

Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

Each answer shows the steps, then the **result**.

2.1

- quality control checks finished products and removes faulty ones at the end; quality assurance builds quality into every stage to prevent faults (2 for a clear difference; 1 for a partial idea)

2.2

- an approach in which every worker takes responsibility for quality, aiming for zero faults (2 for a clear definition; 1 for a partial idea)

2.3

- any two of: repeat custom; can charge a higher price; protects the brand; lower cost of waste and returns (1 + 1)

3.1

- [3] **AO1** 1 — name a benefit (repeat custom; higher price; less waste; stronger brand). **AO2** up to 2 — develop it, e.g. good quality wins repeat customers
- steady sales
- a stronger, more valuable brand (2 developed / 1 limited)

3.2

- [8] For **each** of two benefits: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *fewer faults*: quality built in at each stage
- faults caught early, not at the end
- less waste and rework. *Better reputation*: consistent quality
- customers trust the brand
- repeat sales and loyalty. Maximum 4 per benefit, 8 total

3.3

- [12] **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Quality control**: simple and cheap to start, faults caught before sale — but it finds faults late, after money is spent, and wastes rejected output. **TQM**: prevents faults and involves all staff
- lower long-run cost and higher quality — but it needs training, a culture change and time. Judgement: TQM is usually better long term, but a firm with a quick problem or limited resources may start with control — the choice depends on the cost of faults and the firm's ability to change its culture

3.4

Current cost $40 \times 10 = \$400$; proposed cost $180 + 15 \times 10 = \$330$; predicted saving \$70; a contextual limitation, such as uncertain defect reduction or omitted customer/production

effects, with explanation.