

Homework activity 1			
Date set		Date due	
Topic(s)	Production methods		

1. For each of the items below state the best production method to make this. Then explain why this method is suitable, an advantage of that method and a disadvantage of that method. (6 marks)

Four poster beds which are designed with the customer and hand made in the workshop



Suitable method of production _____

Why is this method suitable _____

An advantage of this method _____

A disadvantage of this method _____

Cadbury's Dairy Milk range including Dairy Milk, Whole Nut and Fruit and Nut



Suitable method of production _____

Why is this method suitable _____

An advantage of this method _____

A disadvantage of this method _____

Putting together the parts of a car in an assembly line



Suitable method of production _____

Why is this method suitable _____

An advantage of this method _____

A disadvantage of this method _____

2. Explain, using examples, the difference between process and flow production (2 marks)

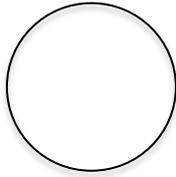
3. Explain an advantage and a disadvantage of specialisation (2 marks)

Advantage

Disadvantage

Feedback

Currently working



Target



 *This work is good because.....*

 *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 2			
Date set		Date due	
Topic(s)	Economies and diseconomies of scale		

1. Define the term 'economies of scale' (1 mark)

2. Using the table below, calculate the average cost of producing each table (2 marks)

Year	2011	2012	2013	2014
Total cost	£50,000	£55,000	£58,000	£72,000
Tables made	5,000	6,000	6,800	7,300
Average cost				

3. Using the information in the table, identify and explain when economies and diseconomies of scale are occurring in this business (2 marks)

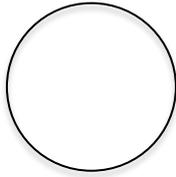
4. From the following list, choose an economy of scale that best describes each situation (5 marks)

- **Technical**
- **Marketing**
- **Purchasing**
- **Risk-bearing**
- **Financial**
- **Managerial**

Situation	Type of economy of scale
Evergreen Treescapes decides to branch out and offer a lawn fertilising and weed-killing service in order to obtain new customers	
Busy Buses Ltd decides to replace its single-decker buses with double-decker buses	
Jensen Fabrics Ltd is able to negotiate a lower rate of interest on bank loans than its smaller competitors	
Marks & Spencer plc can afford to employ specialist buyers to negotiate deals with clothing suppliers	
Holden's supermarket chain decides to open a chain of petrol stations	
Bowton Brewery Ltd starts to sell food through its public houses	
Austin Engineering Ltd switches production of its hydraulic equipment to a larger factory using computer controlled machinery	
The growth of Home Soon Coaches leads to the employment of more office staff. The office manager decides that this is an opportunity for staff to specialise in specific areas of office work	
Johnstone's Logistics has reorganised its structure. It now employs a specialist manager for each department rather than having managers responsible for several departments	
When Munro Toys plc bought Talbot Toys Ltd its production doubled. The amount it spent on advertising rose by 50%	

Feedback

Currently working



Target



😊 *This work is good because.....*

★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 3			
Date set		Date due	
Topic(s)	Calculating costs		

1. **Complete** the table below to show the costs of production of a product. (6 marks)

Units	FC	VC	TC	AC
0				
100				
200				
300	10,000			
400				
500		2,500		
600				

2. **Describe** how these lines would look if they were drawn on a graph (4 marks)

