

Production at RCL's saw mill has slowed even more in the last few months due to a further decrease in demand. When Angus got the call from Fantastic Furniture to cancel its most recent order, he thought this might be the end of the line for his family's business. That night at the dinner table he raised this issue with his two sons. "It's no good. We're being beaten hands down by cheap imports. Anyway, British manufacturing businesses are closing down all over the place. It's just too expensive to manufacture here in comparison to Eastern Europe."

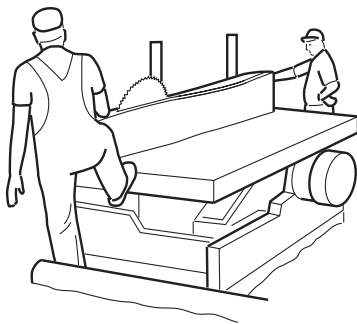


Fig. 2

RCL's problems went further than a simple downturn in the industry. It is, at present, in the middle of a legal battle with an ex-employee, Ewan. Two months earlier Ewan, one of the saw operators, had been feeding timber into the saw when his sleeve got caught in the blade and he suffered a serious injury to his arm. Although the hospital staff were able to treat his injury he never regained full use of his arm. Ewan blamed Angus for the accident and was attempting to sue RCL for breaching health and safety regulations. Angus had told Ewan to carry out the work, but Ewan had chosen to do it unassisted. Normally someone else would pull the sawn timber through the saw after it had passed the blade,

meaning there was no need to push the timber into the blade by hand (see Fig. 2). Angus blames Ewan as he had not used any of the additional equipment or protective clothing available for the job. As a result of Ewan's accident, a representative from the Health and Safety Executive had visited the saw mill to ensure effective risk management was taking place. Angus was dreading the report as he was unsure who was to blame for the accident.

1 (a) Define the term 'risk management'.

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..... [2]

(b) Identify **three** laws or regulations which impact on risk in the workplace.

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RCL needs to recruit and train a new employee to replace Ewan.

(c) Explain **two** ways in which on-the-job training could be conducted for a newly recruited employee in the saw mill at RCL.

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(d) Explain **two** responsibilities of the Health and Safety Executive.

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[Total: 17]

Text 2

The next morning Angus sat in his office opening mail. One of the letters contained the report he had been awaiting from the Health and Safety Executive. The representative had, amongst other things, ordered a full risk assessment to be undertaken of all activities within RCL. Angus needed to start somewhere and so he decided to see if he could identify any hazards during his weekly tour around RCL with a party of tourists.

Angus entered the waiting room and as usual there was a group of visitors sitting on the small chemical drums looking at the visitor's map. He took them through the shop floor, past Callum working on the fork lift truck, and into the museum with its low ceiling beams. It was here that they listened to him talk about the types of equipment used in the past. In order to make it more interesting Angus often passed the different types of saws amongst visitors so that they could have a closer look. After a while Angus took them to see the two operating saws. Angus shouted over the noise of the two saws as he explained how the logs moving over their heads on the overhead log conveyor (**see Fig. 3**) would be cut into different lengths. The visitors watched as the sawdust flew all over the workshop and their clothes. As Angus ducked under the overhead log conveyor and went into the shop, he thanked them for their time while they dusted themselves off.

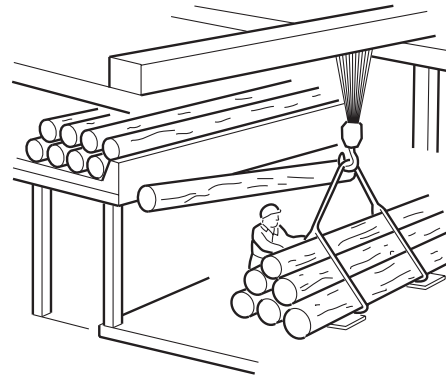


Fig. 3

"I'm not sure if there were too many risks there, but I suppose with wood we could always have a fire if we were very unlucky", Angus thought to himself as he returned to his office. He started to grade the possible risks on the risk assessment chart below, (**see Fig. 4**).

