

**Kibworth Mead Academy**  
**GCSE Business Studies**

***Unit 4: Operations***  
***Revision Guide***



---

Name:

Target grade:

---

## Table of contents

Page 3:	Unit overview
Page 4:	Personalised learning checklist
Page 6:	Glossary/Key terms
Page 8 :	Exam top tips
Page 9:	Exam structures
Page 10:	4.1 Production Processes
Page 14:	4.2 Quality of Goods and Services
Page 16:	4.3 The Sales Process and Customer Service
Page 21:	4.4 Consumer Law
Page 24:	4.5 Business Location
Page 26:	4.6 Working with suppliers
Page 28:	Blank Revision clocks
Page 30:	Possible/Practice exam questions
Page 33:	Self-review of topic
Page 34:	Additional support resources

## Unit 4: Operations-An overview

Paper 2: Operations, Finance and Influences on Business		
Content overview	Assessment overview	
<p><b><u>Operations</u></b> Finance Influences on Business</p>	<p>Business 2 80 marks 1 hour 30 minute paper</p>	<p>50% of total GCSE</p>

Topic	Content	
4.1 Production processes	<ul style="list-style-type: none"> <li>▪ Different production processes and their impact on businesses</li> <li>▪ The influence of technology on production and the impact on businesses</li> </ul>	
4.2 Quality of goods and services	<ul style="list-style-type: none"> <li>▪ The concept of quality</li> <li>▪ Methods of ensuring quality</li> <li>▪ The importance of quality in both the production of goods and the provision of services</li> </ul>	
4.3 The sales process and customer service	<ul style="list-style-type: none"> <li>▪ Methods of selling</li> <li>▪ The influence of e-commerce on business activity</li> <li>▪ The importance to a business of good customer service including after-sales service</li> <li>▪ The contribution of product knowledge and customer engagement to good customer service</li> </ul>	
4.4 Consumer law	<ul style="list-style-type: none"> <li>▪ The impact of consumer law on business</li> </ul>	
4.5 Business location	<ul style="list-style-type: none"> <li>▪ Factors influencing business location</li> </ul>	
4.6 Working with suppliers	<ul style="list-style-type: none"> <li>▪ The role of procurement</li> <li>▪ The impact of logistical and supply decisions on businesses</li> </ul>	

## Personalised Learning Checklist

Complete the checklist below to rate your understanding of each of the topics in  
Unit 4: Operations

Tick the relevant column to identify your learning and understanding of each of the areas studied.

### Unit 4: Operations



4.1 Production Processes			
Different production processes and their impact on businesses ○ Job, batch, flow			
The influence of technology on production and the impact on businesses ○ Automation, computers and robotics			

4.2 Quality of Goods and Services			
The concept of quality			
Methods of ensuring quality ○ Quality control, quality assurance			
The importance of quality in both the production of goods and the provision of services ○ Reputation of the business, to gain and retain customers, reduce product returns and recalls			

4.3 The Sales Process and Customer Service			
Methods of selling ○ E-commerce, face to face, telesales			
The influences of e-commerce on business activity			
The importance to a business of good customer service including after-sales service ○ To gain and retain customers			
The contribution of product knowledge and customer engagement to good customer service			

4.4 Consumer Law			
The impact of consumer law on businesses ○ Reputation of the business, safety and satisfactory quality of goods			

<b>4.5 Business Location</b>			
Factors influencing business location			
○ Costs, the proximity to markets, labour and materials			

<b>4.6 Working with Suppliers</b>			
The role of procurement			
○ Identifying goods and services to buy, choosing suppliers, ordering goods and services, receiving deliveries from suppliers			
The impact of logistical and supply decisions on businesses			
○ Time, length of supply chain, reliability of suppliers, costs, customer service			

## Glossary/Key Terms

In your exam you will be required to explain the meaning of a range of key terms.

In most cases 2 marks are available for demonstrating full understanding of the key term and 1 mark for providing a relevant example.

Complete the glossary below so that you have a full set of key term definitions with examples.

