

# Examiners' Report

## January 2010

Principal Learning

### Manufacturing and Product Design MP201 Running a Manufacturing Business

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# Manufacturing and Product Design Level 2 Unit 1

## Running a Manufacturing Business

### General Comments

Overall, the paper produced a good range of responses. Lower ability learners sometimes misread questions or gave generic responses and so did not gain full marks, whilst higher ability learners attempted all questions, including the more demanding questions at the end of the paper. There was little evidence of guesswork when answering.

Learners were well-prepared for this first series, despite the short time frame between the start of teaching and the examination date, although some gaps in knowledge were evident.

### Question 1

Question 1 was particularly well answered. Learners had a good understanding of the business structure required for mass production.

### Question 2

Question 2 was also well answered, with learners showing an appreciation of the range of differing business structure names available to sole-traders.

### Question 3

Question 3 parts (a) and (b) drew partial answers from many learners with 'single managers' and 'communication difficulties' being the most popular responses. Answers to part (c) demonstrated that there was low level understanding of the fundamentals of matrix business structures - the majority of learners identified matrix structures had more than one manager but not why this was a disadvantage.

### Question 4

Although few learners correctly identified the diagram within part (a) as a decentralised structure, most did go on to correctly redraw the diagram in part (b) as a centralised organisation showing two-way communication with the manager. Diagrams from lower level learners failed to show the manager as the focus.

### Question 5

Whilst most learners were able to correctly state the business function, a few learners took their answer from the wording of the question and incorrectly named 'transportation' as the business function.

### Question 6

Question 6 was correctly answered by most learners. A few incorrectly named 'advertising'.

### Question 7

Most learners showed a correct, basic understanding of the quality function and understood that the role of this function is to check or measure products, but failed to expand their answers into a higher level of response. To gain full mark answers such as 'measuring products against a specification' were required.

### **Question 8**

Question 8 was answered well with many learners showing a high level understanding of cooperation between the quality and production functions, however most learners then failed to demonstrate the same level of understanding for another inter-function cooperation in Question 9. Learners would benefit from being taught how manufacturing and technical business functions work together with all support functions.

### **Question 10**

Answers to part (a) and (b) showed that the majority of learners had a good understanding of The Health and Safety at Work Act and appreciated the difference between employer and employee responsibilities. Lower ability learners responded with generic answers that did not link their answer to the workplace.

### **Question 11**

Question 11 (a) was answered well by most learners. A few misinterpreted the question as asking for identification of three other types of products and so gave answers such as 'laptops' and 'cameras'. Question 11 (b) was well answered with the majority of learners understanding how critical product innovation is to a mobile phone manufacturer - answers linking improved performance to increased sales were the most common.

### **Question 12**

Question 12 was primarily answered with two, rather than three, methods of reducing costs with examples of reductions in direct costs being the most popular answer. A few learners misunderstood the question and answered with implicit responses associated with a reduction in labour costs, by suggesting the company should make their items in another country. An implied answer does not gain marks within a 'state' question.

### **Question 13**

Question 13 produced partial answers, with many learners understanding that selling more or putting the price up would allow the bakery to maintain its profit margin. Answers such as 'make less' indicated that the learner had failed to link the maintenance of profit margins with an increase in the cost of flour.

### **Question 14**

Answers indicated that learners did not have a full understanding of the importance of cash flow in purchasing decisions. Many learners answered with the required two reasons but these were often partial answers indicating cash flow was related to paying bills or avoiding bankruptcy.

### **Question 15**

Question 15 part (a) and (b) were generally answered poorly, with learners incorrectly stating the use of brackets and unable to use the table to extract the right month. Answers to part (c) indicated most learners had an understanding of the calculation required, but either failed to correctly identify which costs to add or subtract, or incorrectly completed their calculation.

### **Question 16**

Answers to Question 16 indicated that many learners had misread the question. Answers relating to total costs and not unit costs were shown, with the most common incorrect response being that costs would increase.

## Questions 17 and 18

Centers are reminded that the paper is ramped in difficulty and that the latter questions are aimed at the more able learners. Questions 17 and 18 required learners to correctly calculate costs and complete a diagram. Although many learners attempted these questions, few marks were gained. Centers may find it useful to go through worked examples of profit and loss account tables, as well as break-even diagrams with a variety of values, in order to prepare learners fully.



## Statistics

### Level 2 Unit 1 Running a Manufacturing Business

	Max. Mark	A*	A	B	C
<b>Raw boundary mark</b>	60	53	43	33	23
<b>Points Score</b>	10	8	6	4	2

#### Notes

**Maximum Mark (raw):** the mark corresponding to the sum total of the marks shown on the Mark Scheme or Marking Grids.

**Raw boundary mark:** the minimum mark required by a learner to qualify for a given grade.





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