

**Advanced GCE
Applied Business**

F257

Unit F257: Managing Risk in the Workplace

Specimen Paper

Time: 2 hours

Candidates answer on the question paper.

Additional materials:

Candidate
Forename

Candidate
Surname

Centre Number

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Candidate
Number

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INSTRUCTIONS TO CANDIDATES

- Write your name 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 you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do not write in the bar codes.
- Do not write outside the box bordering each page.
- 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.
- Your Quality of Written Communication is assessed in the question marked with an asterisk (*).

FOR EXAMINER'S USE

1	
2	
3	
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5	
TOTAL	

This document consists of **15** printed pages and **1** blank page.

Rough Cut Ltd (RCL) Visitor's Map

→ → = overhead log conveyer

//// = fork lift trucks in operation

→ = tour route

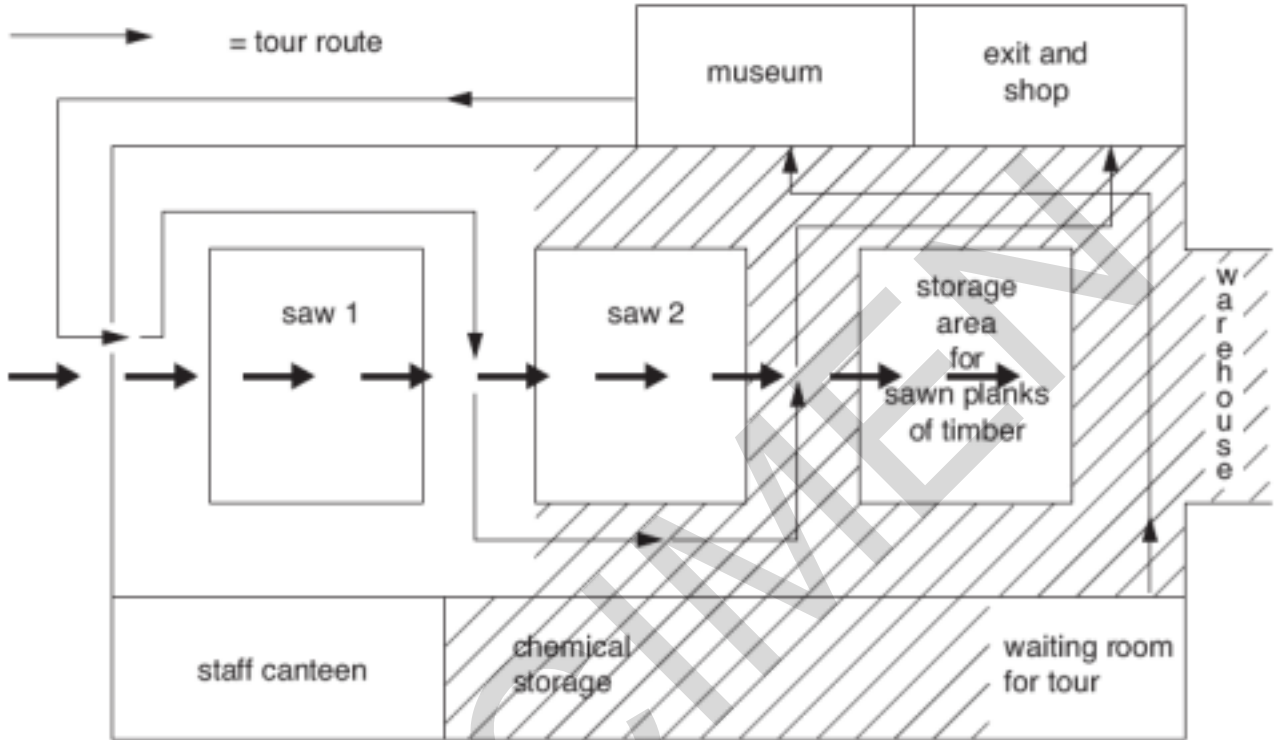


Fig. 1

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Text 1

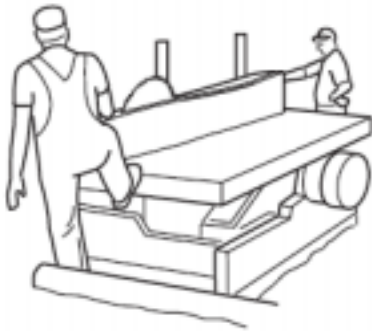


Fig. 2

Rough Cut Ltd (RCL) is a saw mill, cutting timber harvested from local forests in the Scottish Highlands. *RCL* is owned by Angus and his two sons, Hamish and Callum. The business had been successful in the past, but is now struggling financially because of the lack of demand for Scottish timber as a result of cheap foreign imports. The area in which *RCL* is situated receives many tourists attracted by the natural beauty of the area. These tourists come to enjoy the scenery and participate in a range of other activities. Recently, Angus has begun to take tourists on tours of the saw mill one day a week, (see Fig. 1).

Production at *RCL*'s saw mill has slowed even more in the last few months due to a further decrease in demand. When Angus got the call from Fantastic Furniture to cancel its most recent order, he thought this might be the end of the line for his family's business. That night at the dinner table he raised this issue with his two sons. "It's no good. We're being beaten hands down by cheap imports. Anyway, British manufacturing businesses are closing down all over the place. It's just too expensive to manufacture here in comparison to Eastern Europe."

