

**ADVANCED GCE
BUSINESS STUDIES**
Business Production

F296/RB

RESOURCE BOOKLET

**To be given to candidates at the start
of the examination.**

**Friday 10 June 2011
Morning**

Duration: 2 hours



INSTRUCTIONS TO CANDIDATES

- The information required to answer questions 1 – 6 is contained within this resource booklet.
- Do not hand this resource booklet in at the end of the examination. It is not needed by the Examiner.

INFORMATION FOR CANDIDATES

- This document consists of 4 pages. Any blank pages are indicated.

INSTRUCTION TO EXAMS OFFICER / INVIGILATOR

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Swords and Shields Ltd (S&S)

Simon Crane set up Swords and Shields Ltd (S&S) in 1980 to cater for the growing demand for re-enactment societies. At the weekends the countryside, Elizabethan halls, castles and so forth are home to re-enactors – groups of people who enjoy spending their time reliving historical periods in costume and in the manner of the people of the time. Simon himself is a medieval knight at weekends and, as such, has the knowledge, contacts and imagination to make a business out of providing costumes, mock weaponry and other items relevant to the serious re-enactor. These are sold on the Internet. 5

S&S Ltd operates out of a production and storage plant based on a rural site on the northern edge of Newcastle upon Tyne. It manufactures as much of the clothing and weaponry as it can itself, but the demands of customers from so many re-enactment markets makes holding a huge and varied stock necessary. S&S cannot supply all of this 'in-house'. Consequently, S&S buys in about 70% of its stock from over 30 different UK and European suppliers. It can, therefore, afford to boast that it can get hold of any piece of equipment for any historical period within 28 days. 10

S&S employs a mixture of part-time and full-time staff. Some deal with orders and warehousing, but the majority are involved in production. Manufacturing involves a variety of specialists who make uniforms, flags and mock weapons using either batch or job production. This involves employing people with tailoring, metal, wood working and a variety of other skills. Much of the work is very labour intensive and highly skilled. Based on the large quantities of standardised products which S&S obtains from some of its suppliers, it is obvious that these suppliers now use automated manufacturing equipment. Simon is, therefore, considering a large £250,000 investment in new technology which would enable S&S to utilise computer aided design and manufacture of items such as shields, axes, flags, uniforms and so forth. Rather than hand painting the complex designs on shields, a computerised paint jet could do it with speed and accuracy. The new equipment would also allow a degree of automation with regard to the more 'mass produced' items such as blank firing 'bullets'. Currently each 'bullet' has the shell casing filled with gunpowder by hand – a method which produces 'bullets' of variable explosive quality, as well as being very time consuming and boring. S&S's staff are generally not in favour of change. 15
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S&S is licensed to store gunpowder and must obey the law as would a fireworks manufacturer. Simon is proud of S&S's health and safety procedures, but they were put to the test in a recent incident. During his lunchtime Dave Klivert, an employee, decided to make some 'extra powerful' blank firing 'bullets' for a friend – filling them with 25% extra gunpowder. He loaded one of these into a re-enactment rifle from the factory and gave it to the friend to test in the car park. It could have been fatal. Dave's friend was left with severe burns and it left S&S with a possible vicarious liability lawsuit. 30
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S&S enjoys a high degree of loyalty from its staff because the job is generally interesting for most of them and also because they are well paid. Simon believes there is an element of complacency though and, on a number of occasions, has found that orders were not met and staff were spending a long time over their numerous coffee breaks. He is generous spirited enough to acknowledge that production problems could be due to a combination of factors: one-off orders, the diverse nature of the work and the sharing of tools and equipment – not necessarily the staff's fault. However, Simon feels that the production processes and the work rate and efficiency of the staff themselves desperately need closer study. 40

Whilst Simon felt awkward over the attention that his staff were now going to get, he was more concerned about another decision facing S&S. Much of the cloth which S&S sources is from France, Spain and Italy. It is the right quality for military uniforms but very expensive. Simon has found a considerably cheaper supplier in Bangladesh and he is ignoring the rumours that conditions in its cotton textile factories are appalling. He has also decided to import a 45

new dye from Colombia. Again, it is cheap but some reports have indicated that the dye is unacceptably toxic when used in production. He has concluded that it is best not to tell S&S's staff about these issues. 50

The 21st century has seen a considerable boom in exports of re-enactment products to the USA and this, coupled with an approach from the BBC to buy thousands of pounds worth of historical clothing, put Simon in a difficult situation. He is keen to expand the business but there is no way in which S&S could meet the considerable demand from the BBC and from the USA on its current production site. 55

Simon now devotes much of his spare time to researching the possibilities of sub-contracting most of the production to other producers around Europe and S&S would then simply become the central 'agent' for them. However, he enjoys the production side of the business and so he has also looked into a more straightforward expansion plan – relocation. There are large new premises available 50 miles away near Middlesbrough, close to a major road. The building has a floor area which is three times the size of S&S's current premises. This could house the new equipment which Simon is planning to purchase, with far more room for storage and the space to re-organise production into dedicated cells. The cost of the premises would be £1.6m. 60
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