FC _____

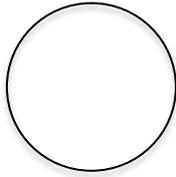
VC _____

TC _____

AC _____

Feedback

Currently working



Target



 *This work is good because.....*

 *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 4

Date set		Date due	
Topic(s)	Break even		

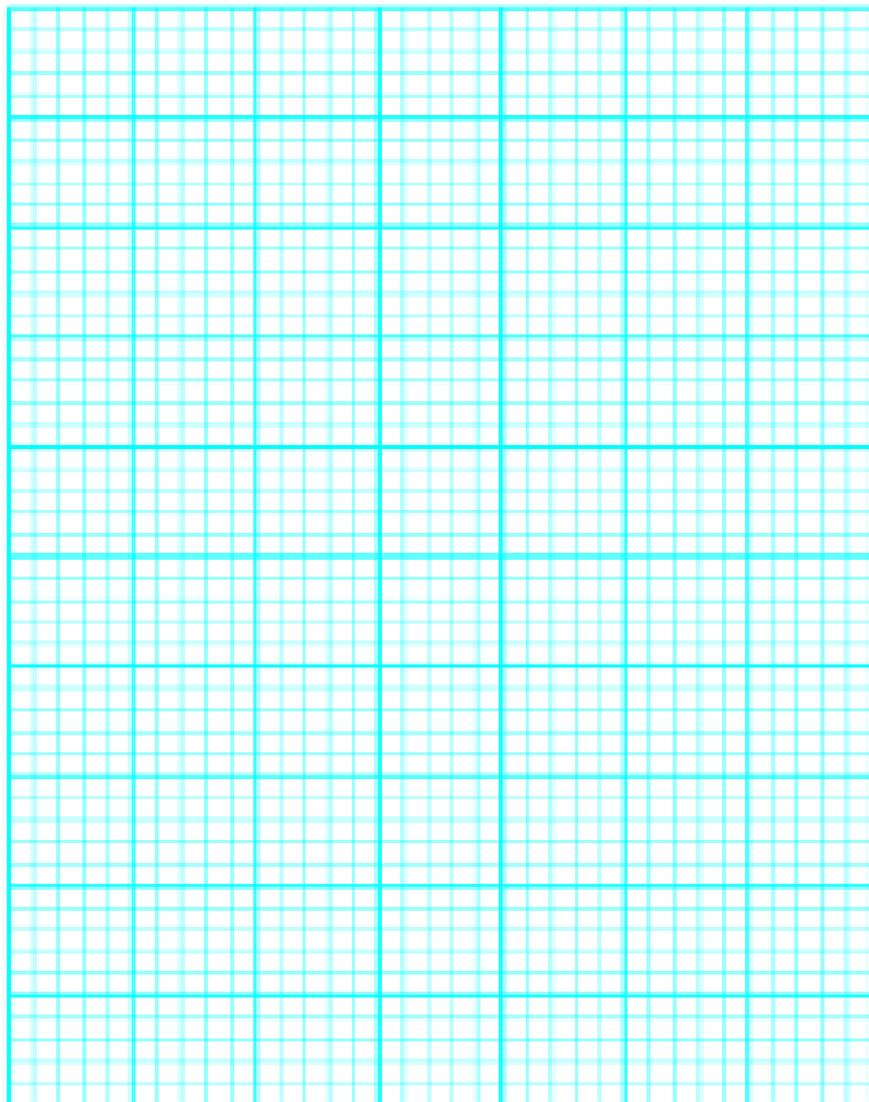
1. Use the Break Even Formula to give the break-even point for the following (2 marks)

Fixed Cost per week = £5,000 Variable Cost each = £ 5 Selling Price each = £ 25	
Fixed Cost per week = £250 Variable Cost each = £ 25 Selling Price each = £ 37.50	
Fixed Cost per week = £10,000 Variable Cost each = £ 50 Selling Price each = £ 75	
Fixed Cost per week = £20,000 Variable Cost each = £ 5 Selling Price each = £ 9	
Fixed Cost per week = £100 Variable Cost each = £ 5 Selling Price each = £ 10	
Fixed Cost per week = £200 Variable Cost each = £ 3 Selling Price each = £ 7	
Fixed Cost per week = £3000 Variable Cost each = £ 6 Selling Price each = £ 10	

2. Use the information below to complete a break even table and draw a break even chart (2 marks)

Fixed Costs are £100 per week, Variable Costs are £3 and Selling Price is £5

Units	FC	VC	TC	Sales	Profit (Loss)
0					
10					
20					
30					
40					
50					
60					
70					



