

Exercise walk-through

4.3

Achieving quality production

IGCSE Business Studies

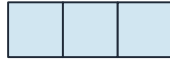
Methods of production

job



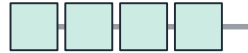
one unique
item at a time

batch



a group, then
switch to another

flow



a non-stop
line

- training workers,
- using better machines and **technology**,
- improving **motivation**,
- organising the work better.

The production methods, and the break-even chart

Job production

One unique item at a time: a wedding cake, a bridge. Skilled, flexible, and dear per unit.

Batch production

Batch production makes a group of identical items, then switches – bread of one kind, then another. Setup time between batches is the cost.

Flow production

Continuous, identical output on a line: lowest unit cost, highest setup cost, and no flexibility.

Break-even chart

A **break-even chart** plots total costs against sales revenue: they cross at the break-even output, and the gap beyond it is profit.

Choose the method from the order: unique, grouped, or identical and endless. **Tariffs** and transport costs are what pull production nearer the market.

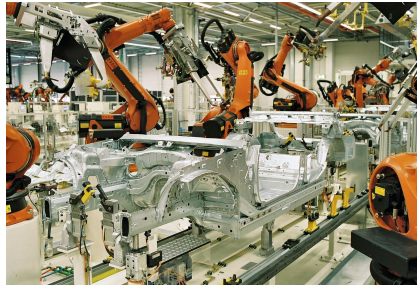
Productivity and lean production

productivity

output per worker; raise it with training, technology & motivation

lean production

cut all waste; **just-in-time** holds little **inventory**



Industrial robots

Exercises 2.1-2.3

2.1 Define the term *quality*.

[2]

2.2 State the difference between *quality control* and *quality assurance*.

[2]

2.3 Identify two benefits to a business of producing good-quality products.

[2]

Exercises 2.1-2.3

2.1 Define the term *quality*. [2]

2.1

- **quality** means a product is **good enough for what customers need** (K)
-

2.2 State the difference between *quality control* and *quality assurance*. [2]

2.2

- **quality control**: checks **finished** goods and removes faults (K)
 - **quality assurance**: builds quality into **every stage** to prevent faults (K)
-

2.3 Identify two benefits to a business of producing good-quality products. [2]

2.3

- any **two** of: strong brand and loyalty / fewer returns / can charge a higher price (K, K)

Exercises 3.1-3.2

3.1 Identify two problems caused by poor quality.

[2]

3.2 Explain two benefits to a business of using quality assurance.

[6]

Exercises 3.1·3.2

3.1 Identify two problems caused by poor quality. [2]

3.1

- any **two** of: lost customers / damaged brand / more returns / wasted materials (K, K)
-

3.2 Explain two benefits to a business of using quality assurance. [6]

3.2

- for **each** of two benefits: K + An, max 3 each
- e.g. **fewer faults**: quality at each stage → faults caught early → less waste
- e.g. **better reputation**: consistent quality → trust → repeat sales

Exercises 3.3-3.4

3.3 Do you think quality is the most important factor in a product's success? Justify your answer. [6]

3.4 A fictional bakery checks finished loaves but repeatedly finds incorrect weights. Propose a quality-assurance change and explain a chain of two benefits in this context, then state one cost to consider. [4]

Exercises 3.3-3.4

3.3 Do you think quality is the most important factor in a product's success? Justify your answer. [6]

3.3

- **for:** poor quality loses customers and damages the brand
- **against:** price, promotion and place also matter
- **judgement (Ev):** quality is a key factor, not always *the* most important – it depends on the product and market

3.4 A fictional bakery checks finished loaves but repeatedly finds incorrect weights. Propose a quality-assurance change and explain a chain of two benefits in this context, then state one cost to consider. [4]

3.4

Calibrate scales, standardise portioning or train staff with process checks; prevents incorrect loaf weights; reduces waste/complaints and can encourage repeat customers; a relevant training, equipment or checking-time cost.