RCL's problems went further than a simple downturn in the industry. It is, at present, in the middle of a legal battle with an ex-employee, Ewan. Two months earlier Ewan, one of the saw operators, had been feeding timber into the saw when his sleeve got caught in the blade and he suffered a serious injury to his arm. Although the hospital staff were able to treat his injury he never regained full use of his arm. Ewan blamed Angus for the accident and was attempting to sue *RCL* for breaching health and safety regulations. Angus had told Ewan to carry out the work, but Ewan had chosen to do it unassisted. Normally someone else would pull the sawn timber through the saw after it had passed the blade, meaning there was no need to push the timber into the blade by hand (see Fig. 2). Angus blames Ewan as he had not used any of the additional equipment or protective clothing available for the job. As a result of Ewan's accident, a representative from the Health and Safety Executive had visited the saw mill to ensure effective risk management was taking place. Angus was dreading the report as he was unsure who was to blame for the accident.

Refer to Text 1.

1 In the Health and Safety Executive’s report, it stated that Angus and his two sons had a “duty of care” to their employees as owners of the business.

(a) In the context of health and safety, define the term “duty of care”.

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

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(c) Apart from the Health and Safety at Work Act (1974), identify **four** other laws or regulations which impact upon risk in the workplace.

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(d) Explain **two** responsibilities of the Health and Safety Executive.

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RCL needs to recruit and train a new employee to replace Ewan.

(e) In the context of health and safety define the term “training”.

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(f) Explain **two** ways in which on-the-job training could be conducted for a newly recruited employee in the saw mill at *RCL*.

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[6]

[Total: 22]

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Text 2

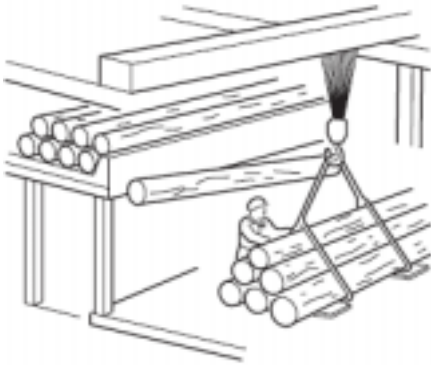


Fig. 3

The next morning Angus sat in his office opening mail. One of the letters contained the report he had been awaiting from the Health and Safety Executive. The representative had, amongst other things, ordered a full risk assessment to be undertaken of all activities within *RCL*. Angus needed to start somewhere and so he decided to see if he could identify any hazards during his weekly tour around *RCL* with a party of tourists.