3. Use the information below to calculate the margin of safety and comment on which product has the highest margin of safety and which has the lowest margin of safety. (2 marks)

Product	Actual Output	Break-Even Output	Margin of Safety
Beta	1000	500	
Gamma	5000	3000	
Delta	350	200	
Epsilon	150	80	

Highest margin of safety _____

Lowest margin of safety _____

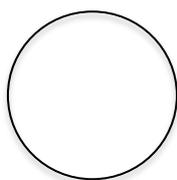
4. State and explain **one advantage** of break-even and **one disadvantage** of break-even. (4 marks)

Advantage _____

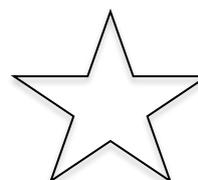
Disadvantage _____

Feedback

Currently working



Target



 *This work is good because.....*

 *To help you attain your target grade you must.....*

Reflection

1. How much effort do you feel you put into this piece of work?	
2. What did you learn from this topic?	
3. What could you have done to improve this piece of homework?	<i>To improve this piece of homework I could have.....</i>
4. Write a target for the next piece of homework	<i>In the next piece of homework I will.....</i>
5. Any other comments or reflections?	

Homework activity 5			
Date set		Date due	
Topic(s)	Cash flow		

Fizzypop Soft drinks

Sue has been helping a friend to re-fill soft drink dispensing machines. She now has the opportunity to take on the franchise from her friend who is starting university in September. The franchise is fairly simple. She must purchase a minimum quantity of juice each month. The minimum is £150. This has to be paid immediately, as the supplier does not allow any credit. With this amount of stock her friend has been making sales of £450 per month. This however is not received until two months later. Other expenses include van rental of £100 per month and other costs which total £100 each month. Sue has £50 in the bank and her father has offered her a loan of £400.

QUESTIONS:

1. Assuming that Sue starts the business in January, construct a cash flow forecast for the first six months (2 marks)

	January	February	March	April	May	June
Sales						
Bank						
Loan income						
TOTAL INCOME						
Juice purchases						
Van rental						
TOTAL EXPENSES						
Opening Balance						
Net cash flow						
Closing balance						

2. Comment on the cash flow forecast (2 marks)

3. Suggest and discuss possible solutions to any problems you can see (2 marks)

4. Do you think she should take on the franchise? Explain your answer (2 marks)

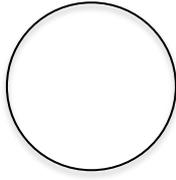
CASH FLOW PROBLEMS AND POSSIBLE SOLUTIONS

5. Complete the table below to show possible solutions and other factors to consider (2 marks)

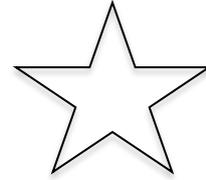
PROBLEM	POSSIBLE SOLUTION	FACTORS FOR CONSIDERATION
<p>A supplier has increased their prices by 10% as a result of increased fuel and transportation costs</p>		
<p>A customer has asked if you will do a one off production order for them which will involve the purchase of a large amount of raw materials and extra labour hours in order to fulfill. The profit margin on this order is very attractive but the initial outlay is a concern</p>		
<p>The taxman has been in touch this week and has informed you that there is an outstanding amount owed of £20,000 which you have not allowed for in your accounting. The payment is due in only 2 weeks otherwise heavy fines will be incurred</p>		
<p>The government has just announced a rise in the minimum wage level of 12% which will increase your outgoings significantly, this coupled with recent rises in interest rates is a major concern especially as sales have seen a downturn over recent months</p>		

Feedback

Currently working



Target



 *This work is good because.....*

 *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 6

Date set		Date due	
Topic(s)	Sources of finance		

1. The following are some of the sources of finance which firms use:
 - a. Shares
 - b. Bank loans
 - c. Retained profit
 - d. Trade credit
 - e. Hire purchase

