

Mark Scheme (Results)

June 2012

Principal Learning

Manufacturing & Product Design
MP201 Paper 01

Running a Manufacturing Business

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

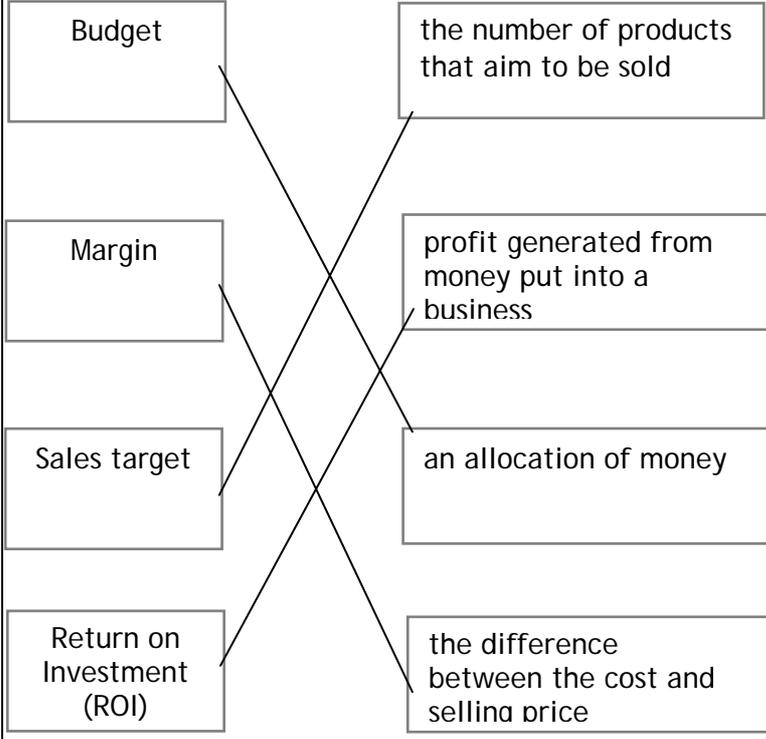
Question Number	Answer	Mark
1	<ul style="list-style-type: none"> • Micro • Small • Sole trader 	(1)

Question Number	Answer	Mark
2(a)	<ul style="list-style-type: none"> • Receptionist • Administrator • Call centre operative 	(1)

Question Number	Answer	Mark
2(b)	<ul style="list-style-type: none"> • Accountant • Administrator • Lawyer • Director 	(1)

Question Number	Answer	Mark
3	<p>1 mark for each of the following to a maximum of 2 marks</p> <p>Establishes work required (1) assigns work to correct functions/departments (1)</p> <p>Breaks work required into subtasks (1) coordinates/plans subtasks through functions/departments (1)</p> <p>Plans throughput of work (1) to meet company resources (people, departments, materials, budgets) (1)</p> <p>Communicates with operatives (1) to establish feasibility (1)</p> <p>Any other suitable answer</p> <p style="text-align: right;">(2 x 1)</p>	(2)

Question Number	Answer	Mark
4	<p>1 mark for each of the following to a maximum of 2 marks</p> <p>Ensures sales data (amount, location, dates) passed to distribution (1) for long term planning (1)</p> <p>Agrees customer delivery dates in consultation with distribution (1) for short term planning (1)</p> <p>Evaluates customer feedback on delivery (1) for customer satisfaction (1)</p> <p>Sales to ask distribution to organise returns/replacements (1) for customer benefit (1)</p> <p>Distribution schedules provided to sales (1) to maximise transport/sales efficiency (1)</p> <p style="text-align: right;">(2 x 1)</p>	(2)

Question Number	Answer	Mark
5	<p>1 mark for each correct match, to a maximum of 4 marks No mark awarded where 2 or more lines are drawn from a term. Lines do not have to be straight but financial term and description must be clearly linked.</p> 	<p>(4 x 1) (4)</p>