Angus entered the waiting room and as usual there was a group of visitors sitting on the small chemical drums looking at the visitor's map. He took them through the shop floor, past Callum working on the fork lift truck, and into the museum with its low ceiling beams. It was here that they listened to him talk about the types of equipment used in the past. In order to make it more interesting Angus often passed the different types of saws amongst visitors so that they could have a closer look. After a while Angus took them to see the two operating saws. Angus shouted over the noise of the two saws as he explained how the logs moving over their heads on the overhead log conveyor (**see Fig. 3**) would be cut into different lengths. The visitors watched as the sawdust flew all over the workshop and their clothes. As Angus ducked under the overhead log conveyor and went into the shop, he thanked them for their time while they dusted themselves off.

"I'm not sure if there were too many risks there, but I suppose with wood we could always have a fire if we were very unlucky", Angus thought to himself as he returned to his office. He started to grade the possible risks on the risk assessment chart.

Refer to Text 2.

2 (a) Define the term risk management.

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(b) There are five possible steps to a risk assessment. Explain **two** steps Angus could take to minimise risk in the business.

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(c)* In addition to the risks to your groups, the Health and Safety Executive had raised a number of concerns in relation to:

- protective guards on machinery;
- maintenance during machine operation;
- protective clothing;
- prolonged exposure to airborne particles, e.g. sawdust and wood chips.

Recommend and justify possible measures which *RCL* could take to minimise risk in the saw mill.

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Text 3

Angus is well known in the local community and is aware that several of the firms which supply *RCL* with its chosen type of timber, Scottish pine, have been closing down or diversifying. After all, government funding for the farming and forestry industries has been steadily reducing over the past few years and there are no signs that financial support will improve.

Angus knew there continued to be a demand for *RCL*'s products as the building industry had continued to grow over recent years, as had the fashion for Scandinavian style pine furniture. The question he had to consider was 'How likely is the market to recover?' Angus also considered the fact that there was a booming tourist industry in the Scottish Highlands. Some of the forest owners had diversified into paintball centres, log cabin style retreats and other leisure activities. With this in mind, Angus considered the possibility of opening a mini theme park based around the idea of a saw mill. He could have a wood carving workshop, a tour of the woodland, a bike and horse riding trail and he could even build an adventure playground out of the timber, with bark chippings on the floor to make it safe for children. "I think I'll call it TimberLand", he mused.

Refer to Text 3.

- 3 (a) Explain **two** possible strategic risks which *RCL* needs to consider before diversifying its business.

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- (b) Assess the extent to which the adoption of contingency planning might help Angus avoid future problems in both setting up and running TimberLand.

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Text 4

“I suppose this new business of yours means we’ll need to take on more workers”, said Morag, Angus’s wife. “No, I don’t think we could afford it just yet. We’ll use some of the staff from the saw mill until things pick up”, replied Angus. Morag seemed uncertain. The saw mill workers were not used to this sort of work; selling tickets for admission, running carving workshops, selling souvenirs, answering questions from visitors, etc.

Angus held a meeting with all of *RCL*’s workers to introduce them to his plans for TimberLand. As suspected by Morag, the saw mill workers were unimpressed with the idea of working in TimberLand.

