

Write your name here

Surname

Other names

Edexcel
Principal Learning

Centre Number

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Candidate Number

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Manufacturing and Product Design

Level 2

Unit 1: Running a Manufacturing Business

Wednesday 15 May 2013 – Morning

Time: 1 hour

Paper Reference

MP201/01

You may use a calculator.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 60.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

Answer ALL questions. Write your answers in the space provided.

1 (a) State the business function responsible for monitoring budgets. (1)

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(b) Describe the role of a wages administrator. (2)

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(Total for Question 1 = 3 marks)

2 Complete the table of direct and indirect costs for a manufacturer using the terms provided.

Terms:

machine depreciation sales delivery
product packaging factory rent

Direct costs	Indirect costs
manufacturing materials	buildings insurance

(Total for Question 2 = 4 marks)



3 Sarah starts work at a paint manufacturing plant and is issued with a pair of protective overalls.

Sarah must wear her overalls, but she says they are too tight and uncomfortable.

What could Sarah's manager do to ensure she wears her overalls?

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(Total for Question 3 = 1 mark)

4 Which business function is responsible for writing product specifications?

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(Total for Question 4 = 1 mark)

5 State the purpose of staying within a budget.

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(Total for Question 5 = 1 mark)

6 (a) What is the maximum number of employees for a small business?

(1)

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(b) What is the minimum number of employees for a large business?

(1)

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(Total for Question 6 = 2 marks)



7 Describe the role of the legal function within a manufacturing business.

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(Total for Question 7 = 2 marks)

8 Figure 1 shows an advertisement for a job in a manufacturing business.

Your job will involve checking product samples against their specifications. You will report to the Production Manager.

Figure 1

(a) Name the job role described in the advertisement.

(1)

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(b) Describe the role of a Production Manager.

(2)

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(Total for Question 8 = 3 marks)

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9 One way of making a company more competitive is to reduce the sales price of its product.

Outline **two** other ways a company can make itself more competitive.

1

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2

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(Total for Question 9 = 4 marks)

10 Give **one** example of a tangible asset for a car manufacturer.

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(Total for Question 10 = 1 mark)

11 The business expenses of a manufacturer of laptop computers increase by 7%.

The current selling price of each laptop is £350

To maintain the same profit margin the manufacturer must increase the selling price of each laptop by 7%.

Calculate the new selling price of each laptop.

You must show your working.

Space for working

£

(Total for Question 11 = 2 marks)



12 Table 1 shows the profit and loss statement for a garden equipment manufacturer.

	£	£
Sales		323 700
Costs of sales		
Opening stock	125 080	
Purchases	88 900	
Subtotal	213 980	
(Less) closing stock	101 925
Gross profit	
Expenses		
Wages	23 000	
Power	4 500	
Rent and rates	12 300	
Transport	8 800	
Depreciation	3 000	
Subtotal	51 600	51 600
Net profit before tax	

Table 1



Answer part (a) by completing the missing figures in Table 1.

- (a) (i) A profit and loss statement should show an entry of closing stock in both columns.

Calculate the value of the closing stock that is missing from the column in the profit and loss statement.

(1)

Space for working

- (ii) Calculate the gross profit.

(1)

Space for working

- (iii) Calculate the net profit before tax.

(1)

Space for working

- (b) State **two** possible expenses not listed on the profit and loss statement.

(2)

1

2

(Total for Question 12 = 5 marks)



13 An electric kettle is found to be unsafe. The manufacturer issues a product recall notice.

(a) State **two** actions the manufacturer must take when issuing a recall notice.

(2)

1

2

(b) Outline **one** business consequence of the product recall on the kettle manufacturer.

(2)

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(Total for Question 13 = 4 marks)

14 A deodorant manufacturer is considering investing in new machinery.

Describe how sales figures could be used to justify this investment.

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(Total for Question 14 = 3 marks)



