

**AQA**

**Exam Practice Resource**

**Unit 2**

**People and Operations Management**

**Sample pages**



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# Introduction

This introduction has one main objective - to explain how AQA (your exam board) attempts to assess the skills you have gained from studying the People and Operations Management module of your Business Studies course. The AQA course has been designed to encourage you to develop a number of specific skills. In particular, you can expect to gain:

- a critical understanding of organisations, the markets they serve and the process of adding value
- an awareness of the fact that business behaviour can be studied from a range of stakeholder perspectives, and also the various economic, social, political, environmental, ethical, legal and technological issues associated with business activity
- a range of skills such as decision-making, problem-solving and evaluation
- an awareness of current business structure and practice, including the distinction between large and small, manufacturing and service, local, regional, national and multinational, profit and non-profit making organisations.

## Four key skills

All AQA AS and A2 units are designed to assess or test **four** specific skills. These are:

### The four key skills

- ◆ **AO1 - Knowledge** – i.e., how well you know the meaning of the theories, concepts and ideas you have studied as part of your Business Studies course.
- ◆ **AO2 - Application** – i.e., how well you can use the information provided to explain benefits and problems, or make calculations etc in a given context. For example, all organisations promote their products but the range of potential methods of promotion is huge, and what works for one business may be totally inappropriate for another.
- **AO3 - Analysis** – i.e., how well you can develop ideas, apply theory, consider implications and make links between issues. You will need to identify and discuss in detail the likely causes and consequences that are relevant to the issues under discussion
- **AO4 - Evaluation** – i.e., how well you can judge the overall importance or significance of different outcomes in a given situation. The ability to evaluate recognises that there is rarely one obvious or 'right' answer that stands out from the range of possibilities. The key to demonstrating this skill is the ability to identify and consider the pros and cons of a number of potential solutions, and then make a judgement supported by the weight of evidence considered.

## Unit 2 – New Paper 1

**Please read the information in the box before starting this exam**

- The time allowed for this paper is 1 hour
- The maximum mark for this paper is 53
- Mark allocations are shown in brackets at the end of each question
- You will be assessed on your ability to:
  - ◆ use an appropriate form and style of writing
  - ◆ organise relevant information clearly and coherently
  - ◆ use specialist vocabulary, where appropriate.
- The degree of legibility of your handwriting and the level of accuracy of your spelling, punctuation and grammar will also be taken into account. Up to 3 marks will be awarded for the quality of your written communication.

### Case study – Boswell’s Family Bakers

Boswell’s Family Bakers was, at first, situated in the centre of the picturesque Cheshire village of Lynton and it remained at the heart of village life after first being established by Jack Boswell in 1928. Its quaint exterior and focus on high-quality breads, pies and pastries made it popular with the locals and the thousands of tourists who flocked to the village every year. By the early 1970s, the family business had expanded into a chain of five shops located in similar villages across the Cheshire area, with each shop producing its products fresh on the premises.

Jack’s granddaughter, Sarah Boswell, had been involved in the running of the Lynton shop ever since she could remember. She had begun by serving customers behind the counter and then moved to working in the kitchen at the back. Then, as she grew older, she began to help with the accounts. By the time Sarah left school at the age of 18, she felt as though she knew the business inside out. All of the Lynton staff had worked in the shop for several years, adding to the family feel and this appeared to be appreciated by the customers and staff alike. Sarah considered continuing her education by following a catering course at a local college. However, after much debate, she was finally persuaded by her grandfather’s advice that she ‘would learn more about the business on the job from behind the counter and within the kitchen than from any textbook or classroom’, and decided to join her father running the business full-time in July 2000.

**This Case Study is continued on a separate sheet**

## Unit 2 – New Paper 1

### Case study – Boswell’s Family Bakers cont’d

When Sarah’s father decided to retire early due to poor health at the beginning of 2002, Sarah suddenly found herself in sole charge of the business. She took advantage of the opportunity to introduce some new ideas. She extended the shop to include a seating area to be used as a café and introduced a deli-style counter to sell cheeses, cooked meats and other produce supplied by local farmers, all of which proved to be very popular with the regular customers. Sarah had also noticed that, for some time now, a number of the major supermarkets had been producing novelty cakes for special occasions, such as Christmas and children’s birthdays. Although the cakes were reasonably priced, the designs were very similar and the quality appeared to vary considerably. Sarah was convinced that her business had the resources and the expertise required to provide a service of made-to-order cakes, offering a better quality and choice than the mass-produced supermarket alternative.

Production of the new novelty cakes was to be centred on the Lynton site, where a new state-of-the-art kitchen had recently been installed, although production arrangements for the other lines was to remain unchanged. Sylvia, one of the Lynton kitchen staff who had recently obtained a Level 3 creative cookery qualification, would concentrate exclusively on producing the cakes, after putting together a design based around the customers’ original ideas. A part-time worker would be made full-time to compensate for Sylvia’s lost output.

Three months later, Sarah reviewed the success of her changes over a cup of coffee with an old school friend: ‘The revenue from the cake sales has been disappointing. Initially, interest was good, especially after that advert for the new service appeared in Lynton Life, the village magazine. Unfortunately, we simply couldn’t keep up with the demand, even with Sylvia working flat out. By the time she had got back to the customer to approve the designs, most of them had gone elsewhere. We totally misjudged our production levels, meaning the new kitchen has only been operating at 50% capacity, whilst our other shops have often sold out of much of the product range by lunchtime and are having to turn customers away. Thank goodness the café and the deli counter have been such a huge success – otherwise I don’t know how we would have managed to meet our expenses. I’ve been considering increasing production here at Lynton to support the other shops but I honestly don’t think we can afford to employ and train any more staff at the moment.’

