

**ADVANCED GCE  
APPLIED BUSINESS**

Unit 18: Managing Risk in the Workplace

**F257**

Candidates answer on the question paper

**OCR Supplied Materials:**  
None

**Other Materials Required:**  
None

**Thursday 22 January 2009  
Afternoon**

**Duration: 2 hours**



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Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use 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.

**INFORMATION FOR CANDIDATES**

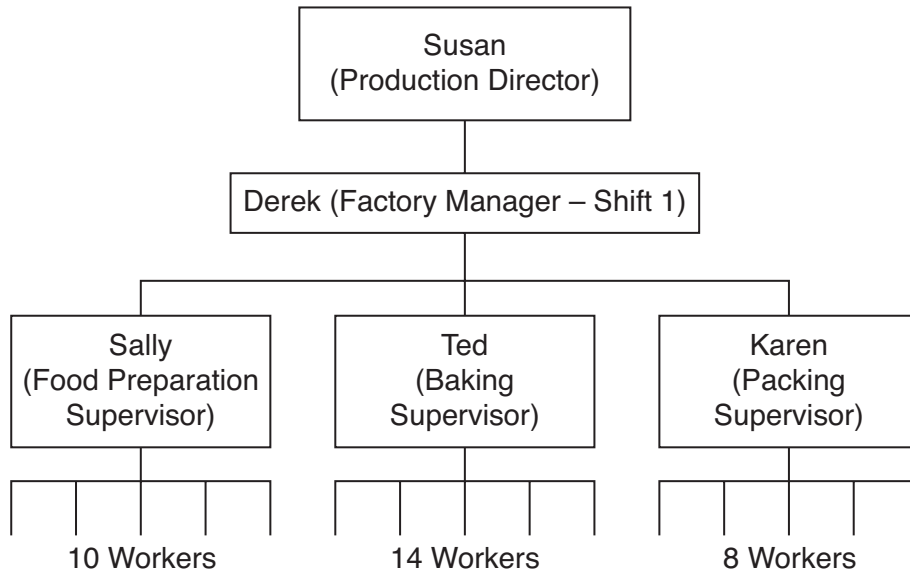
- The number of marks for each question is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (\*).
- This document consists of **16** pages. Any blank pages are indicated.

Examiner's Use Only:			
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<b>Total</b>			

**Text 1**

Wilberson's Bakery plc (WB plc) produces bread products for a major UK supermarket. From its Coventry base, products are distributed to arrive in the supermarket's stores the day they were baked.

There is a factory manager in charge of each of three shifts. One of the factory managers, Derek, is in charge of three supervisors on his shift; Sally (food preparation), Ted (baking) and Karen (packing), **see Fig. 1**.



**Fig. 1**

Work in the food preparation area includes carrying heavy sacks of flour, sugar and other ingredients up a flight of steps and pouring them into industrial size mixing bowls to make the dough for bread and cakes. Once the mixture is ready, it is delivered to the bakers in the next room.

The baking room consists of five large ovens which are used to bake the mixture. The bakers cut the dough to the correct size for loaves and cakes, and then place it in tins before putting it into the oven. Once baked and cooled, the baked goods are put on a conveyor belt which carries them to Karen's team in the packing section. From here they are bagged, put on trays and then placed into vans for delivery to the supermarket's stores.

**1 Refer to Text 1.**

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

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**[2]**

(b) Outline **three** laws or regulations which impact on the activities of factory workers at *WB plc*.

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(c) Explain **three** health and safety responsibilities which **employees** would have towards *WB plc*.

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[Total: 17]

Text 2

Ted took over as supervisor in the baking section in June 2007. Since his appointment, the number of employees leaving the bakery has begun to increase. Employees in the baking section have increasingly complained about their work being too closely monitored by Ted. When Derek had tackled Ted about the issue, Ted said, “My job is to make sure that quality and hygiene standards are maintained. If people can’t do the job they are employed to do, I have to tell them. Personally, I’m glad they are choosing to leave. It gives me chance to bring in new people and train them from scratch.” Derek agreed and walked away but as he passed a bread oven, he heard some of the bakers complaining that Ted was not fulfilling his duty of care in the way he had organised the work around the hot ovens.

When Derek reached his office, he looked at the factory’s statistics to see if he could find more information about the baking section. What he saw concerned him in that *WB plc* might fail to meet the contractual requirements imposed by the supermarket (see Fig. 2). Any failure to meet the requirements could lead to serious strategic problems for *WB plc*.