Key Term	Explanation	Example
Job production		
Batch production		
Flow production		
Automation		
Robotics		
Product processes		
Quality control		
Quality assurance		
Quality		
Returns		
Recalls		
e-commerce		
Customer service		
Customer engagement		

Click and collect		
Face to face selling		
Telesales		
After-sales service		
Product knowledge		
Fit for purpose		
As described		
Consumer law		
Satisfactory quality of goods		
Reputation		
Transport infrastructure		
Proximity		
Location		
Labour		
Raw materials		
Logistics		
Procurement		
Suppliers		

## Exam 'Top Tips'

### Multiple Choice Test Taking Tip

Come up with the answer in your head before looking at the possible answers, this way the choices given on the test won't throw you off or trick you.



Read the question carefully and decide on the answer.

Check the possible options and cross out the ones that are **definitely wrong!**

*"Be specific about what the product or service actually is. Use actual competitor names too"*

Read the question and the information very carefully. Some of your answers will come directly from the text!

**Highlight/underline** key information in the text

*"Follow the correct structures, you have been given them for a reason"*

### DO YOUR BEST TO BEAT THE TEST Test Taking Strategies

1. Three is key! **READ** the passage, **READ** the questions, **REREAD** the passage to find your answer.
2. Look back and highlight or underline **evidence** from the text that proves or supports your answer.

*"Where the question asks for TWO reasons/example/benefits, make sure you include TWO"*

*"If the question doesn't tell you how many to include, look at the number of marks available"*



### Test Taking Tip

**Use all your time. If you happen to finish the test before time is up, go back over the questions, especially the ones that seemed hard, and check your work.**

If you finish your paper before the 90 minutes are up

Check, check and check again!  
Ask yourself: So? Why? How? If?



## Exam Structures

Follow each of the structures below when answering your exam questions

<b>Explain [2 marks]</b>
Point
Explain <i>2 strands of information using a connective</i>

<b>Recommend [3 marks]</b>
Point
Explain <i>2 strands of information using a connective</i>
Impact
However

<b>Explain [4 marks]</b>
Point
Explain <i>2 strands of information using a connective</i>
Point
Explain <i>2 strands of information using a connective</i>

<b>Evaluate/Discuss [7/9 marks]</b>
Point 1
Explain positive <i>2 strands of information using a connective</i>
Impact
However
Explain negative <i>2 strands of information using a connective</i>
Impact
Point 2
Explain positive <i>2 strands of information using a connective</i>
Impact
However
Explain negative <i>2 strands of information using a connective</i>
Impact
In conclusion the business should..... The most important reason for this is.....because..... While they do need to consider..... I would still recommend.....for the business because.....

<b>Analyse [3 marks]</b>
Point
Explain <i>2 strands of information using a connective</i>
Impact

<b>Analyse [6 marks]</b>
Point
Explain <i>2 strands of information using a connective</i>
Impact
Point
Explain <i>2 strands of information using a connective</i>
Impact

## 4.1 Production Processes

Specification content	What you should know
Different production processes and their impact on businesses	✓ Job, batch and flow production
The influence of technology on production and the impact on businesses	✓ Automation, computers and robotics

### *Different production processes and their impact on businesses*

Businesses can use **job**, **batch** or **flow production** to manufacture goods. You need to be able to discuss the impact of these types of **production processes** on a business, both in terms of the positive impacts (advantages) and the possible negative impacts (disadvantages).

The table below identifies the advantages and disadvantages of the different **methods of production**.

Method of production	Advantages	Disadvantages
Job	<ul style="list-style-type: none"> <li>▪ The item is likely to be of a high quality and is a one-off, bespoke item (i.e. designed to meet the individual needs of the customer)</li> <li>▪ The business can often charge a high price and make a good profit</li> <li>▪ Workers are motivated by the satisfaction of completing each individual project - not boring</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can be a high cost method of production, especially if it requires skilled workers to produce the item</li> <li>▪ Production may be slow and the customer may have to wait for the product</li> </ul>
Batch	<ul style="list-style-type: none"> <li>▪ Batches can be varied to meet the needs of different customers</li> <li>▪ There are no storage costs if goods are made to order</li> <li>▪ It is cheaper than job production</li> </ul>	<ul style="list-style-type: none"> <li>▪ Machines need re-setting between different batches, which costs money and takes time</li> <li>▪ Stocks of raw materials may need to be stored - extra costs</li> <li>▪ Tasks may be repetitive and boring for workers, leading to motivation and staff retention problems</li> </ul>
Flow	<ul style="list-style-type: none"> <li>▪ Large quantities are produced for sale</li> <li>▪ The business may gain economics of large-scale production which can reduce unit costs - the use of machinery/automation can reduce costs</li> <li>▪ Use of computer controlled machinery allows some variation in products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mass-produced goods may not be of high quality</li> <li>▪ The business may need to store large stocks of materials ready for use on the production line</li> <li>▪ Production can be disrupted, for example, by a mechanical break-down</li> <li>▪ Tasks may be repetitive and boring for workers, leading to motivation and staff retention problems</li> </ul>

For each of the statements given in the table below, identify whether they are true or false.

