

**ADVANCED GCE  
 APPLIED BUSINESS**

Unit 18: Managing Risk in the Workplace

**TUESDAY 17 JUNE 2008**

**F257**

Afternoon  
 Time: 2 hours

Candidates answer on the question paper

**Additional materials:** No additional materials are required



Candidate  
 Forename

Candidate  
 Surname

Centre  
 Number

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Candidate  
 Number

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- 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.
- 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 available 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 (\*).

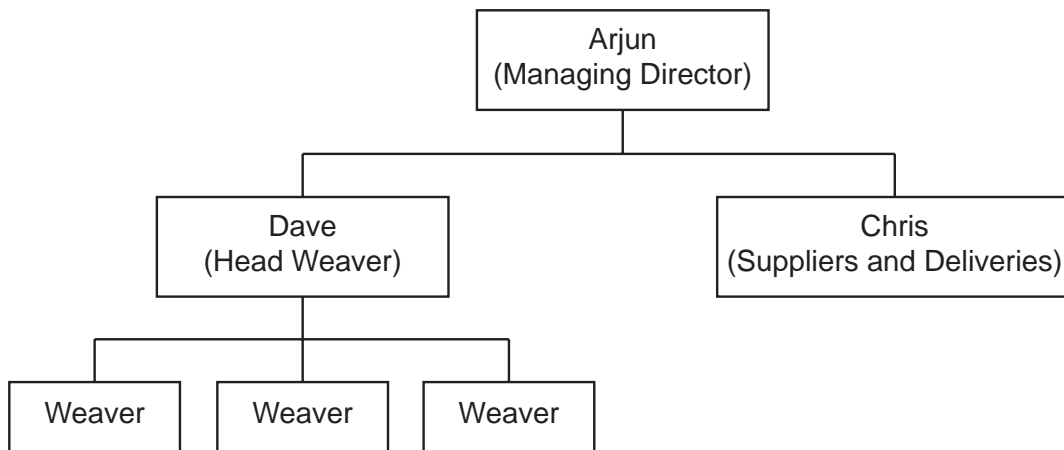
FOR EXAMINER'S USE	
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2	
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5	
<b>TOTAL</b>	

This document consists of **17** printed pages and **3** lined pages.

## Text 1

*Comfy Carpets Ltd (CCL)* is a small private limited company in which Arjun is the majority shareholder. It has one workshop where a small team of workers weave carpets to customers' specifications. In addition, there is a small stockroom where carpets are stored awaiting despatch. Arjun has enjoyed building up the business over the last three years and *CCL* has gained a reputation for high quality, hand made carpets.

### Comfy Carpets Ltd [CCL]



**Fig. 1**

Dave is the Head Weaver, maintaining quality and ensuring that all the weavers achieve their daily production targets. Dave, who has reluctantly undertaken some health and safety training, is in charge of three workers and, in addition, deals with everything from induction training to exit interviews.

Chris, another employee of *CCL*, deals with suppliers and organises deliveries using the company van. Chris has been trained to drive the van and to operate the electric tailgate so that carpets can be easily lifted in and out of the van during deliveries. He is the only staff member trained to use the electric tailgate. From time to time, Chris has complained that his workload is too much and Dave would often offer to help him with the deliveries to avoid customer complaints.

Dave has spent the last month supervising the manufacture of a range of carpets for an order from a local hotel, The Grand Hotel, ready for its refurbishment. As the month progressed the workshop stock had built up and the stock room was full of heavy rolls of carpet precariously stacked on top of each other. Dave had done this in order to cope with storage problems in the very small stock room. Chris, who had also undertaken health and safety training, warned Dave that piling carpets on top of each other like that could be a health and safety hazard. Chris thought he would raise the issue with Arjun but he had rarely been seen in the last month. Arjun had prioritised visiting customers and creating new business, rather than undertaking health and safety tasks such as a risk assessment.

1 Refer to Text 1.

(a) In the context of health and safety, define the term 'hazard'.

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..... [2]

(b) Outline **two** relevant health and safety issues which Dave may discuss with his weavers during their induction training.

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There are **five** steps in the completion of a risk assessment.

(c) Explain **three** of the steps which Arjun should undertake during a risk assessment.

