

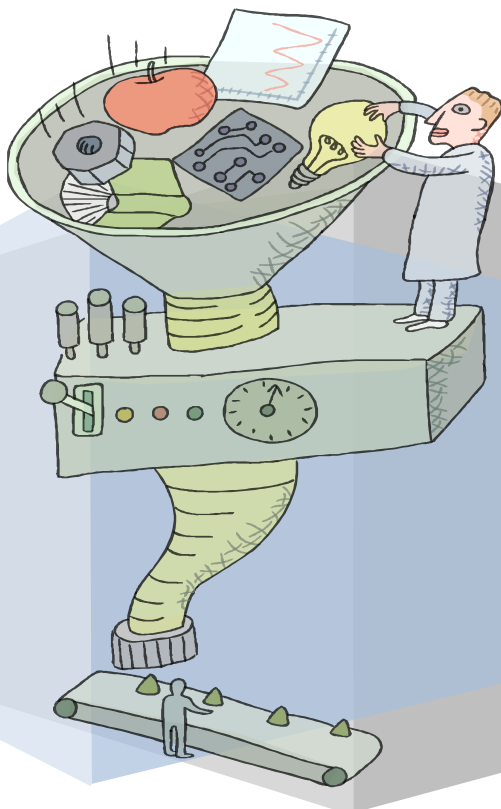
Business Management

H

N5

# Management of Marketing and Operations

## *2.2 – Operations*



**Question  
Bank**

## WHAT IS OPERATIONS ALL ABOUT?

- |   |  |   |
|---|--|---|
| 1 | Describe what the ROLE of OPERATIONS staff is in a business.             | 2 |
| 2 | Outline the 3 main stages in the PRODUCTION PROCESS.                     | 3 |
| 3 | Describe 3 ACTIVITIES that are commonly carried out by OPERATIONS staff. | 3 |
| 4 | Explain how EFFECTIVE work by OPERATIONS staff can BENEFIT a business.   | 4 |
| 5 | Explain why a business can FAIL due to POOR work by OPERATIONS staff.    | 3 |

## STOCK MANAGEMENT

- |    |  |   |
|----|--|---|
| 6  | Explain what the purpose of STOCK MANAGEMENT is in a business.                                 | 1 |
| 7  | Describe what STOCK is.  | 1 |
| 8  | Outline what the 3 main types of stock are and suggest a reason why businesses need them.      | 6 |
| 9  | Describe what the term STOCK LEVEL means.  | 1 |
| 10 | Describe what UNDERSTOCKING is and explain 3 reasons why this can be a problem for a business. | 3 |
| 11 | Describe what OVERSTOCKING is and explain 3 reasons why this can be a problem for a business.  | 3 |
| 12 | Explain what the purpose of a STOCK CONTROL system is.   | 2 |
| 13 | Outline the main steps involved in a stock control system.                                     | 4 |
| 14 | Explain why COMPUTERISED stock control systems have become popular.                            | 3 |
| 15 | Suggest a possible problem from using computerised stock control systems.                      | 1 |
| 16 | Explain how stock levels are decided under the ECONOMIC STOCK LEVEL stock control system.      | 6 |
| 17 | Describe 2 factors which will influence decisions about the correct level of stock to hold.    | 2 |
| 18 | Explain what LEAD TIME is.   | 1 |
| 19 | Describe at least 3 factors which can result in shortages under ESL.                           | 3 |
| 20 | Describe (with an illustration) how the ESL operates over time.                                | 4 |
| 21 | Explain what JIT is and describe the amount of stock held under this system.                   | 2 |
| 22 | Compare JIT with ESL.  | 4 |

## CHOOSING A SUPPLIER

- 23 Explain how each of the following factors affects the choice of supplier for a business.
- a PRICE
  - b QUALITY
  - c CONTINUITY
  - d RELIABILITY
  - e LOCATION
  - f STOCK CONTROL METHOD
- 6

## ORGANISING THE FACTORS OF PRODUCTION

- 24 Explain what a FACTOR OF PRODUCTION is. 1
- 25 Describe the 4 factor of productions available to businesses. 4
- 26 Identify the payment required for each of the 4 factor of productions. 4
- 27 Describe at least 2 things that affect which Factors of Production will be used. 2
- 28 Describe (with examples) what a LABOUR INTENSIVE business is. 2
- 29 Describe (with examples) what a CAPITAL INTENSIVE business is. 2
- 30 Explain the difference between MECHANISED and AUTOMATED businesses. 2
- 31 Compare the advantages and disadvantages of being capital or labour intensive. 4

## PRODUCTION PROCESSES

32	Describe what SCHEDULING is and outline the advantages it can bring to a business.	3
33	Describe what DIVISION OF LABOUR is explain how it is organised.	2
34	Outline advantages to a business from using DIVISION OF LABOUR.	2
35	Describe what an ASSEMBLY LINE does.	1
36	Discuss the advantages and disadvantages of using an ASSEMBLY LINE.	4
37	Describe what the term METHOD OF PRODUCTION means.	1
38	Describe (with examples) what JOB PRODUCTION is.	2
39	Describe 2 ADVANTAGES and 2 DISADVANTAGES of Job Production.	4
40	Describe (with examples) what BATCH PRODUCTION is.	2
41	Describe 2 ADVANTAGES and 2 DISADVANTAGES of Batch Production.	4
42	Describe (with examples) what FLOW PRODUCTION is.	2
43	Describe 2 ADVANTAGES and 2 DISADVANTAGES of Flow Production.	4
44	Outline at least 3 factors which will influence the Production Method used in a business.	3
45	Suggest (with reasons) which production method should be used to make the following products.	
	a Designer diamond engagement ring	
	b Daily newspaper	
	c Pizzas	
	d New bridge over the Clyde river	
	e Bread	
	f Soap	6

