4.1 Production of goods and services

Name: _____ Class: _____ Date: _____ **Total: 20 marks**

KEY WORDS production • batch • inventory • cost • technology

Objective

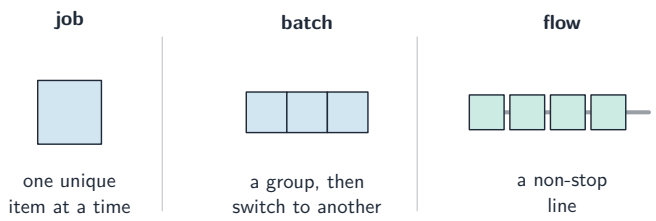
Build the skills to answer exam questions on **production of goods and services** – the **methods of production** (job, batch, flow), **productivity**, **lean production** and **just-in-time** (JIT).

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]