Question Number	Answer	Mark
6	B	(1)

Question Number	Answer	Mark
7	<p>Low response (1) or 2 low responses (2) Or up to 2 marks for each description Or Detailed response (2)</p> <p>Partnership of two or more people (1) sole trader one self-employed person (1)</p> <p>Profits/decisions shared amongst partners (1) sole trader keeps all profits/makes all decisions (1)</p> <p>Partnership requires written agreement (1) sole trader requires no written business terms (1)</p> <p>Liability shared among partners if business fails (1) liability limited solely to sole trader (1)</p> <p>Any other suitable answer</p> <p>No repetition</p> <p style="text-align: right;">(2 x 2) (1 x 2) (1 x 2)</p>	(4)

Question Number	Answer	Mark
8	<p>1 mark for identification, 1 mark expansion. (x 3)</p> <ul style="list-style-type: none"> • trains staff (1) which increases staff abilities/knowledge (1) • benefits employer (1) as recruitment/employer relations selling point (1) • follows a company plan (1) meets individual needs/ personal development plans (1) • acknowledges previous staff experience (1) used for motivational purposes (1) • social responsibility (1) benefits wider community (1) • business potential in training (1) further source of income (1) <p>Any other suitable answer No repetition</p> <p style="text-align: right;">(3 x 2) (1 x 2) (1 x 2) (1 x 2)</p>	(6)

Question Number	Answer	Mark
9(a)	<p>Up to 2 marks for each factor 1 mark for identification, 1 mark for expansion 2 low responses for each factor – 1 mark only</p> <p>Warnings and instructions (for assembly, maintenance, use) (1) and disposal (1)</p> <p>Passing on risk information (1) posed by the product (1)</p> <p>Product tracing (1) information (batch number, name and address of manufacturer) (1)</p> <p>Easily recognisable/standard symbols (1) to eliminate language issues (1)</p> <p>No repetition (2 x 2) (1 x 2) (1 x 2)</p>	(4)

Question Number	Answer	Mark
9(b)	Trading Standards Department	(1)

Question Number	Answer	Mark
10	<p>1 mark for each of the following to a maximum of 2 marks</p> <ul style="list-style-type: none"> • Management/administration costs e.g. employees, computer purchase, office utilities (1) • Rent/rates (1) • Legal costs (1) <p>Any other suitable answer</p>	(2)

Question Number	Answer	Mark
11	<p>1 mark for each of the following to a maximum of 2 marks</p> <ul style="list-style-type: none"> • Depreciation of machinery (1) • Machinery maintenance costs (1) • Interest payments on loans (1) • Labour (1) • Heating (1) • Postage (1) 	(2)

Question Number	Answer	Mark
12(a)	<ul style="list-style-type: none"> • Tall • Hierarchical • Centralised 	(1)

Question Number	Answer	Mark
12(b)	<p>Learners produce a simple drawing:</p> <pre> graph TD MD[Managing Director] --> QM[Quality Manager] MD --> SM[Sales Manager] MD --> PM[Production Manager] MD <--> MA[Management Admin] QM <--> QE[Quality Employee] SM <--> SE[Sales Em] PM --> PE1[Prod Em] PM --> PE2[Prod Em] PM --> PE3[Prod Em] PM --> PE4[Prod Em] PM --> PE5[Prod Em] PM --> PE6[Prod Em] QM <--> PE1 SM <--> PE2 PM <--> PE3 PM <--> PE4 PM <--> PE5 PM <--> PE6 </pre> <p>Managing director at top (1) Two layers of management (1) Quality, Sales and Production Employees shown at bottom (1) Quality, Sales and Production Employees reporting to correct manager (1) Management Administrator reports to one or more Manager(s) (1)</p> <p>Accept suitable variations of diagram.</p>	(5)