Which two of these sources would you recommend to a private limited company to use to pay for new equipment costing £80,000? Give reasons for your choices (2 marks)

2. Explain why governments give grants to firms to help finance new equipment? (1 mark)

3. Pleasurewear plc's board of directors has considered the following methods of financing the building of a new clothing factory:

- a. Bank overdraft
- b. Bank loan
- c. Retained profit

Which **one** method of financing would you recommend to the board of directors? Give **two** reasons for your choice (2 marks)

4. Explain why you have rejected the other two methods of finance. In each case give a reason for your choice. (2 marks)

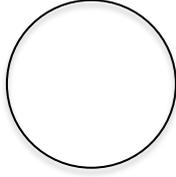
5. Explain why it is important to consider the following before choosing a method of finance: (2 marks)

- a. The length of time
- b. The risk involved

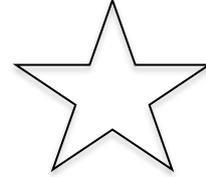
6. The opportunity cost of building the new factor is replacement of old machinery in Pleasurewear plc's other two factories in the UK. Explain what is meant by the term 'opportunity cost'. (1 mark)

Feedback

Currently working



Target



 *This work is good because.....*

 *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 7

Date set		Date due	
Topic(s)	Why does the government promote competition?		



Example of banks in Hendoville

1. Hendoville has several branches of each of the 'big 4' banks as well as branches of other banks and building societies.

a. State and explain two advantages and two disadvantages to the buyers of financial products that this competition will bring. (3 marks)



In Painville there is only 1 petrol station for all the residents. The nearest other station is 12 miles away in Youngtown. The petrol station in Painville could be said to have a 'monopoly'.

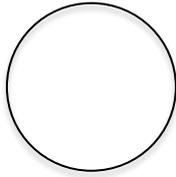
- a. What is meant by a monopoly? (2 marks)
- b. Why should the government control monopolies? (5 marks)

a. _____

b. _____

Feedback

Currently working



Target



😊 *This work is good because.....*

★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 8			
Date set		Date due	
Topic(s)	Environmental influences		

1. Bestie Books print books on behalf of publishers from a factory. They want to reduce the impact they have on the environment by making the factory more environmentally friendly. State and explain two ways they could do this. (2 marks)

2. Aston Plastics plc is based in the UK. It refines oil into plastic. It competes with other plastic producers in the EU and some non-EU Eastern European countries and the Far East.

The EU has decided to increase the cost of the carbon credits that firms must buy if they wish to put carbon dioxide in to the atmosphere. As a plastics producer, Aston Plastics plc produces a lot of carbon.

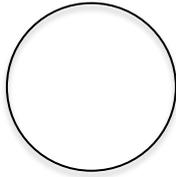
a. Explain how the rise in the cost of the carbon credits will affect the competitiveness of Aston Plastics plc when competing against (i) the other EU producers and (ii) the non-EU Eastern European producers. (2 marks)

the other EU producers _____

the non-EU Eastern European producers _____

Feedback

Currently working



Target



😊 *This work is good because.....*

★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 9			
Date set		Date due	
Topic(s)	Ethics		

Sports Direct founder Mike Ashley admits pay errors

7 June 2016 BBC News (<http://www.bbc.co.uk/news/business-36465404>)

Sports Direct's founder Mike Ashley has admitted workers at its Derbyshire warehouse were paid below the minimum wage and its policy of fining staff for being late was unacceptable.

HMRC is investigating the firm over the minimum wage issue, Mr Ashley told MPs. An internal investigation had discovered "some issues" with working practices at the warehouse, which he had "hopefully" addressed, he said. The firm had "probably" outgrown his ability to run it, Mr Ashley agreed. He said much of what he'd found out, after starting an internal investigation into how staff were treated at its Shirebrook distribution centre six months ago, was an "unpleasant surprise".