Statement	True	False	Statement	True	False
Modern businesses do not use job production			Flow production workers are usually highly skilled		
Goods produced by flow production are usually made to suit the needs of individual customers			Job production workers are often highly skilled		
Flow production is suited to the manufacturer of upmarket sports cars			Goods produced by job production are usually high quality		
It is cheap to set up a flow manufacturing process			Many dangerous processes are best carried out by automated machinery		
Flow production is suited to large scale production			Supermarket in-store bakeries use the batch production method		
Job production does not require skilled labour			All businesses will try to introduce flow production		
Working in a batch production process can be repetitive and boring			Job production enables products to be made to suit the needs of individual customers		

Using the words below, fill in the gaps to complete the paragraph

There are several different types of production processes - job, \_\_\_\_\_ and flow. Each \_\_\_\_\_ will usually be appropriate for a particular \_\_\_\_\_. There are \_\_\_\_\_ for each type of production but it does not necessary follow that the \_\_\_\_\_ of one type of production can be overcome by changing to \_\_\_\_\_ of production. Much will depend on the \_\_\_\_\_ being produced, the \_\_\_\_\_ and the ease with which \_\_\_\_\_ can be introduced in to the production process.

**advantages and disadvantages**

**volume of production**

**disadvantages**

**product**

**process of production**

**another type**

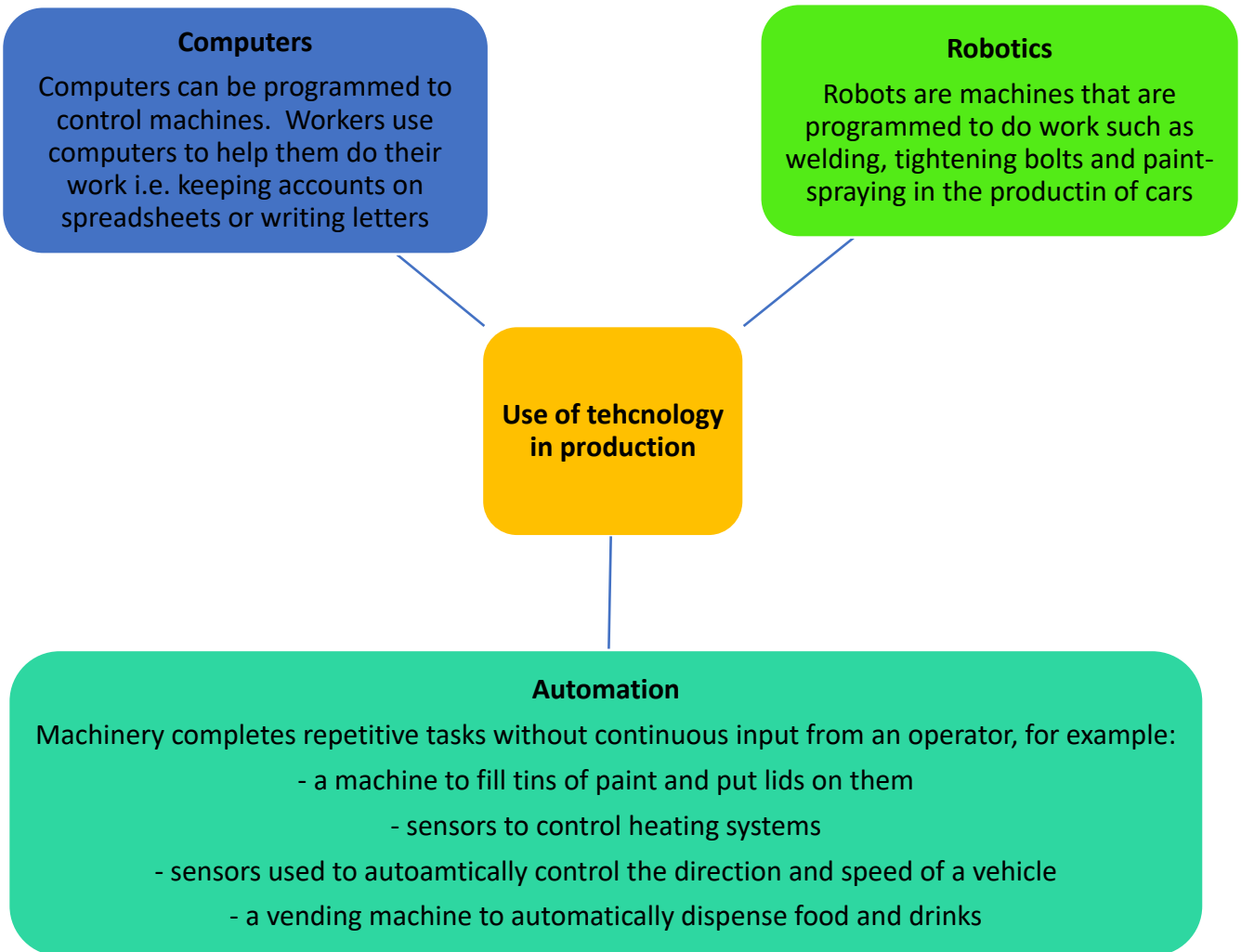
**batch**

**product**

**technology**

***Influence of technology on production and the impact on businesses***

**Automation, robotics** and **computers** are examples of how **technology** can be used in the production of goods and services. They are treated separately below but questions can be focused on technology in general.



The impacts of using **technology** in **production** is summarised in the table below.