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  - 2. ....  
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  - 3. ....  
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- ..... [6]

[Total: 12]

## Text 2

“Well, this is The Grand Hotel”, sighed Chris as the van pulled up outside. The long hours at work getting the carpets ready for The Grand Hotel order had become very stressful. Dave began to complain of back ache. “Come on, as soon as these are off the van that’s us done”, said Chris, urging him on. Dave got out of the van and pushed the button in order to lower the electric tailgate. It started to descend, but then suddenly stopped. Dave thought for a minute and then concluded, “the battery has probably gone again. We’ll have to get the carpets out by hand.” The van was packed with heavy rolls of carpet and Chris got in the back of the van ready to push out the first roll. Chris shouted, “are you sure you will be able to hold the weight? These carpets seem very heavy and I’m sure we ought to be using the electric tailgate to lower them safely, or at least have some sort of lifting apparatus, or training, or something.” Chris pushed the first carpet from the top of the pile. “I’ve got it, to me”, Dave encouraged. However, the carpet tipped under its own weight and Dave could not hold it. He felt a snap in his back and let go of the roll. Unfortunately, the carpet continued to slide towards Dave, pushing him off the electric tailgate and landing on top of him, crushing his rib cage. Dave lay struggling for breath as Chris scrambled from the van and rolled the weighty carpet off him.

Chris rang Arjun’s mobile to tell him what had happened. “It’s your fault. Dave isn’t even trained for this sort of work”, Chris said angrily. “What am I supposed to do now? I can’t make all the deliveries by myself. It needs two people to carry these carpets and I’ll need another weaver to help me!” Arjun thought, “how can employees who are fully trained in health and safety be so stupid as to put themselves at such risk?” The next day, Arjun went to the workshop to try to reorganise the staff.

Meanwhile, the doctor at the hospital told Dave, “it’s not good news. As well as three broken ribs, you have a slipped disc in your back. You won’t be able to lift anything heavy for twelve weeks and even then you will need to be careful.” Dave was stunned. “That’s three months without a wage. I can’t manage that!”

The next day Dave sat at home watching television. He was in a lot of pain and was still unsure how he would manage financially without his wages. Suddenly, an advertisement came on the television for ‘Claims ‘R’ Us’, a company offering free legal advice for anyone with a workplace injury. Dave gave them a ring and explained to a friendly-sounding solicitor what had happened. “I think we can help you. I’ll look into the legal implications of your case”, said the solicitor.

2 Refer to Text 2.

(a) Outline **two** possible ways in which stress within its workforce may negatively affect CCL.

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- 2. ....  
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(b) Identify **two** possible causes of Dave's accident in the van.

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- 2. ....  
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Whilst investigating Dave's claim, his solicitor will look into workplace legislation surrounding the case including the Health and Safety at Work Act (1974).

(c) (i) Outline **one** basic principle of the Health and Safety at Work Act (1974).

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(ii) Other than the Health and Safety at Work Act (1974), explain **two other** laws or regulations which may have a bearing on Dave's case.

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(d) Explain **two** ways in which a contingency plan could have benefited Arjun in dealing with the potential reduction of his weaving staff.

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[Total: 35]

**Text 3**

Despite Dave's absence, *CCL* went from strength to strength. Arjun took on another member of staff and appointed an acting Head Weaver to replace Dave. Then, disaster struck. Arjun received a phone call from the only supplier to *CCL*, Weavers Wool, advising him that its factory was for sale due to the owner's ill health. If a buyer was not found quickly the factory would close. Over the last year, Arjun had found that Weavers Wool's quality of service and prices had been excellent. Where would *CCL* buy its raw materials from now?

After several restless nights, Arjun telephoned Weavers Wool and asked the owner if he would sell him the business. Like *CCL*, Weavers Wool was a small local firm. Weavers Wool employed 12 staff in one factory and had developed a strong reputation over 30 years in the wool industry. £500 000 was needed to buy Weavers Wool. *CCL* had to borrow £300 000 from the bank which would place serious financial strain on the company. Luckily, when the bank manager saw that business at *CCL* was booming, he agreed a loan at a 10% fixed annual rate of interest. Arjun signed the loan agreement and Weavers Wool became part of *CCL*.

Arjun knew little about processing wool and the chemicals and manufacturing processes involved in turning raw wool into the threads of coloured fibre he saw coming into *CCL*. He knew, however, that he had a team of skilled workers in the Weavers Wool factory whom he could trust to continue to do a good job.