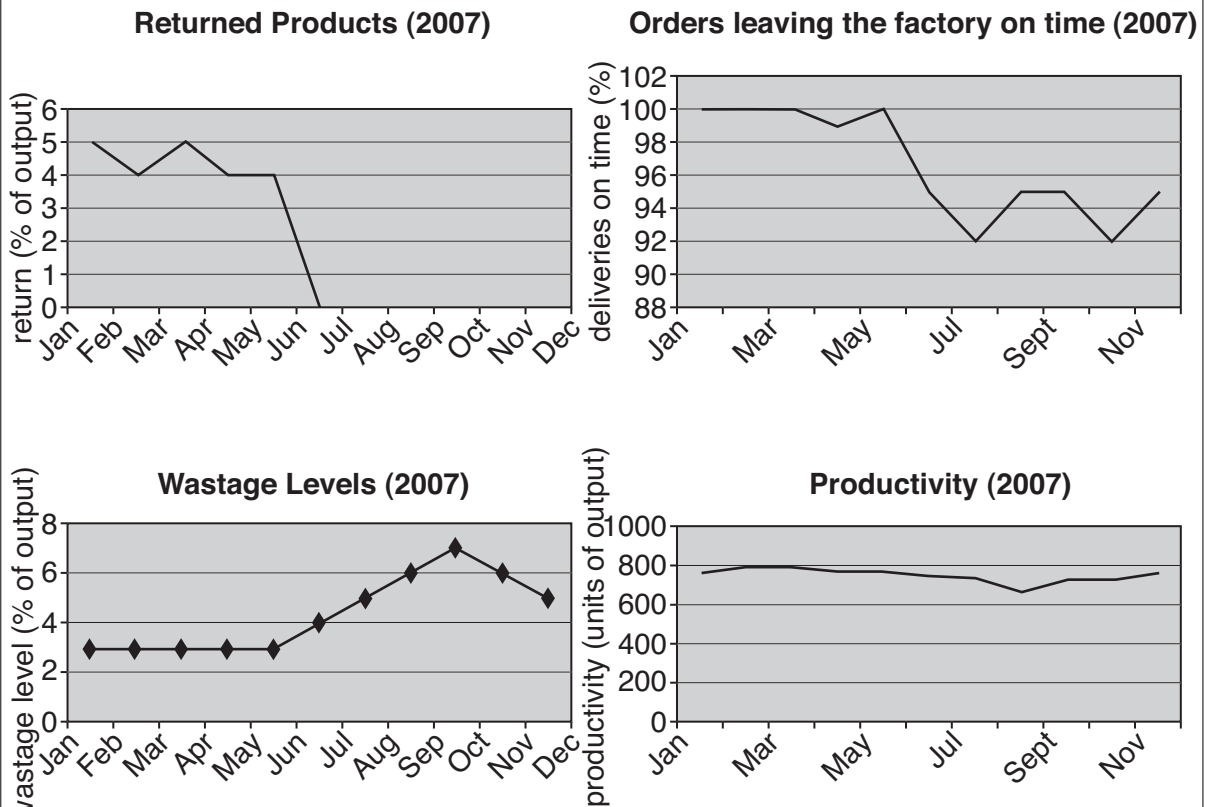


Fig. 2

Derek was also slightly concerned as the Health and Safety Executive had advised *WB plc* that its inspectors were to visit the factory.

**2 Refer to Text 2.**

(a) What is meant by the term 'duty of care'?

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(b) Explain **two** health and safety responsibilities which *WB plc* has to its employees in minimising risk.

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(c) Explain **two** ways in which a well trained workforce is of benefit to *WB plc*.

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(d) Describe **two** possible consequences to a business of a Health and Safety Executive inspection.

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(e) Evaluate the extent to which the information in **Text 2** reflects a strategic risk to *WB plc*.

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**[Total: 33]**

Text 3

At a recent monthly board meeting, Mike Jackson, *WB plc's* Marketing Director, presented the usual statistics relating to sales forecasts, customer feedback and target markets. Once he had finished his presentation, Mike introduced Simon Winchester from Product Development. Simon began to explain that he had been working on a new product called 'Half Baked'. It was a roll of dough which had been processed and was ready to be baked in the oven. It was based on the American idea of cookie dough and was aimed at the confectionery end of the market, rather than the usual bread products *WB plc* produced. At that point Mike excitedly started talking about the likely projected capture of market share in the confectionery market and how the company brand and product portfolio could be expanded.

Mike and Susan, the Production Director, pondered Simon's 'Half Baked' idea. Looking at the factory statistics again it was obvious to Susan that there was no way all the machinery for a new production line could be fitted into the existing factory. She had three options:

**Option 1:** Build a new factory.

**Option 2:** Stop producing one of the existing products in order to free up production capacity.

**Option 3:** Do not launch 'Half Baked'.

3 Refer to Text 3.

(a) In the context of business strategy, what is meant by the term 'risk'?

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..... [2]

If *WB plc* chooses **Option 1**, it will have to build a factory. During the building of this factory there will be a number of risks to construction workers.

(b) Explain **three** possible risks to these construction workers.

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Text 4

One year later the new factory had been completed and 'Half Baked' had started to appear on the supermarket shelves. However, not everyone was happy with the decision. Looking out on the shop floor, Simon felt a little embarrassed. He knew that sales of the 'Half Baked' product were lower than Mike had forecast. Initial sales of 'Half Baked' had only reached a quarter of the expected level. Of the 50 staff employed in the new factory, less than half were needed in order to produce at this level of output. Simon turned to Mike and said, "What are we going to do? Reena, *WB plc's* Personnel Director, has said we will have to make some of the new factory staff redundant, if sales remain at this level." Mike pondered the problem and replied, "Well it is a new product. Things don't always go the way you predict. Maybe the answer is to advertise more heavily. All the market research for the product was very positive."

Reena had in fact taken the overstaffing issue a step further than Mike or Simon realised. She was in talks with Francis, *WB plc's* trade union representative, in order to discuss the level of potential redundancies. Francis said, "If you are to offer redundancies they should be voluntary. It is not as though the company is struggling as a whole, it is just that this factory is not making a profit and capacity utilisation of these new machines is low. When I tell the shop floor workers, there will be some sort of industrial action. You don't need the bad publicity during an important product launch. It is a competitive market and there are other companies which would only be too pleased to take up your customers if the brand image suffers." Reena wondered what to do.

4 Refer to Text 4.

(a) Outline **three** types of industrial action.

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(b) Explain **two** factors which may affect the success of any industrial action carried out by the workers at *WB plc*.

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(c) Discuss the case for and against *WB plc* making redundancies due to an increase in capacity not being matched by an increase in demand.

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[Total: 27]



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