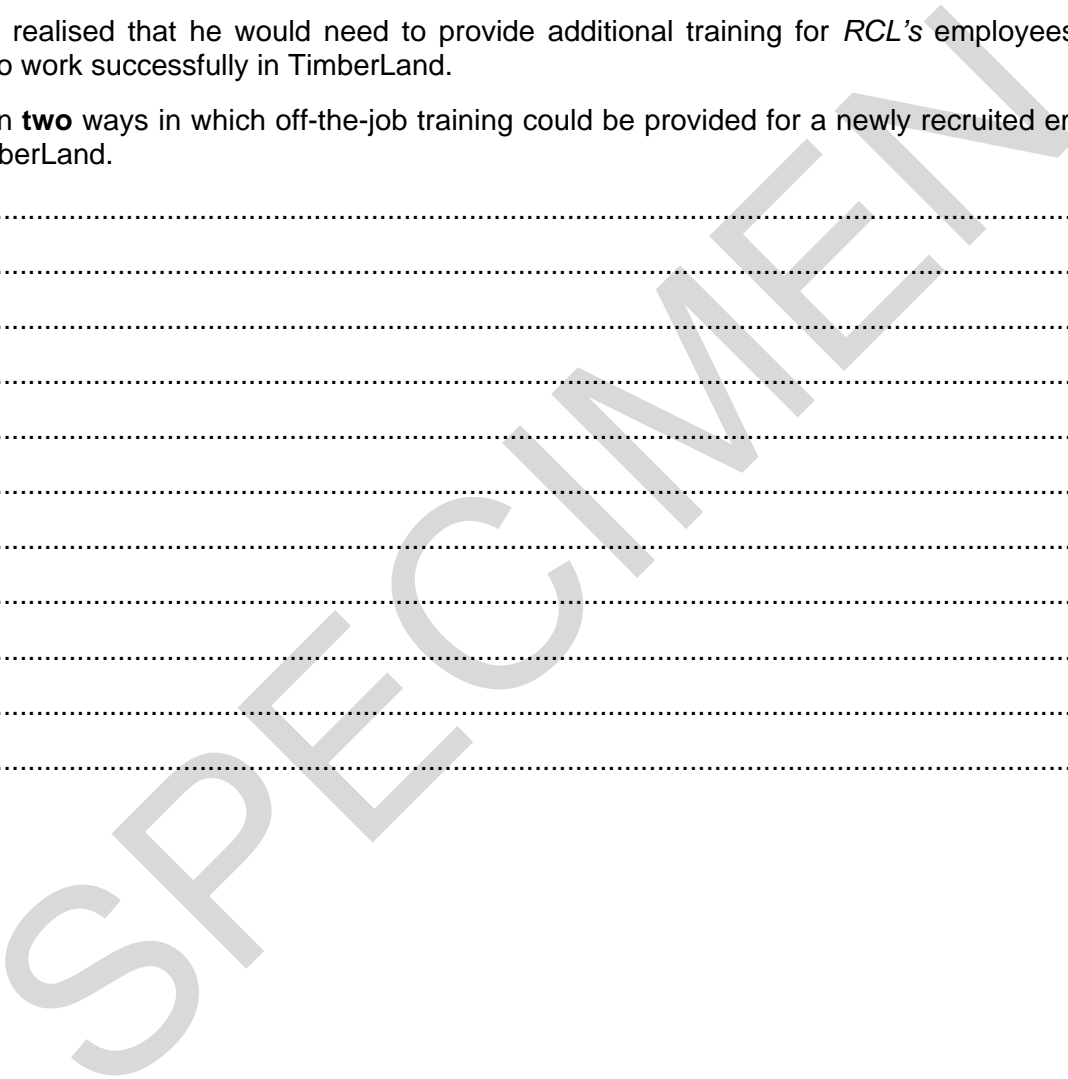
- 4 Angus realised that he would need to provide additional training for *RCL*’s employees if they were to work successfully in TimberLand.

Explain **two** ways in which off-the-job training could be provided for a newly recruited employee of TimberLand.

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Question Number	Answer	Max Mark
1 (a)	<p>In the HSE report, it stated that Angus and his two sons had a “duty of care” to their employees as owners of the business.</p> <p>In the context of health and safety define the term “duty of care”.</p> <p>Up to two marks for a definition Possible responses may include:</p> <ul style="list-style-type: none"> • Everything that is reasonably practical must be done to maintain the standards of health and safety in the workplace (2); • Maintaining health and safety standards in the workplace (1). 	<p>[2] (1+1)</p>
1 (b)	<p>Outline <u>one</u> principle of the Health and Safety at Work Act (1974).</p> <p>Can relate to employers or employees. One mark for a correct identification, plus a further one mark for a development.</p> <ul style="list-style-type: none"> • Employers must safeguard, so far as is reasonably practicable, the health, safety and welfare of the people who work for them. This applies in particular to the provision and maintenance of safe plant and systems of work, and covers all machinery, equipment and appliances used. • Employees must take reasonable care to avoid injury to themselves or to others by their work activities, and to cooperate with employers and others. Employees must not interfere with or misuse anything provided to protect their health, safety or welfare. <p>Possible responses may include: This Act makes provision for securing the health, safety and welfare of persons at work (1) and for protecting others against risks to health or safety in connection with the activities of persons at work (1).</p>	<p>[2] (1+1)</p>