15 A brewery currently has eight employees and four managers. Figure 2 shows its organisational structure.

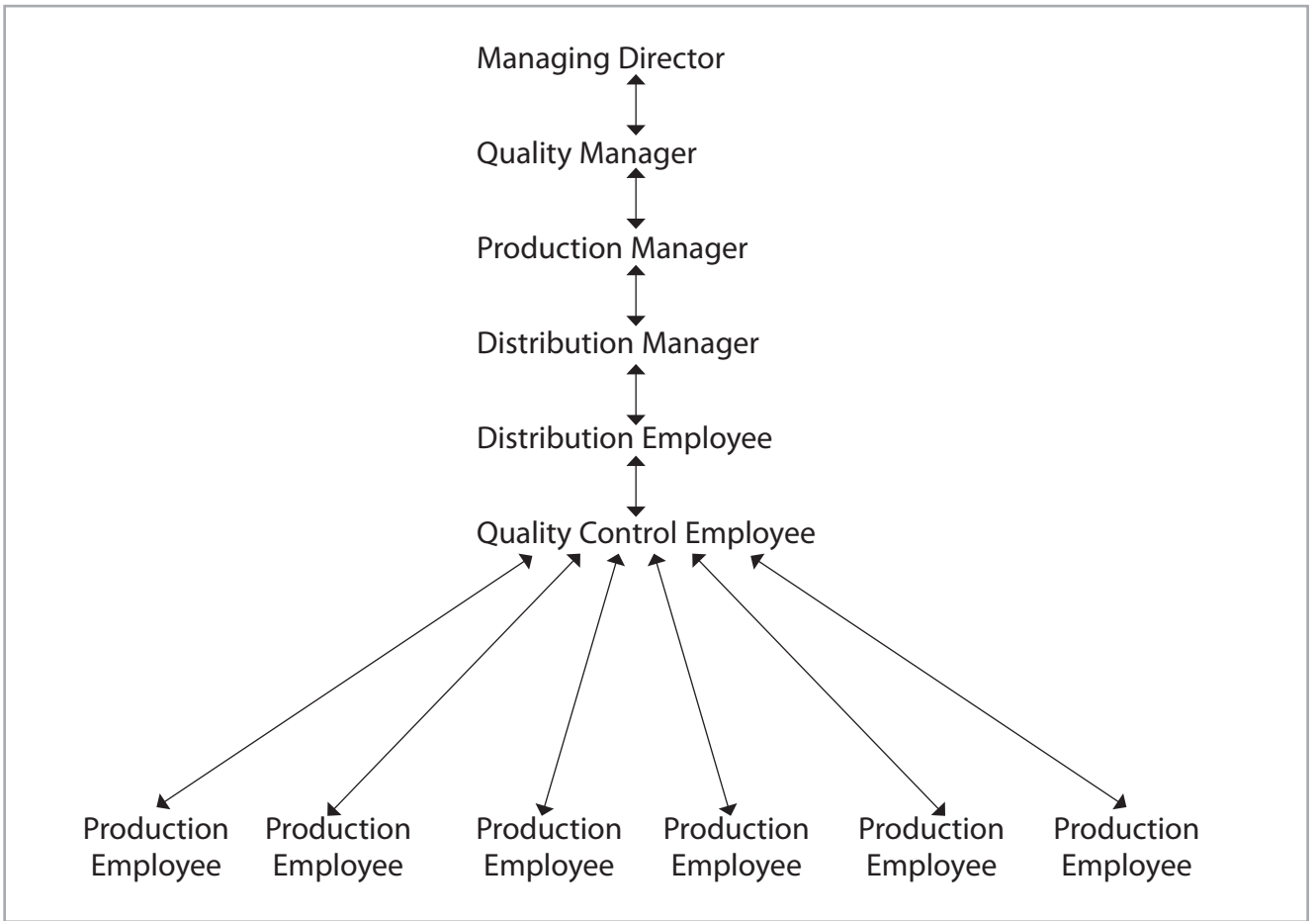


Figure 2

(a) Describe how the business structure affects the communication between the Production Employees and the Production Manager.

(4)

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(b) Outline the role of the Managing Director.

(2)

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(Total for Question 15 = 6 marks)

16 A new employee joins the finance department of a manufacturing enterprise. The employee is sent on a training course to learn about accounting techniques.

Outline **two** long-term benefits for the business of the new employee attending the training course.

1

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2

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(Total for Question 16 = 4 marks)

17 The distribution department within a manufacturing company has been told that its budget for next year will be cut by 12%.

Outline **one** way the distribution department could manage this budget cut.

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(Total for Question 17 = 2 marks)



18 The sales figures for a manufacturer of Christmas tree decorations are shown in Table 2.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Per 1 000	60	120	230	450	500	550	450	275	380	780	2 600	3 500

Table 2

(a) Sales performance is measured by using the total sales figures between January and December.

Outline **one** advantage of measuring sales performance in this way.

(2)

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(b) The manufacturer decides to start measuring sales performance every three months by totalling the previous three months sales figures.

Outline **one** advantage of measuring sales performance in this way.

(2)

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(Total for Question 18 = 4 marks)



19 Outline **two** reasons why a matrix organisational structure would be suitable for a medium-sized business.

1

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2

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(Total for Question 19 = 4 marks)

20 Using resources more sustainably can improve the reputation of a business.

Explain how a manufacturing business could improve the sustainability of its products.

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(Total for Question 20 = 4 marks)

TOTAL FOR PAPER = 60 MARKS