Advantages of using technology in production	Disadvantages of using technology in production
Machines can replace workers, reducing costs.	Workers may be made redundant as they are no longer needed - technology can perform their job.
Worker productivity is increased as computers help them to work faster and produce more. This reduces costs.	The business may need to recruit skilled labour to program the computers which control production.
Waste is reduced as machines are usually more accurate than humans.	Workers may need to be retrained to work with the new technology and training costs money.

Production can be flexible as machines can be programmed to change what is produced.	Machines can break down, disrupting production.
Technology can operate 24/7 and never needs time off work, again reducing costs and increasing output.	New technology may be expensive to buy.
Human safety is improved as machines can do dangerous jobs.	Customers may not like automation, for example, automated telephone response systems.
New technology can lead to new products for businesses to sell.	The storage of data about customers must meet the requirements of data protection laws.

Be ready to explain that **technology** is being used more and more in all kinds of **production** because of the advantages it can bring. However, it is not always useful. For example, craft workers may still need to use their manual skills, for example, to paint or make pottery. Service workers may still need to use their manual skills, for example, hairdressers and nurses.

## 4.2 Quality of Goods and Services

Specification content	What you should know
The concept of quality	✓ Making goods and providing services to a desired, consistent standard
Methods of ensuring quality	✓ Quality control, quality assurance
The importance of quality in both the production of goods and the provision of services	✓ Reputation of the business, to gain and retain customers, reduce product returns and recalls

### *The concept of quality*

The concept of **quality** means the goods or services:

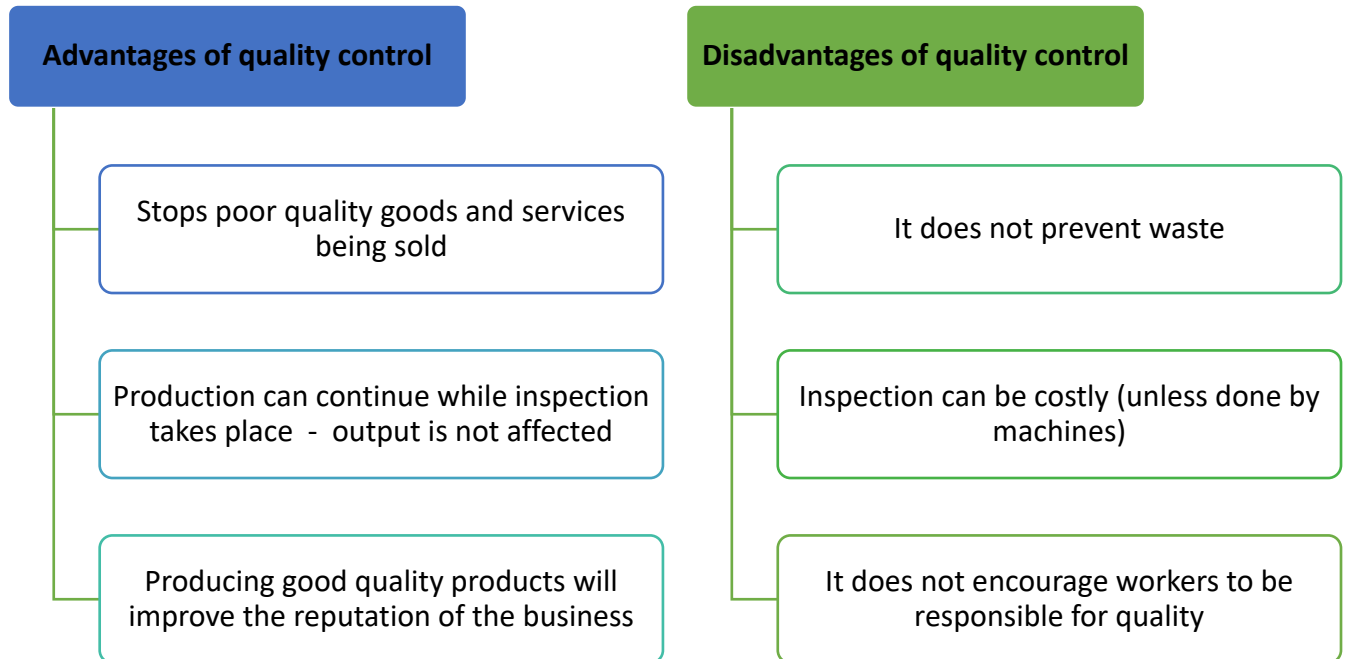
1. are fit for purpose - i.e. they do what they are supposed to do
2. comply with all relevant legal requirements, for example, design and safety legislation
3. do what the customer expects, for example, if the customer has paid for a high quality hotel, this is what should be provided

There are two main benefits to providing **quality** goods and services. These are outlined in the diagram below.

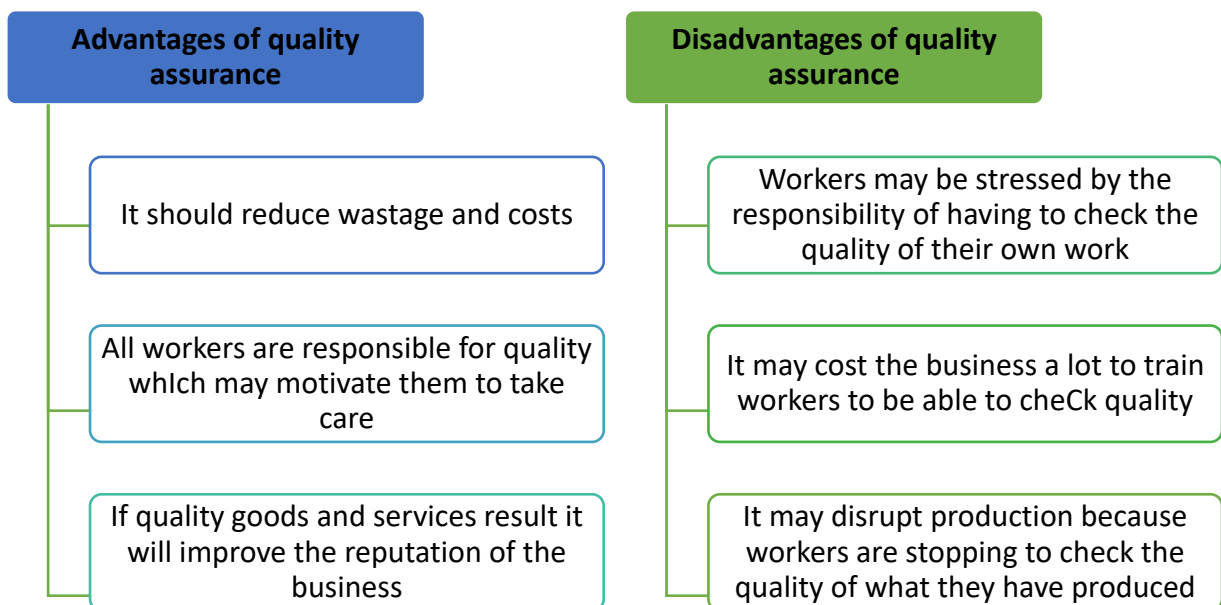


## Methods of ensuring quality

**Quality control** usually involves a physical inspection by an inspector or by a machine to check each product is of a sufficiently high standard. For services, it may involve a mystery shopper buying a product in a shop or buying a service.