- 2 (a) The table below shows a partially completed risk assessment for the weekly tour around the saw mill. Complete the unshaded boxes. [6]

Type of risk	Likelihood of risk (High, Mid, Low)	Who is at risk?	Extent of risk (High, Mid, Low)
Exposure to chemicals	Mid	Guide	Mid
Fire			
Low ceiling beams			

Fig. 4

In addition to the risks to tour groups, the Health and Safety Executive had raised a number of concerns in relation to:

- protective guards on machinery;
- maintenance during machine operation;
- protective clothing;
- prolonged exposure to airborne particles, e.g. sawdust and wood chips.

(b*) Recommend and justify possible measures which RCL could take to minimise risk in the saw mill.

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Text 3

Angus is well known in the local community and is aware that several of the firms which supply RCL with its chosen type of timber, Scottish pine, have been closing down or diversifying. After all, government funding for the farming and forestry industries has been steadily reducing over the past few years and there are no signs that financial support will improve.

Angus knew there continued to be a demand for RCL's products as the building industry had continued to grow over recent years, as had the fashion for Scandinavian style pine furniture. The question he had to consider was 'How likely is the market to recover?'

Angus also considered the fact that there was a booming tourist industry in the Scottish Highlands. Some of the forest owners had diversified into paintball centres, log cabin style retreats and other leisure activities. With this in mind, Angus considered the possibility of opening a mini theme park based around the idea of a saw mill. He could have a wood carving workshop, a tour of the woodland, a bike and horse riding trail and he could even build an adventure playground out of the timber, with bark chippings on the floor to make it safe for children. "I think I'll call it TimberLand", he mused.

3 (a) Explain **two** possible strategic risks which RCL needs to consider before diversifying its business.

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[Total: 21]

Text 4

“I suppose this new business of yours means we’ll need to take on more workers”, said Morag, Angus’s wife. “No, I don’t think we could afford it just yet. We’ll use some of the staff from the saw mill until things pick up”, replied Angus. Morag seemed uncertain. The saw mill workers were not used to this sort of work; selling tickets for admission, running carving workshops, selling souvenirs, answering questions from visitors, etc.

Angus held a meeting with all of RCL’s workers to introduce them to his plans for TimberLand. As suspected by Morag, the saw mill workers were unimpressed with the idea of working in TimberLand.

- 4 Angus realised that he would need to provide additional training for RCL’s employees if they were to work successfully in TimberLand.

Explain **two** ways in which off-the-job training could be provided for a newly recruited employee of TimberLand.

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Text 5

TimberLand was very successful in its first year of operation and so Angus decided to make more of this success by staging a large scale, high risk, outdoor event, the 'Highland Games'. Morag remained unconvinced. She was concerned about the need for additional resources, as well as the danger involved in events such as throwing the hammer. There would be a need to provide additional facilities for both staff and visitors. Angus was too wrapped up in the idea to listen and went to town to buy some equipment for the Highland Games. The next day he called a staff meeting to introduce his ideas to the workforce. The meeting did not go well, with the workers complaining about their additional tasks. When Angus showed them the ginger wigs and highland kilts they would be wearing for the Highland Games, things took a turn for the worse. Later in the day, Douglas, RCL's supervisor, came to the office and handed Angus an envelope. It was a formal notice that the workers were going to work-to-rule. "If that is the way everybody feels, I will hire some temporary workers who are able to do the job. It is going to be a big event and it will last all day, so I will have to think about what I need to provide for the workers and visitors," pondered Angus.

5 (a) Explain **three** ways in which Angus could protect and/or cater for the needs of his 'Highland Games' workforce.

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(b) What is meant by the term 'work-to-rule'?

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(c) Explain **two** ways in which a work-to-rule might affect the smooth running of RCL.

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(d) Apart from work-to-rule, outline **three other** forms of industrial action which the saw mill workers might choose to take.

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Opening TimberLand has been a strategic risk which seems to have had some benefits and some drawbacks.

(e) Evaluate ways in which Angus could have managed the diversification process more effectively in order to achieve greater benefits for RCL.

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