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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
ADVANCED GCE**

F257

APPLIED BUSINESS

Unit 18: Managing Risk in the Workplace

MONDAY 25 JANUARY 2010: Afternoon

DURATION: 2 hours

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:

None

OTHER MATERIALS REQUIRED:

None

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes on the first page.**
- **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.**
- **Write your answer to each question in the space provided.**

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.**
- **The quality of written communication will be taken into account in marking your answer to the question marked with an asterisk (*).**

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PIT STOP AUTOS

TEXT 1

Andrew Davies and Julia Hanna set up their partnership, *Pit Stop Autos*, two years ago. The main activities of the business are providing auto repairs, servicing and MOTs to the general public. They employ four people in the workshop, three of whom are experienced engineers and one who is a new apprentice. Andrew and Julia are both experienced motor engineers and they are aware that garages can be dangerous places. They both attended basic health and safety courses before they set up the business and have done their best to minimise any hazards in the workshop. There are warning signs for spillages, standard operating guidelines for equipment, painted walkways for customers and visitors, eye wash stations and a first aid box on the premises. Andrew is the only person in the business who is trained in first aid.

1 REFER TO TEXT 1.

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

[2]

(b) Outline TWO hazards to which the workers at *Pit Stop Autos* may be exposed when working in the workshop.

1: _____

2: _____

_____ **[4]**

(c) Andrew and Julia both attended basic health and safety courses. List THREE features of the Health and Safety at Work Act with which businesses have to comply with.

1: _____

2: _____

3: _____

_____ **[3]**

(d) Explain TWO ways in which on-the-job training could be provided for the apprentice motor engineer at *Pit Stop Autos*.

1: _____

2: _____

_____ **[6]**

(e) Explain TWO problems Andrew and Julia could encounter if they did NOT attempt to minimise risks at *Pit Stop Autos*.

1: _____

2: _____

_____ [6]

[Total: 21]

TEXT 2

The partners bought a second hand hydraulic car jack. Julia expressed her concerns to Andrew about the age and the suitability of lifting heavier cars with this particular piece of equipment. In fact, during a recent routine service, Julia's fears were realised. David, the apprentice, was lifting a car, whilst Hazel, a customer was present. David noticed a small oil leak in one of the jack's hydraulic pipes. Not realising the implications of a leak, he continued to operate the machine. Suddenly, the pipe burst sending the car jack crashing to the ground. Hazel jumped back, slipped on the oil leakage and hurt her leg. On hearing Hazel's scream, Julia came rushing down to the workshop. Unfortunately, Andrew was on his lunch break, so all Julia could do was offer to phone the ambulance.

Upon Andrew's return, Julia informed him about the accident. "I never did a risk assessment on the equipment before it was installed on the premises, but the supplier has always been so reliable", Andrew said. Julia agreed, "Yes, although I also should have supervised David more closely when using the car jack."

2 REFER TO TEXT 2.

- (a) Explain a DIFFERENT responsibility that EACH of the following stakeholders of *Pit Stop Autos* has in minimising risk.

Owners (Andrew and Julia): _____

Employees: _____

Customers: _____

_____ **[9]**

(b) (i) Andrew should have carried out a risk assessment before the car jack was used. What is meant by a 'risk assessment'?

[2]

(ii) State THREE benefits to a business of undertaking a risk assessment.

1: _____

2: _____

3: _____

[3]

(iii) Explain TWO actions a risk assessment might have identified which should have prevented Hazel's accident.

1: _____

2: _____

_____ **[4]**

(c) Discuss the extent to which contingency planning might help the partners to avoid any future problems such as Hazel's accident.

[14]

[Total: 32]

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TEXT 3

Despite the accident, *Pit Stop Autos* continued to trade as usual. In fact, two months later, Andrew told Julia about an opportunity to increase the portfolio of services they offered. A new motorway, about five miles from the business, was due to open soon. Andrew proposed that *Pit Stop Autos* should submit a tender to obtain the sole breakdown recovery service for stranded vehicles on the local section of the new motorway. Andrew argued that breakdowns were frequent on motorways and that diversifying into this market would be a chance to ‘significantly’ increase the earnings of the partnership.

Pit Stop Autos successfully obtained the contract to provide the sole breakdown recovery service and, as a result the partners realised that they would have to buy a tow truck, as well as obtaining licences to operate such a vehicle. Julia obtained quotes from a couple of suppliers and found that the cheapest tow truck would cost about £40 000. The business, however, only had £10 000 in the bank. The partners knew the rest had to be obtained by re-mortgaging both of their homes.

3 REFER TO TEXT 3.

(a) State TWO examples of strategic risk.

1: _____

2: _____

_____ [2]

(b)* Evaluate the extent to which the proposed diversification may create a risk for *Pit Stop Autos*.

[14]

[Total: 16]

TEXT 4

The partners continued with their diversification plan and had just bought a tow truck, when a letter from Hazel's solicitor arrived. The letter stated that Hazel was claiming for the injury; but was willing to consider an out of court settlement if it was acceptable. The partners knew they did not have any spare money to agree to such a request, so they ignored the letter.

Soon the garage was busier than ever thanks to the high demand for motorway breakdown services. Unfortunately, the partners did not expect demand to be so high and only the two of them were trained to drive the tow truck. As a result, they started to find that the business was struggling. Furthermore, having not taken on extra staff, orders were starting to become backlogged and the employees were beginning to complain about the heavy workload. David also pointed out to Andrew that he was not receiving proper training. Due to the decreasing morale, Bob (one of the other employees) told Julia there was talk in the workshop of an overtime ban. Julia knew the employees were part of a trade union and warned Andrew that the possibility of them taking industrial action could spell disaster for the business.

Furthermore, a court summons arrived the same day stating that Hazel was taking *Pit Stop Autos* to court. "How are we going to get through this?", Julia sighed.

4 REFER TO TEXT 4.

(a) What is meant by the term ‘overtime ban’?

[2]

(b) Explain TWO ways in which an overtime ban might affect the running of *Pit Stop Autos*.

1: _____

2: _____

_____ [6]

(c) Apart from an overtime ban, state THREE other forms of industrial action which employees could take.

1: _____

2: _____

3: _____
_____ [3]

(d) Apart from industrial action, explain **THREE** consequences to *Pit Stop Autos* of NOT managing risk effectively.

1: _____

2: _____

3: _____

_____ [6]

(e) Evaluate the extent to which better organisation of the workforce would benefit *Pit Stop Autos*.

[14]

[Total: 31]



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