## PRODUCT QUALITY

- 46 Explain what PRODUCT QUALITY is concerned with and why it is important. 3
- 47 Suggest which law would be relevant to each of the following quality situations.
- a Making sure that products are not advertised falsely.
  - b Making sure that the correct amount of a product is sold.
  - c Making sure that food is fit for people to eat
  - d Making sure that goods sold are not damaged. 4
- 48 Explain how HIGH QUALITY in the STOCK and FACTORS OF PRODUCTION used benefit a business. 2
- 49 Describe how a QUALITY CONTROL SYSTEM can improve product quality. 1
- 50 Describe how a QUALITY ASSURANCE SYSTEM can improve product quality. 1
- 51 Explain the different between QUALITY CONTROL and QUALITY ASSURANCE. 1
- 52 Compare the advantages and disadvantages of QUALITY CONTROL and QUALITY ASSURANCE systems. 4
- 53 Explain what a QUALITY MANAGEMENT system is. 2
- 54 Outline the advantages from using effective QUALITY MANAGEMENT. 3
- 55 Describe the costs involved in using QUALITY MANAGEMENT activities within a business. 2
- 56 Explain what an EXTERNAL QUALITY STANDARD is, and describe at least 2 examples of one. 3
- 57 Describe what BENCHMARKING is and the benefits it can bring to a business. 2
- 58 Explain what QUALITY CIRCLES are and outline their advantages. 3
- 59 Explain what a MYSTERY SHOPPER is and outline the advantages to their use. 2

## **ETHICAL AND ENVIRONMENTAL OPERATIONS**

- |    |  |   |
|----|--|---|
| 60 | Explain what ETHICAL AND ENVIRONMENTAL OPERATIONS is and why important to many modern businesses.                    | 3 |
| 61 | Explain how the TREATMENT OF STAFF is important to ethical and environmental operations.                             | 3 |
| 62 | Describe actions that a business can take to make their RAW MATERIALS ethically and environmentally friendly.        | 4 |
| 63 | Explain what FAIR TRADE STATUS is and describe how it can be of benefit to a business.                               | 3 |
| 64 | Describe actions that a business can take to make their RAW MATERIALS ethically and environmentally friendly.        | 4 |
| 65 | Describe actions that a business can take to make their PRODUCTION PROCESSES ethically and environmentally friendly. | 4 |

## **WAREHOUSING**

- |    |  |   |
|----|--|---|
| 66 | Compare CENTRALISED and DECENTRALISED WAREHOUSING.   | 3 |
| 67 | Describe DESIGN features which will help keep a warehouse operate effectively.   | 3 |
| 68 | Describe features which will help keep a warehouse a SAFE working environment.   | 3 |
| 69 | Describe what STOCK CONTROL is and explain why it is important.  | 4 |
| 70 | Describe reasons for the growing use of ICT for stock control administration, but the lack of complete automation of this process. | 4 |

## LOGISTICS

- 71 Describe what a LOGISTICS is. 1
- 72 Describe what each of the following METHODS OF DISTRIBUTION is.
- a ROAD
  - b RAIL
  - c AIR
  - d WATER
  - e PIPELINE 5
- 73 Explain why IT pipeline methods of distribution are becoming more important. 2
- 74 Describe at least 2 factors that influence the method of distribution used. 2

## CUSTOMER SERVICE

- 75 Explain what CUSTOMER SERVICE is and why important to many modern businesses. 3
- 76 Describe what each of the following customer service activities is.
- a SERVICE STANDARDS
  - b LOYALTY SCHEMES
  - c COMPLAINTS PROCEDURE
  - d PRODUCT SUPPORT 4
  - e What is the purchasing mix? 2

## FACTORS AFFECTING OPERATIONS

- 77 Identify an INTERNAL FACTOR that can assist in the success of operational activities. 1
- 78 Explain how the INTERNAL FACTOR identified in Q77 helps operational activities. 1
- 79 Identify an INTERNAL FACTOR that can cause problems for operational activities. 1
- 80 Explain how the INTERNAL FACTOR identified in Q79 hinders operational activities. 1
- 81 Explain how an example of how each of the following EXTERNAL FACTORS affects operational activities (positively or negatively).
- a POLITICAL FACTORS
  - b ECONOMIC FACTORS
  - c SOCIAL FACTORS
  - d ENVIRONMENTAL FACTORS
  - e COMPETITIVE FACTORS 5
- 82 Explain how TECHNOLOGICAL FACTORS have affected the management of operations in modern businesses. 3



## OPERATIONS – SUMMARY TASK

Choose a business that you know about or can find out about. Prepare an operations profile for them that highlights the following information.

- TYPES OF STOCK HELD
- STOCK MANAGEMENT SYSTEM USED
- CAPITAL OR LABOUR INTENSIVE FACTORS OF PRODUCTION USED
- CONTEMPORARY PRODUCTION METHODS USED
- ETHICAL AND ENVIRONMENTAL OPERATIONS USED
- WAREHOUSING USED
- LOGISTICS USED
- CUSTOMER SERVICE OFFERED

