

Business Studies

Advanced GCE

Unit **F296**: Business Production

Mark Scheme for January 2012

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All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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Annotation	Meaning
	Unclear
	Benefit of doubt
	Cross
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	No use of text
	Own figure rule
	Repetition
	Noted but no credit given
	Too vague
	Tick

Question		Answer	Marks	Guidance	
				Content	Levels of response
1		<p>The targets are:</p> <ul style="list-style-type: none"> * increase the number of customers 'early evening' (5:30pm – 7:30pm) * introduce a small range of Vietnamese and Cambodian dishes <p>There are many problems which could arise from either target.</p>	6	<p>Having more customers in earlier would mean a change to current practices in terms of ordering, stock control and overall production. Presumably there would now be more demand in total (unless demand is now simply spread out) which would necessitate more stock. This has storage implications for TMR and other related issues. The introduction of new dishes would mean more training and general disruption / changes to operations in the kitchen. Perhaps these dishes have new ingredients which now need to be sourced, taking more time and cost.</p>	<p>Level 3 [5 – 6 marks] Candidate demonstrates analytical skills when considering problems arising from these targets</p> <p>Level 2 [3 – 4 marks] Candidate demonstrates knowledge and understanding of existence of problems. No context required</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge only of production problems</p>

Question		Answer	Marks	Guidance
2	(a)	$4 + 2 + 4 = 10$ (1 mark for identifying the buffer stocks used up)	2	
	(b)	$9 + 7 + 14 + 8 + 16 + 6 = 60$ monkfish (1) $60/6 = 10$ monkfish (1 mark)	2	