Question Number	Answer	Max Mark
1 (c)	<p>Apart from the Health and Safety at Work Act (1974), identify <u>four</u> other laws or regulations which impact upon risk in the workplace.</p> <p>Any four from:</p> <ul style="list-style-type: none"> • Workplace (Health and Safety and Welfare) Regulations 1992 (1); • Health and Safety (Display Screen Equipment) Regulations 1992 (1); • Manual Handling Operations Regulations 1992 (1); • Provision and Use of Workplace Equipment Regulations 1992 (1); • Personal Protective Equipment at Work Regulations 1992 (1). 	[4] 1x4
1 (d)	<p>Explain <u>two</u> responsibilities of the Health and Safety Executive.</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</p> <p>Possible responses may include two from:</p> <ul style="list-style-type: none"> • it is the responsibility of the HSE to ensure that risks in the workplace are properly controlled (1). This includes offering guidelines to employers on the provision of safety equipment (1). In relation to the case, Ewan's accident may have been prevented if proper safety equipment had been provided (1). • training (1); • safe working practices (1). 	[6] (1+2)x2
1 (e)	<p>RCL needs to recruit and train new employees to replace Ewan.</p> <p>In the context of health and safety define the term "training".</p> <ul style="list-style-type: none"> • Training refers to ensuring the competence of the workforce in order to fulfil health and safety obligations (2); • Ensuring competence in the workforce (1). 	[2] (1+1)

Question Number	Answer	Max Mark
1 (f)	<p>Explain two ways on-the-job training could be conducted for a newly recruited employee in the saw mill at RCL.</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of the two explanations.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • an employee could work with an experienced employee (1). For example, Hamish could show the new recruit how to operate the saw (1) which is a two person operation needing someone to feed the wood into the blade and one to pull the sawn wood through (1). • mentoring (1); • observation (1). 	<p>[6] (1+2)x2</p>
2 (a)	<p>Define the term risk management.</p> <p>Up to two marks for a definition</p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • A distinct management function that needs to be integrated into business practices, to minimise the exposure to the possible negative consequences (1) of a particular course of action eg diversification (1). 	<p>[2] (1+1)</p>
2 (b)	<p>There are five possible steps to a risk assessment. Explain <u>two</u> steps Angus could take to minimise risk in the business.</p> <p>Step 1 – look for hazards (1) this could be small chemical drums in the waiting room (1);</p> <p>Step 2 – decide who might be harmed and how (1) this might be the guide who was showing the visitors around (1);</p> <p>Step 3 – evaluate the risks (1) this could be medium risk (1);</p> <p>Step 4 – record findings and make recommendations (1) this would be Angus filling out a risk assessment table (1);</p> <p>Step 5 – review the assessment procedures and revise as and when necessary (1) this might be carrying out the risk assessment on the saw mill more often.</p>	<p>[4] (1+1)x2</p>

Question Number	Answer	Max Mark
2 (c)*	<p>In addition to the risks to four groups, the HSE had raised a number of concerns in relation to:</p> <ul style="list-style-type: none"> • protective guards on machinery; • maintenance during machine operation; • protective clothing; • prolonged exposure to air borne particles eg saw dust and wood chips. <p>Recommend and justify possible measures which <i>RCL</i> could take to minimise risk in the saw mill.</p> <p>Level 4: (10-14) Candidate recommends and fully justifies possible measures which <i>RCL</i> could take to minimise risk in the saw mill. Ability to present relevant material in a well planned and logical sequence. Material clearly structured using appropriate business terminology confidently and accurately. Sentences, consistently relevant are well structured in a way that directly answers question. There will be few, if any errors of grammar, punctuation and spelling.</p> <p>Level 3: (6-9) Candidate recommends and provides some justification for possible measures which <i>RCL</i> could take to minimise risk in the saw mill. Ability to present relevant material in a planned and logical sequence. Appropriate business terminology used. Sentences for the most part relevant presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.</p> <p>Level 2: (3-5) Candidate recommends and makes an attempt to provide justification for possible measures which <i>RCL</i> could take to minimise risk in the saw mill. Limited ability to organise relevant material. Some appropriate business terminology used. Sentences are not always relevant with material presented in a way that does not always address the question. There may be noticeable errors of grammar, punctuation and spelling.</p> <p>Level 1: (1-2) Candidate identifies/demonstrates knowledge of recommended possible measures which <i>RCL</i> could take to minimise risk in the saw mill. Ability to communicate at least one point using some appropriate business terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.</p> <p>0 marks – no response or response does not address the question.</p>	