Question Number	Answer	Mark
13	<p>1 mark for identification, 1 mark for description Up to 2 marks per disadvantage</p> <p>Employees could be over supervised (1) as management time greater for each employee (1)</p> <p>Employee costs greater (1) as more managers required (1)</p> <p>Slower communication from top management downwards (1) as management passing info to small number at a time (1)</p> <p>Greater number of managers (1) leads to slower decision making (1)</p> <p>More decision makers (1) leads to conflicting information (1)</p> <p style="text-align: right;">(2 x 2) (1 x 2) (1 x 2)</p>	(4)

Question Number	Answer	Mark
14	<p>Up to 2 marks for factor 1 mark for identification, 1 mark for expansion</p> <p>If home sales exceed £70 000 in last 12 months (1) then must remain registered (1)</p> <p>Remain registered if buying a lot of stock attracting VAT (1) as can claim back VAT on purchases (1)</p> <p>Business paperwork increases (1) but implies business with high turnover/professional (1)</p> <p style="text-align: right;">(1 x 2)</p>	(2)

Question Number	Answer	Mark
15(a)	Industrial coating manufacturer 34%	(1)

Question Number	Answer	Mark
15(b)	<p>Up to 3 marks for calculation of each manufacturer. 1 mark for correct answer</p> <p>Household Paint Manufacturer: (numbers in £000)</p> <p>= (375-300) (1)</p> <p>-((375-300)x27%) (1)</p> <p>= £54 750 (1)</p> <p>Industrial Coating Manufacturer: (numbers in £000)</p> <p>= (600-350) (1)</p> <p>-((600-350)x27%) (1)</p> <p>= £182 500 (1)</p> <p style="text-align: right;">(2 x 3)</p>	(6)

Question Number	Answer	Mark
15(c)	<p>Up to 2 marks for calculation of each manufacturer. 1 mark for correct answer to zero d.p. allow follow through from 15(a) for calculation only (no marks for final answer)</p> <p>Household Paint Manufacturer:</p> <p>= 54 750/1100 000 x100% (1)</p> <p>= 5% (1)</p> <p>Industrial Coating Manufacturer:</p> <p>= 182 500/3 400 000 x100% (1)</p> <p>= 5% (1)</p> <p style="text-align: right;">(2 x 2)</p>	(4)

Question Number	Answer	Mark
15(d)	<p>Up to 2 marks for reason 1 mark for identification, 1 mark for expansion allow follow through</p> <p>Same net profit margin (1) but household paint manufacturer has greater gross profit margin (1)</p> <p>Household paint manufacturer's costs and expenses lower for amount of sales (1) so costs under better control/long term viability of business better (1)</p> <p>Gross profit margin greater for household paint manufacturer (1) indicates cost of sales under control (1)</p> <p>Scope to reduce operating expenses (1) through efficiency (1)</p> <p style="text-align: right;">(1 x 2)</p>	(2)

Question Number	Answer	Mark
<p>16</p>	<p>Up to 4 marks for explanation</p> <p>1 mark low level response will include only increase in parts returned:</p> <p>Number of parts being delivered/manufactured increasing by 20% each month (1)</p> <p>2 mark partial response will include increasing rate of parts returned:</p> <p>Returns increasing at a greater rate than increase delivery of parts (20% initially then inc by +5% each month) (1)</p> <p>Indicates manufacturing quality decreasing/increasing (1)</p> <p>4 mark high level response will link increasing rate of parts returned, steady increase of parts delivered/manufactured and business success:</p> <p>Returns increasing at a greater rate than increase delivery of parts (20% initially then inc by +5% each month) (1)</p> <p>Indicates manufacturing quality decreasing/increasing if sale or return basis of spares (1)</p> <p>Decrease/increase in quality results in decrease/increase in customer satisfaction/company reputation (1)</p> <p>If left unchecked result in lower/increased sales or decrease/increase in business success (1)</p> <p style="text-align: right;">(4 x 1)</p>	<p style="text-align: right;">(4)</p>

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