Question		Answer	Marks	Guidance	
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3		<p>There are many factors which are going to affect stock levels at TMR. TMR is in a position where it has to provide quality food on demand off a huge and varied menu. Therefore, demand is going to be a significant factor in determining stock levels, although this is a complicated issue in itself – and one about to be compounded by new products coming soon. The balance of keeping enough FRESH stock is key to the context of this issue, but not too much for obvious reasons. This balance will be TMR's perennial problem – matching supply to demand for such perishable products. (particularly fish which is not frozen) is difficult. Essentially all the 'costs of too much stock' v 'too little stock' arguments apply. Suppliers and their reliability will be a significant issue – TMR cannot afford to be let down in terms of timing or quality. Also, the desire to achieve purchasing economies of scale will have an impact on decision making. The costs of storing stock – vast quantities of meat, fish, vegetables and other less perishable items will influence the stock control policy. The key to being evaluative is the prioritisation of factors – which are actually most important in this case and which less so?</p>	13		<p>Level 4 [9 – 13 marks] Candidate demonstrates evaluative skills when considering factors</p> <p>Level 3 [6 – 8 marks] Candidate demonstrates analytical skills when considering factors</p> <p>Level 2 [3 – 5 marks] Candidate demonstrates knowledge and understanding of factors. No context required.</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge only of factors.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
4		<p>NB MUST be INTERNAL EOS (not EXTERNAL)</p> <ul style="list-style-type: none"> • Financial economies from being a larger, safer firm and more likely to pay back • Risk bearing (as TMR can afford to diversify into other foods (eg English)) • Technical – better / more effective use of kitchen equipment • Managerial – it deploys specialist ‘managers’ (eg Lek) • Marketing 	6	<p>Internal economies of scale come from producing on a larger scale and reducing unit cost. The advantages and efficiencies are potentially many at TMR. For example, purchasing economies of scale would occur for TMR as it has more customers than its rivals and, therefore, buys supplies on a larger scale (although that may not be the case if TMR moves to premises with restricted access). This would, depending on Lek’s negotiating power, involve cheaper ingredients and thus savings overall for TMR. There is potential for other economies:</p>	<p>Level 3 [5 – 6 marks] Candidate demonstrates analytical skills when considering the internal EOS.</p> <p>Level 2 [3 – 4 marks] Candidate demonstrates knowledge and understanding of internal EOS. No context required.</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge only of internal EOS.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
5			An answer which refers to BENEFITS only cannot achieve top marks in that level	13	<p>There are many gains, but also some considerable disadvantages to specialisation at TMR. If staff concentrate on their specific task (eg being a waiter or a kitchen assistant) then they will improve at that job and add to overall production. This is true because of repetition and targeted training – eg kitchen assistants will get very ‘slick’ at preparing simple starters to a high quality. This eliminates the whole ‘learning curve’ of trying to do new tasks and thus saves time and money and keeps output high. The whole of production at TMR lends itself to specialisation as the workforce is divided into discrete sections which do very specific tasks. It is possible, however (and, I suspect very likely), that staff will master their jobs – particularly the easier tasks – and be bored by the repetition. This can lead to disruption. The evaluative part of this is ‘will it?’ If Kanya runs a well ordered firm and considers staff motivation then specialisation does not have to be demotivating – even if someone’s sole job is to wash up! There are ways, through payment, job enrichment, etc. which can be adopted to counter any problems. A major problem that Kanya may encounter though is lack of flexibility. If staff are absent or leave it may be that one section is short staffed and other staff cannot switch over because they are not multi-skilled. It might be that an element of job rotation (or some sort of ‘cross-discipline’ training) can be adopted. The context of a (Thai) restaurant is essential to this answer and how well run it is.</p>	<p>Level 4 [9 – 13 marks] Candidate demonstrates evaluative skills when considering factors</p> <p>Level 3 [6 – 8 marks] Candidate demonstrates analytical skills when considering factors</p> <p>Level 2 [3 – 5 marks] Candidate demonstrates knowledge and understanding of factors. No context required</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge only of factors</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
6*		<p>There are a great many production related issues involved in this relocation. Stock delivery is apparently now more problematic and may reduce the purchasing economies of scale which TMR previously achieved because the same quantities simply cannot be delivered (no vehicular access means deliveries on foot and the extra costs involved) or maybe they can but it simply costs more. The premises themselves, whilst excellent in a marketing sense (see below), make kitchen logistics difficult. Despite the special grill, that may or may not make a huge difference, there still hangs the thorny issue of how exactly are they to serve an increased number of customers in a smaller kitchen? We do not know the current kitchen's capacity utilisation so we don't know that TMR cannot cope in the new arrangement. Either way, there are potentially more customers which equals more production which equals more stock control, quality control and output related issues. Factors affecting location – available workforce, supply, infrastructure, etc. – are all reasonable to talk about as 'production' related issues (on the F296 spec!).</p> <p>The key is to prioritising these factors and mixing them up.</p> <p>NB. An answer which only includes or DOES NOT include production issues should only be awarded the lowest mark in the appropriate level.</p>	18	<p>Marketing issues speak for themselves. There are potentially massive marketing advantages (although moving away from its current, very successful location is not necessarily a good idea) given the new location. There are many new customers to appeal to and it seems as if they fit TMR's customer profile. One wonders if this place is fashionable now but in the future – who knows? TMR would need to know more about other competitors, their products and prices. Indeed an answer which specifies finding out more information is likely to be a good one.</p> <p>Human Resource issues are along the lines of relocating staff and, therefore, resistance and possible redundancies / demotivation. More customers may also mean more work to do or, indeed, recruitment.</p> <p>There will be capital cost implications, although we do not know if TMR is selling off its current site (or even if it owns it). Delivery costs have already been mentioned. There may well be a re-equipping of the kitchens and a new system of work throughout the restaurant that necessitates training and a total re-think on all aspects of HRM.</p>	<p>Level 4 [13 – 18 marks] Candidate demonstrates evaluative skills when considering whether TMR should relocate. Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the subject matter. Sentences and paragraphs, consistently relevant have been well structured using appropriate technical terminology. There have been few if any errors in spelling punctuation and grammar.</p> <p>Level 3 [7 – 12 marks] Candidate demonstrates analytical skills when considering whether TMR should relocate. Relatively straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of question. There will be some errors of spelling punctuation and grammar but these are unlikely to be intrusive or obscure meaning.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
						<p>Level 2 [3 – 6 marks] Candidate demonstrates knowledge and understanding of production issues. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge of issues. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</p> <p>A one sided argument CANNOT achieve a Level 4 mark.</p>

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