

Examiners' Report/  
Principal Examiner Feedback

January 2012

Principal Learning

Manufacturing & Product Design  
MP201 Paper 01

Running a Manufacturing Business

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## Unit MP201\_01

### Running a Manufacturing Business

#### General comments

The paper produced a good range of responses. Lower ability candidates sometimes gave generic responses and so did not gain full marks. Higher ability candidates attempted more questions, including the more demanding questions at the end of the paper and were able to produce responses that were detailed. These responses were specific to the question being asked.

It was encouraging to see candidates using appropriate exam techniques to help them identify the key responses required for each type of question and that this series, candidates attempted to respond to nearly all questions including the more demanding calculation questions.

**Question 1** was answered correctly as 'sales' by many candidates. Centres are reminded that a correct naming and understanding of key business functions is essential for this unit.

**Question 2** was answered correctly by many. Some candidates incorrectly named business organisational structures e.g. matrix and hierarchical and not a type of business structure, in this case being large.

**Question 3** was answered very well by many with candidates able to list at least one feature of a small business. Popular correct answers included a small number of employees and a small turnover.

**Question 4** was generally only partially answered with candidates gaining only 1 mark for answering that distribution moves goods (to the customer) but failed to expand on this with any detail for the second mark.

**Question 5** was answered very well by the majority. A few candidates did not include a manager in their drawing.

**Question 6** was answered well by many with one or two correct business functions being named.

**Question 7** was answered well by many with one of the two correct features of a micro business being identified.

**Question 8** asked candidates to outline reasons why the company would relocate its production to a different country. A few candidates were able to answer correctly with responses that outlined that wages would be cheaper or the company would be nearer its existing or new customers. Some candidates misunderstood what was required and did not relate their answer to why the company would relocate abroad.

**Question 9(a) and 9(b):** many candidates gained full marks on this question by correctly identifying positive and negative effects and relating this to business sustainability.

**Question 10** indicated that candidates had a basic understanding of the term 'span of control' but were not able to expand their answers to fully describe why this was an advantage.

**Question 11(a)** it was pleasing to see that so many candidates attempted this question and also gained full marks.

**Question 11(b)** answers to this question showed candidates had a very good understanding of options available to a business when it operates at a loss. Centres are recommended to read the Mark Scheme for a full range of possible answers.

**Question 12** asked candidates to describe negative consequences for a manufacturer producing two versions of an electric razor. Many candidate answers gave very basic answers which were worth only one or two marks. Centres are recommended to use real life business case studies as a basis for discussing why a business might decide to manufacture competing products.

**Question 13(a)** was completed correctly by many.

**Question 13(b)(i)** was completed correctly by many although a few candidates incorrectly counted the number of months despite correctly calculating the maximum stock level plus 10%.

**Question 13(b)(ii)** was answered well with many high level answers which included reference to Just In Time and introducing sales strategies.

**Question 14** answers indicated that few candidates had a full understanding of the important role of employees within the finance function. Incorrect answers concentrated on employees not spending money on the wrong items.

**Question 15** was attempted by many but only one or two marks were generally obtained. Centres are recommended to practice calculating VAT at different rates.

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