

4.1 Production of goods and services

Name: _____ Class: _____ Date: _____

Total: 20 marks

KEY WORDS production • batch • inventory • cost • technology

Objective

Build the skills to answer exam questions on **production of goods and services**

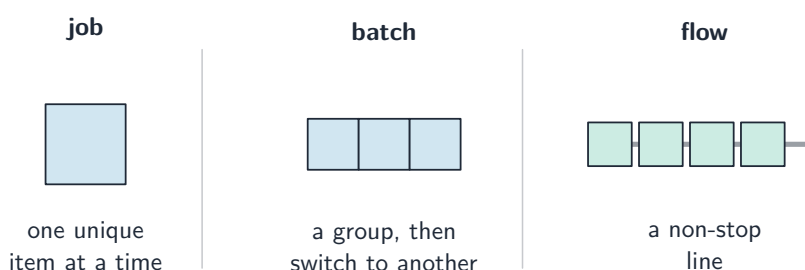
– the **methods of production** (job, batch, flow), **productivity**, **lean production** and **just-in-time** (JIT).

You must be able to:

- describe job, batch and flow production
- explain productivity and how to raise it
- explain lean production and JIT inventory

1 Key knowledge and worked examples

■ Methods of production



Job (one item), batch (a group), flow (non-stop)

- **Job** : one item to order (a wedding cake). **Batch** : a group, then switch. **Flow** : non-stop line (cars) – low unit cost but needs high demand.
- **Productivity** : output per worker/machine; raise it by training, technology, motivation.
- **JIT** : materials arrive as needed → little **inventory** → low storage cost, but a late delivery stops production.

Answer shapes: K + App + An + Ev (a justified judgement, for “do you think”)

questions).

2 Practice

2.1 Define the term *productivity*. [2]

2.2 State the difference between *job* and *flow* production. [2]

2.3 Define the term *just-in-time (JIT)*. [2]

3 Exam-style questions

3.1 Identify two ways a business could raise its productivity. [2]

3.2 Explain two benefits to a manufacturer of using flow production. [6]

3.3 A furniture maker produces special, made-to-order pieces. Do you think it should switch to flow production? Justify your answer. [6]

Solutions

IGCSE Business answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

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

2.1

- **productivity** is how much output each worker or machine produces in a **set time** (K)

2.2

- **job**: one item at a time to order (K)
- **flow**: goods non-stop on a moving line (K)

2.3

- **JIT**: materials arrive **just as they are needed**, so little inventory is held (K)

3.1

- any **two** of: train workers / better machines / improve motivation / organise work better (K, K)

3.2

- for **each** of two benefits: K + An, max 3 each
- e.g. **low unit cost**: machines run non-stop → economies of scale
- e.g. **consistent quality**: a standard line → fewer faults

3.3

- **for**: flow lowers unit cost and raises output
- **against**: this maker sells **made-to-order** pieces, so **job production** fits
- **judgement (Ev)**: keep job production – flow only suits high, steady demand for identical goods