**Quality assurance** is another method of ensuring quality. A firm that uses **quality assurance** makes all its workers responsible for quality. If a worker makes something which is then used by another worker, the second worker is a 'customer' of the first who needs to be satisfied that he or she has been given a product that is of a high enough quality.



### 4.3 The sales process and customer service

Specification content	What you should know
Methods of selling	✓ E-commerce, face to face, telesales
The influence of e-commerce on business activity	✓ The need to set up specific departments to handle e-commerce sales such as dedicated website and technical staff, click and collect areas in store
The importance to a business of good customer service including after-sales service	<ul style="list-style-type: none"> <li>✓ Providing good customer service will allow businesses to gain customers from competitors and retain current customers</li> <li>✓ Guarantees, help lines, ability to return goods, customer service areas or 'chats' for online businesses</li> </ul>
The contribution of product knowledge and customer engagement to good customer service	✓ Customers will expect employees to have knowledge of the products and be able to engage with the customer during the process of making a sale

#### Methods of selling

The three methods of selling that you need to know are **e-commerce**, **face to face** and **telesales**. These methods can be used to sell both goods and services and to sell to consumers and other businesses.

**E-commerce** is dealt with in the next section of this revision guide but it refers to selling using technology, usually online. The table below identifies the advantages and disadvantages of **face to face selling** and **telesales**.

Method	Advantages to the customer	Advantages to the business	Disadvantages to the customer	Disadvantages to the business
<i>Telesales</i> The buyer buys from a telesales worker over the phone	<ul style="list-style-type: none"> <li>▪ Customers can ask questions about the product</li> <li>▪ Customer can bargain about the price i.e. renewing Sky TV contacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can increase sales</li> <li>▪ May cost less than selling from a shop - no rent to pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sellers may 'cold call' which can be a nuisance to customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Costs involved such as a warehouse to store goods</li> <li>▪ Need to train staff - costs the business to do this</li> </ul>
<i>Face to face selling</i>	<ul style="list-style-type: none"> <li>▪ Useful where customers like</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can increase sales</li> </ul>	<ul style="list-style-type: none"> <li>▪ May not always be</li> </ul>	<ul style="list-style-type: none"> <li>▪ If the customer bargains with</li> </ul>



When the buyer and seller physically meet, for example, in a shop	<p>advice and personal service from assistants i.e. when choosing a wedding dress or for detailed information about a holiday destination</p> <ul style="list-style-type: none"> <li>▪ For some services it may be unavoidable for example, restaurant meals or hairdressing</li> <li>▪ The customer can bargain with the seller over the price of the service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can help sales in business-to-business selling</li> </ul>	convenient for customers - think location	<p>the seller for a better deal, profits may be reduced</p> <ul style="list-style-type: none"> <li>▪ Retailer costs are high if expensive shops are needed</li> </ul>
---	---	--	---	---

***Influence of e-commerce on business activity***

The influence of **e-commerce** on businesses is summarised in the diagram below.



The table below summarises the advantages and disadvantages of **e-commerce** to the business.

Advantages to the business	Disadvantages to the business
<ul style="list-style-type: none"> <li>▪ Markets have increased as businesses can now sell more easily around the world</li> <li>▪ It is possible to sell 24/7</li> <li>▪ The costs of selling are usually lower as a result of savings on rental of premises and a reduction in the number of workers that need to be employed</li> <li>▪ Web designers can make businesses appear attractive at little cost</li> </ul>	<ul style="list-style-type: none"> <li>▪ Competition has increased, including greater competition from abroad</li> <li>▪ Delivery systems need to be organised as well as ways of dealing with the increase in goods that are returned</li> <li>▪ E-commerce businesses need to provide cyber security for themselves and their customers</li> <li>▪ As technology develops so must the e-commerce business, which can add to costs and lead to changes in the operation of the business and the workers it needs</li> </ul>

The table below summarises the advantages and disadvantages of **e-commerce** to the customers.