Back at *CCL*, however, there were grumblings from the employees about working conditions. Chris appeared to be the ring leader in this situation and he had suggested to his colleagues that they should take industrial action over the poor working conditions.

**3 Refer to Text 3.**

**(a)** Discuss the potential risks to *CCL* arising from the purchase of Weavers Wool.

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(b) Explain **two** types of industrial action which the employees of *CCL* could pursue in order to improve their working conditions.

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[Total: 21]

**Text 4**

Three months later, *CCL* was no longer just a manufacturer of carpets. The newly acquired wool processing part of the business, *Weavers Wool*, produced enough fibre to supply all of *CCL*'s needs, as well as selling to other manufacturers of wool products.

Arjun needed to co-ordinate stock between:

- the wool processing plant;
- *CCL*'s carpet manufacturing business;
- other wool customers.

In order to co-ordinate stock, Arjun decided to purchase a state of the art computer system so that orders for both fibres and carpets could be sent directly from customers for processing. In addition, Arjun would be able to electronically monitor workshop stock levels at *CCL* to avoid it becoming overstocked.

Dave was now back at work and was still under doctor's orders to avoid heavy physical work. Arjun planned for Dave to take over some of Chris' administration work and spend his time on the new computer system tracking orders, producing invoices and developing a client database. "Well at least I can't get injured using a computer all day", thought Dave, rubbing his back.

**4 Refer to Text 4.**

Having purchased *Weavers Wool*, Arjun needs to consider the implications of owning such a business.

**(a) (i)** Identify **three** elements of the Manual Handling Operations Regulations (1992).

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(ii) Explain **two** possible workplace health and safety risks which may occur in a manufacturing business such as Weavers Wool.

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(b) (i) Identify **two** physical problems which Dave may experience when working on computer equipment for long periods of time.

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2. ....  
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(ii) Explain **two** ways in which a business such as CCL might reduce the problems experienced by employees working on computer systems for long periods of time.

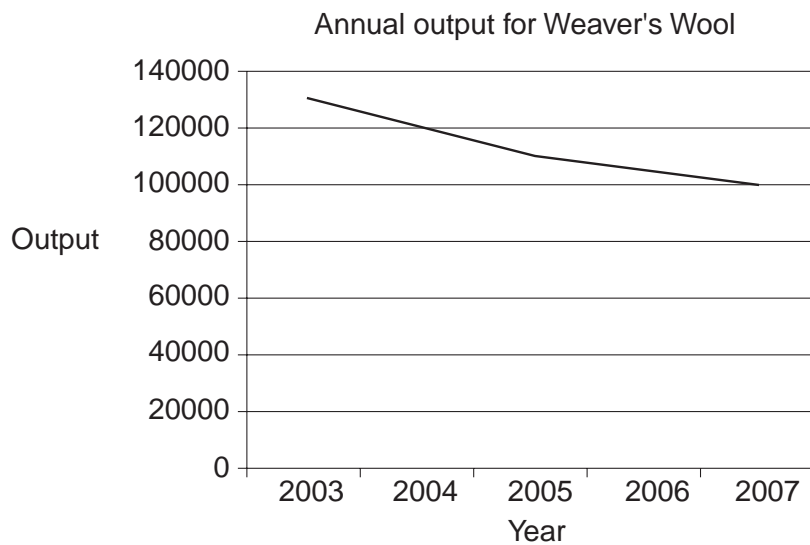
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[Total: 17]

**Text 5**

Annual output levels at the Weavers Wool factory have been falling for the last five years, **see Fig. 2**. A new customer has approached Weavers Wool with a substantial order which cannot be met with current production levels. Arjun realises that he will need some new replacement machinery in order to increase output. He knows that he will have to justify his reasons to his bank manager if additional funding is to be secured. After some initial investigation, Arjun faces three choices for his new machinery.



**Fig. 2**

Arjun had heard mixed reports about the three machines, (**see Fig. 3**) but knows he can not afford to miss out on this order and so he has to make the correct choice.

Machine	Price £	Life span (years)	Average output	Average breakdowns per year	Safety record
The Spinster	1.6m	10	200 000	5	Moderate
Luditerian	1.2m	7	150 000	3	Good
Spin Master	0.9m	7	110 000	1	Excellent

**Fig. 3**

**5\* Refer to Text 5.**

Evaluate which machinery Arjun should purchase in order to be able to meet the new order.

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