Question Number	Answer	Max Mark
2 (c) cont'd	<p>Possible answers may include:</p> <ul style="list-style-type: none"> • on-the-job training relating to health and safety themes; • off-the-job training targeted at health and safety; • induction training targeted at health and safety; • provision of protective equipment, such as protective clothing and safety glasses; • provision of on-site medical personnel. <p>Possible responses may include:</p> <p>Employees must be provided with adequate protective equipment, such as protective and safety glasses (L1). Saw operatives, such as Hamish, will be exposed to saw dust and air borne particles during their working day and therefore, will require safety glasses to avoid irritation from saw dust (L2). Failure to use this equipment may lead to Hamish's eyes becoming irritated and this may lead to increased absenteeism due to medical conditions relating to eye infections (L3). This may lower productivity which would be particularly problematic as one of the experienced saw operatives has already taken time off due to work related injuries. This may lead to a poor reputation in the area and to <i>Rough Cut Ltd</i> being unable to attract contracts or staff from the local area. As trade already seems slow, this may lead to business closure (L4).</p>	[14] Levels
3 (a)	<p>Explain <u>two</u> strategic risks which <i>RCL</i> needs to consider before diversifying its business.</p> <p>One mark for each correct identification up to a maximum of two identifications plus up to a further two marks for each of two explanations.</p> <p>Two from:</p> <p>Expansion will lead to additional costs such as investment in capital goods (1). As the business seems to be struggling financially this may negatively affect the liquidity position of the business (1) placing it under risk of business failure (1);</p> <ul style="list-style-type: none"> • Impact upon staff (1); • Impact upon health and safety (1); • Impact upon the existing business (1). 	[6] (1+2)x2

Question Number	Answer	Max Mark
3 (b)	<p>Assess the extent to which the adoption of contingency planning might help Angus avoid future problems in both setting up and running Timberland.</p> <p>Level 4: [10-14 marks] Candidate thoroughly assesses knowledge and understanding of benefit(s) relating to contingency planning.</p> <p>Level 3: [6-9 marks] Candidate assesses knowledge and understanding of benefit(s) relating to contingency planning</p> <p>Level 2: [3-5 marks] Candidate makes an attempt to assess knowledge and understanding of benefit(s) relating to contingency planning.</p> <p>Level 1: [1-2 marks] Candidate identifies benefit(s) relating to contingency planning.</p> <p>0 marks – no response or response does not answer the question.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • problems/risks are actively sought; • fall back position is established; • likely problem(s)/risk(s) can be identified and dealt with. <p>Problems:</p> <ul style="list-style-type: none"> • unforeseen events can still occur; • additional costs in time and resources; • identified problem(s)/risk(s) may be outside the business' control. <p>Possible responses may include:</p> <p>Contingency planning offers a fallback alternative in the event of changes to market conditions affecting the achievement of the strategic plan (L1). Contingency planning will offer benefits to Timberland as the formal planning process will aid in identifying potential problems likely to occur in the new venture (L2). As risks are actively sought these areas can be highlighted, increasing awareness (L3). However, although there are clear benefits from the prediction of foreseeable events, unexpected circumstances may still not be dealt with by contingency planning process (L4).</p>	<p>[14] Levels</p>