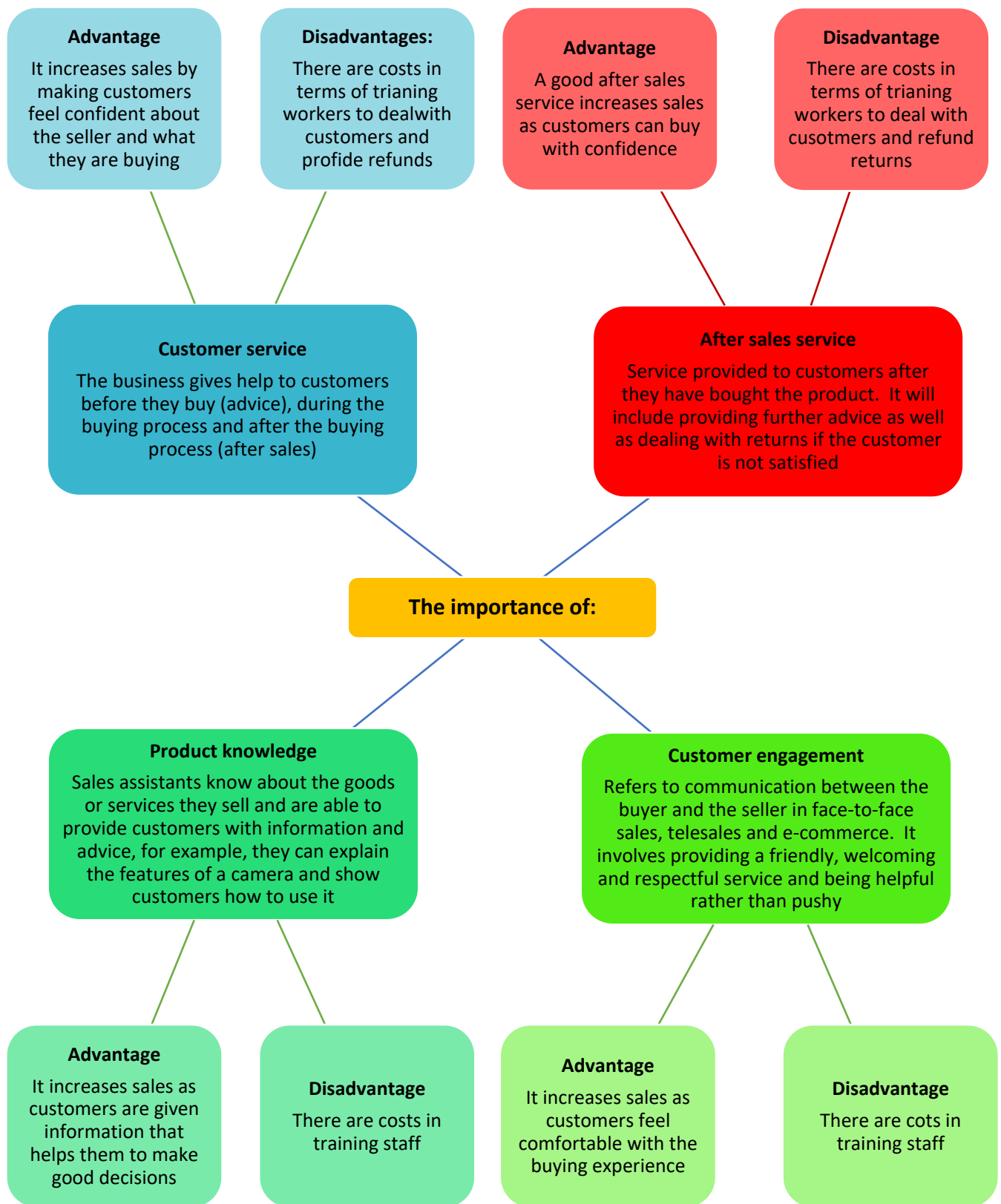
Advantages to the customer	Disadvantages to the customer
<ul style="list-style-type: none"> <li>▪ Online selling has made it easier for customers to compare prices and find the best deals</li> <li>▪ Customers can buy 24/7</li> <li>▪ Choice has increased because customers can buy from sellers around the world</li> <li>▪ Customers can shop at their convenience</li> </ul>	<ul style="list-style-type: none"> <li>▪ It is impersonal and so customers may not be able to ask questions (unless online chat facilities are available)</li> <li>▪ Goods are bought as seen and described on the website and they may not be what is wanted when they arrive. Customers must return the goods, often at their own cost</li> <li>▪ If the computer systems are not secure, customers may be at risk of personal data theft and bank fraud</li> <li>▪ Not everyone has access or can use computer technology</li> </ul>

For each of the following products, identify the suitability of selling different goods. There may be more than one option!

