Solutions

Marking: **K** knowledge, **App** use of the case or data, **An** analysis (a chain of reasons: cause, then effect), **Ev** evaluation (a judgement with a reason). In calculations, **M1** is for the method and **A1** for the answer; **B1** is an independent mark.

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

2.1

$AP = £2.90$; price $(2.90 - 3) \times 2{,}100 = £\mathbf{210}$ F

usage $(2{,}100 - 2{,}000) \times 3 = £\mathbf{300}$ A

total £**90** A

2.2

$SH = 500$

rate $(11.50 - 12) \times 540 = £\mathbf{270}$ F

efficiency $(540 - 500) \times 12 = £\mathbf{480}$ A

2.3

$(3{,}700 - 4{,}000) \times 3.40 = £\mathbf{1{,}020}$ A

2.4

(a) favourable

(b) adverse

3.1

(a) $SQ = 0.25 \times 4{,}200 = \mathbf{1{,}050}$ kg; standard cost £**2**,**520**

(b) $AP = £2.30$; price $(2.30 - 2.40) \times 1{,}100 = £\mathbf{110}$ F; usage $(1{,}100 - 1{,}050) \times 2.40 = £\mathbf{120}$ A; total $2{,}530 - 2{,}520 = £10$ A ✓

(c) the cheaper flour may be lower quality, so more is wasted; the price gain is cancelled by the usage loss, so purchasing should not be praised alone

3.2

(a) $(6.20 - 6.50) \times 3{,}800 = £\mathbf{1{,}140}$ A

(b) $(3{,}800 - 4{,}000) \times 3.40 = £\mathbf{680}$ A

(c) the cut lost £1,140 of revenue and still did not reach budget volume; demand fell for another reason, e.g. a rival or the season, so the cut did not work

3.3

(a) $1{,}200 - 600 - 900 = £\mathbf{300}$ A

(b) **5–6**: for: purchasing met its own target, and price is what it controls (An); against: its choice caused the kitchen's £1,500 of adverse variances, so Nimbus is £300 worse off (App)(An); paying for one branch encourages buying cheap inputs that cost more later (Ev); judgement, e.g. no bonus this quarter; judge purchasing on total materials and labour cost, or agree a quality standard for flour (Ev). **3–4**: one side analysed, or both without a judgement. **1–2**: relevant points.

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