Question Number	Answer	Max Mark
4	<p>Explain two ways in which off the job training could be provided for a newly recruited employee of TimberLand.</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of the two explanations.</p> <p>Two from:</p> <ul style="list-style-type: none"> • lectures away from the workplace (1) workers may receive training in required skills such as customer care (1). This would give them the opportunity to learn without the day-to-day distractions of work (1); • self study (1); • open learning (1); • visits to other theme parks (1). 	<p>[6] (1+2)x2</p>
5 (a)	<p>Define the term “work-to-rule”.</p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • A form of industrial action in which the employee only carries out the activities outlined within their contract of employment (2); • Work to rule is where workers will not carry out additional tasks (1). 	<p>[2] (1+1)</p>
5 (b)	<p>Explain <u>two</u> ways in which a work to rule might affect the smooth running of RCL.</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of the two explanations.</p> <p>Possible responses may include two from:</p> <ul style="list-style-type: none"> • staffing levels decline (1); • quality of service is reduced (1); • productivity is reduced (1). <p>Possible answers may include:</p> <ul style="list-style-type: none"> • Staff may only carry out work in their contract (1). This work is likely to relate to <i>Rough Cut Ltd</i> contracts, but may restrict the range of work carried out for <i>Rough Cut Ltd</i>. (1). This may negatively affect production causing dissatisfaction for customers (1). <p>One mark for brief outline, two further marks for level of detail.</p>	<p>[6] (1+2)x2</p>

Question Number	Answer	Max Mark
5 (c)	<p>Apart from work to rule, outline <u>three</u> other forms of industrial action which the saw mill workers may choose to take.</p> <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three developments.</p> <p>Possible responses may include three from:</p> <ul style="list-style-type: none"> • strike action may take place (1). This may include picketing of Timberland by the saw mill workers (1); • go-slows (1); • overtime ban (1); • sit in/work in (1). 	<p>[6] (3+3)</p>
5 (d)	<p>Explain two ways in which Angus could protect and/or cater for the needs of his 'Highland Games' workforce.</p> <p>Possible responses may include any three from:</p> <ul style="list-style-type: none"> • provision of on-site medical personnel may be required (1). On-site medical staff could minimise the effects of any injuries by offering immediate assistance for injuries such as muscle strain from "throwing the hammer" (1). • provision of breaks in work timetables (1); • provision of first aid kits (1); • provision of protective clothing (1); • accident books (1); • provision of canteen, toilet and washing facilities (1). 	<p>[4] (1+1)x2</p>

Question Number	Answer	Max Mark
5 (e)	<p>Evaluate the extent to which improved workforce planning would benefit RCL.</p> <p>Level 4: [10-14 marks] Candidate provides a detailed evaluation of the knowledge and understanding of benefit(s) relating to staffing changes or workforce planning</p> <p>Level 3: [6-9 marks] Candidate evaluates knowledge and understanding of benefit(s) relating to staffing changes or workforce planning</p> <p>Level 2: [3-5 marks] Candidate attempts to evaluate knowledge and understanding of benefit(s) relating to staffing changes or workforce planning</p> <p>Level 1: [1-2 marks] Candidate identifies benefit(s) relating to staffing changes or workforce planning</p> <p>0 marks – no response or response does not answer the question.</p> <p>Increasing staffing levels is likely to increase costs for a business (L1) as the theme park is likely to be more popular during the summer months or in good weather (L2). Rather than employ a full time permanent member of staff from the saw mill, Angus would manage the additional costs to the business better and avoid any ill feeling by the existing employees by employing staff on a seasonal basis to work at the park (L3). Although this would increase the business costs during this time, it would only be when revenue seems to be high, therefore the cost generated from staffing of the theme park is likely to be exceeded by the additional revenue from fully utilising the area of land upon which the business sits (L4).</p>	<p>[14] Levels</p>

Assessment Objectives Grid (includes QWC*)

Question	AO1	AO2	AO3	AO4	Total
1(a)	2				2
1(b)	2				2
1(c)	4				4
1(d)	2	4			6
1(e)	2				2
1(f)	2	4			6
2(a)	2				2
2(b)	2	2			4
2(c)*	2	3	4	5	14
3(a)	2	4			6
3(b)	2	3	4	5	14
4	2	4			6
5(a)	2				2
5(b)	2	4			6
5(c)	3	3			6
5(d)	2	2			4
5(e)	2	3	4	5	14
Total	37	36	12	15	100