4. Operations management

Starter Quiz ·

IGCSE Business Studies Name: _____ Score: _____

1. 6 workers produce 300 units a day. What is productivity (units per worker)?

   _____

2. Which is a fixed cost?

   ☐ power used by machines

   ☐ factory rent

   ☐ piece-rate wages

   ☐ raw materials

3. Quality control mainly involves:

   ☐ inspecting finished products to catch faults

   ☐ building quality into every stage

   ☐ cutting prices

   ☐ ignoring quality

4. For a high-street shop, the most important location factor is usually:

   ☐ a remote rural site

   ☐ closeness to a coal mine

   ☐ distance from all towns

   ☐ closeness to customers

5. Making a single, unique product to order is:

   ☐ lean production

   ☐ batch production

   ☐ flow production

   ☐ job production

6. Selling price is 12 and variable cost per unit is 8. What is the contribution per unit?

   _____

7. Quality assurance focuses on:

   ☐ lowering wages

   ☐ inspecting only at the end

   ☐ increasing waste

   ☐ preventing faults at every stage

8. Which are location factors? (Select all that apply.)

   ☐ labour costs

   ☐ government incentives

   ☐ the owner's favourite colour

   ☐ transport links

   Tick every correct option.

9. Just-in-time production aims to hold large buffer stocks of materials.

   ☐ True ☐ False

10. Fixed costs are 1,600 and contribution per unit is 4. What is the break-even output (units)?

    _____

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Answers ·

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1. **50**

   300 ÷ 6 = 50 units per worker.

2. **factory rent**

   An agreed rent is fixed within the stated period and capacity; it need not stay the same for every future building or lease.

3. **inspecting finished products to catch faults**

   QC inspects the end product.

4. **closeness to customers**

   Shops need footfall – closeness to customers.

5. **job production**

   Job production makes one bespoke item at a time.

6. **4**

   Contribution = 12 − 8 = 4.

7. **preventing faults at every stage**

   QA designs quality in so faults do not occur.

8. **labour costs; government incentives; transport links**

   Transport, costs and incentives matter; the last does not.

9. **False**

   False. JIT brings materials in only as they are needed, so it aims to hold as little stock as possible and cut storage costs.

10. **400**

    Break-even = 1,600 ÷ 4 = 400 units.