"I can accept the criticism of some of the things that you've said to me today would actually lead me to believe that it's definitely outgrown me... that's shocked me what you've said to me today," Mr Ashley said. He was addressing MPs following a **Guardian report** last year that workers at the sportswear chain's warehouse had been subjected to rigorous searches and surveillance, leading to staff receiving under the minimum wage. **And a BBC investigation** found ambulances were called out to Sports Direct's complex at Shirebrook, in Derbyshire, 76 times in two years.

'Culture of fear'

"In the warehouse there is a culture of fear," Luke Primarolo from the Unite union told MPs at the hearing. "People are scared. Union officials said the Derbyshire distribution centre operated a "strike system" for misdemeanours where staff were given "a strike" for things such as spending too long in the toilet, excessive chatting or taking a day off sick. Once an employee had six strikes they were automatically dismissed. "When you

have people under that much fear they come into work ill and that creates a significant health and safety risk," said Steve Turner, assistant general secretary of Unite.

Security checks

In one case, he said an employee had given birth in a toilet at the warehouse, due to fear of losing her job if she called in sick. He said workers had likened the conditions to a "gulag", or "labour camp" and described the conditions as "19th century working practices". Mr Ashley defended the disciplinary system, saying it was necessary but had to be executed correctly.

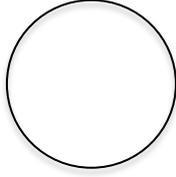
His test, he told MPs, was whether you would want your son and daughter working in that system. "If the answer is no, it should be changed," he said. It's been said Mike Ashley is often kept away from the media because of his tendency to speak openly and sometimes too frankly. And having protested loudly about not needing to defend himself to MPs, the usually outspoken and bombastic boss of Sports Direct showed a more human side. Before a packed public gallery, which included ex-Sports Direct workers, he admitted some of his employees may have been paid below the minimum wage last year, before security checks at the company's warehouse in Shirebrook were streamlined. But to a certain extent, he did hold up his hands and said an internal investigation would "go on forever". He also said he would allow "impartial people" to carry out a review of the company if he was asked to.

1. State and explain **two** ethical issues identified in the case study (2 marks)

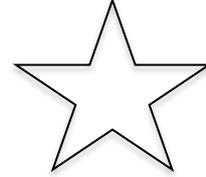
2. Explain how customers and shareholders might react to publicity like this (2 marks)

Feedback

Currently working



Target



😊 *This work is good because.....*

★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Homework activity 10			
Date set		Date due	
Topic(s)	The government and business		

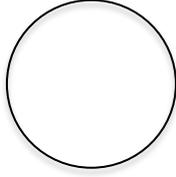
George Weir runs 'Good Sport' a shop in Burton that sells sports goods.

1. George has taken out a loan of £80,000 to build an expansion to his shop. The interest rate on the loan is 10%. Calculate how much interest George will pay on the loan in the first year. Show your working. (2 marks)

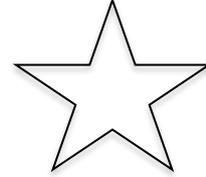
2. Explain how George's business is likely to be affected by a recession in which consumer incomes fall in the UK economy. (2 marks)

Feedback

Currently working



Target



 *This work is good because.....*

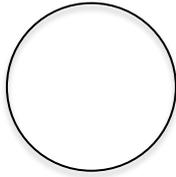
 *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Feedback

Currently working



Target



😊 *This work is good because.....*

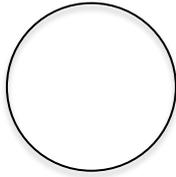
★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	

Feedback

Currently working



Target



😊 *This work is good because.....*

★ *To help you attain your target grade you must.....*

Reflection

<p>1. How much effort do you feel you put into this piece of work?</p>	
<p>2. What did you learn from this topic?</p>	
<p>3. What could you have done to improve this piece of homework?</p>	<p><i>To improve this piece of homework I could have.....</i></p>
<p>4. Write a target for the next piece of homework</p>	<p><i>In the next piece of homework I will.....</i></p>
<p>5. Any other comments or reflections?</p>	