Sarah’s friend, a production manager at a local food processing plant, was not convinced by Sarah’s latest idea. In his opinion, something more radical was required. ‘You’d be better making up batches of cake bases, freezing them and then finishing them off when the order comes in. If you switch production from the other shops to the kitchen at Lynton, you could use up the spare capacity. You could organise staff more efficiently by getting them to specialise on certain tasks, which would free up a couple of them to help with the cake production. Surely Sylvia would be able to train them up for the job, especially if you offered a more limited range of designs. What’s more, the former kitchen space at the other shops could be converted into cafes to take advantage of all those hungry and thirsty tourists.’ Sarah was uneasy about both the impact on quality and the reaction of staff to these proposals but agreed to give them some thought.

**The questions are on a separate sheet**

## Unit 2 – New Paper 1: Questions

Answer **ALL** questions.

**Where appropriate, use examples from the Case Study to support your answers.**

1. Most of the training received by the staff at Boswell's is on-the-job. Outline two possible benefits to the bakery from adopting this method of training. (6 marks)
2. Explain why greater specialisation might lead to increased production for Boswell's. (6 marks)
3. Discuss the possible reaction of staff to the proposal to concentrate production at the Lynton bakery. (15 marks)
4. Analyse the implications for Boswell's of a switch from job to batch production for the novelty cakes. (8 marks)
5. To what extent do you feel Sarah is right to feel uneasy about going ahead and implementing the changes recommended by her friend? (15 marks)

# Unit 2 – New Paper 1

## Sample Answers and Examiner’s Advice

### Question 1

#### Sample Answer

On-the-job training involves acquiring new skills without having to move away from the workplace. In the bakery, this may involve observing other experienced staff carrying out tasks, such as preparing the dough and decorating the cakes. Alternatively, a supervisor might explain how to carry out certain jobs, such as operating the till and other machinery. One benefit of using on-the-job training to a business such as Boswell’s is that it is usually cheaper as the bakery can use its own staff and equipment rather than having to pay fees to a college or other external trainer. It also means that the training is received in a realistic environment – Boswell’s staff will acquire skills that are relevant to the bakery and so they will not need to adapt their newly acquired skills from the learning to the working environment.

#### Examiner’s Advice

##### Content – 3; Application – 3

This answer contains a clear definition of the term, as well as two distinct benefits to the bakery, which are explained within the context of the Case Study. Other possible benefits include:

- using existing staff may help to promote better working relationships between staff, leading to better levels of productivity
- using existing staff may boost their confidence, due to the recognition of their skills and the trust placed in them by Sarah, leading to improved motivation and better productivity

### Question 2

#### Sample Answer

Specialisation involves splitting up the production of a unit or item into a number of separate tasks, and then concentrating workers on carrying out these tasks over and over again until they learn to do the job quickly and accurately. In theory, if Boswell’s reorganised its workforce so that members of staff concentrated on the same tasks, rather than doing a ‘bit of everything’, this should lead to greater productivity. Production times could be reduced as staff become faster and can devote all of their time to icing cakes, for example, and not having to keep stopping and changing to other duties, like serving behind the counter or waiting on in the café. Wastage levels created from mistakes should also be reduced if staff concentrate on learning and performing a smaller range of tasks.

#### Examiner’s Advice

##### Content – 3; Application – 3

This answer clearly explains the meaning of specialisation and contains a number of reasons why it should lead to greater productivity. These points are then illustrated using examples from the Case Study.

# Unit 2 – New Paper 1

## Sample Answers and Examiner’s Advice

### Question 3

#### Sample Answer

By concentrating production at the Lynton site, Sarah might be able to increase total output by bringing her kitchen staff together so that they can specialise in the production of different lines and take advantage of the up-to-date facilities of the new kitchen. The overall benefit to the bakery from doing this depends, at least to some extent, on the reaction of the bakery staff themselves. On the one hand, some of them may have grown bored working in a small shop, repeating the same duties every day, and may welcome the chance to move to a new location and learn new skills, possibly leading to promotion within the bakery or to better job opportunities elsewhere. On the other hand, other staff may resent the disruption to their existing working groups – the Case Study mentions that staff like the ‘family feel’ of the business. Staff may also resent having to incur increased travel costs to go and work in a different village with relative strangers. This may encourage some staff to leave, disrupting production as key workers are lost, and meaning that the bakery will have to incur the costs of recruiting new employees. The reaction of the staff will depend, to some extent, on the level of consultation that takes place between Sarah and the staff concerned. Consultation would give Sarah the opportunity to pick up useful ideas as to how to proceed and reassure the staff that their concerns are being taken into account.

#### Examiner’s Advice

**Content – 3; Application – 3; Analysis – 4; Evaluation – 5**

The majority of marks on this question come from analysis and evaluation, so it is important to devote the majority of time allowed to demonstrating these skills, in the context of the Case Study. The candidate gives a balanced answer, analysing some of the possible reasons why staff may react either positively or negatively to the proposal. There is evaluation throughout the response, which concludes with a recommendation as to how the proposal could be made to work.