Product	E-commerce	Face to face	Telesales
An expensive sports car			
A CD			
Fresh vegetables			
Shoes			
A house			
Designer clothing			
Newspapers			
A laptop			

***Importance to a business of good customer service***

One of the most important reasons for good **customer service** is that it helps a business to gain and retain customers. The main areas of customer service, and the advantages and disadvantages of each are illustrated in the diagram below.



Using the words below, fill in the gaps to complete the paragraph

Customer service is important if a business wants to \_\_\_\_\_ or increase the level of \_\_\_\_\_. Customer service can be helped by staff having better \_\_\_\_\_ as this will increase their \_\_\_\_\_ knowledge and help with customer \_\_\_\_\_. Businesses that use e-commerce and \_\_\_\_\_ also have to provide good customer service, otherwise they will lose customers to competitors. \_\_\_\_\_ sales service is also important to any business as it is important to provide service after a product has been sold.

**telesales**

**sales**

**product**

**interaction**

**training**

**after**

**maintain**

## 4.4 Consumer Law

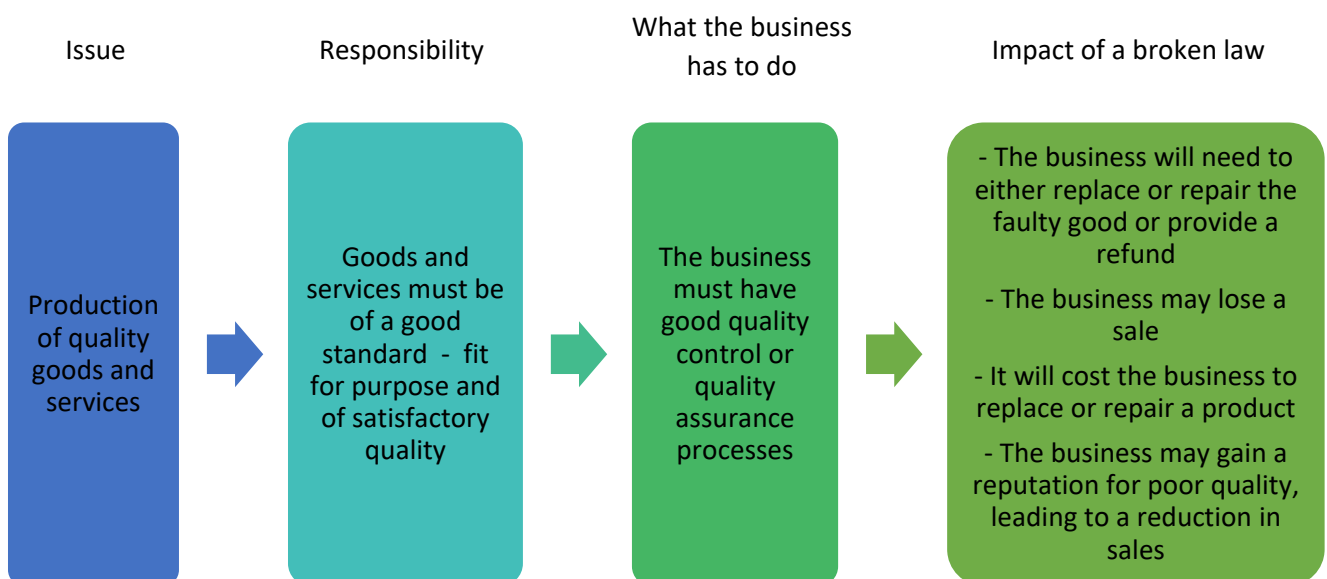
Specification content	What you should know
The impact of consumer law on businesses	<ul style="list-style-type: none"> <li>✓ Reputation of the business, safety and satisfactory quality of goods, complying with the law and the possible consequences of breaking the law</li> </ul>

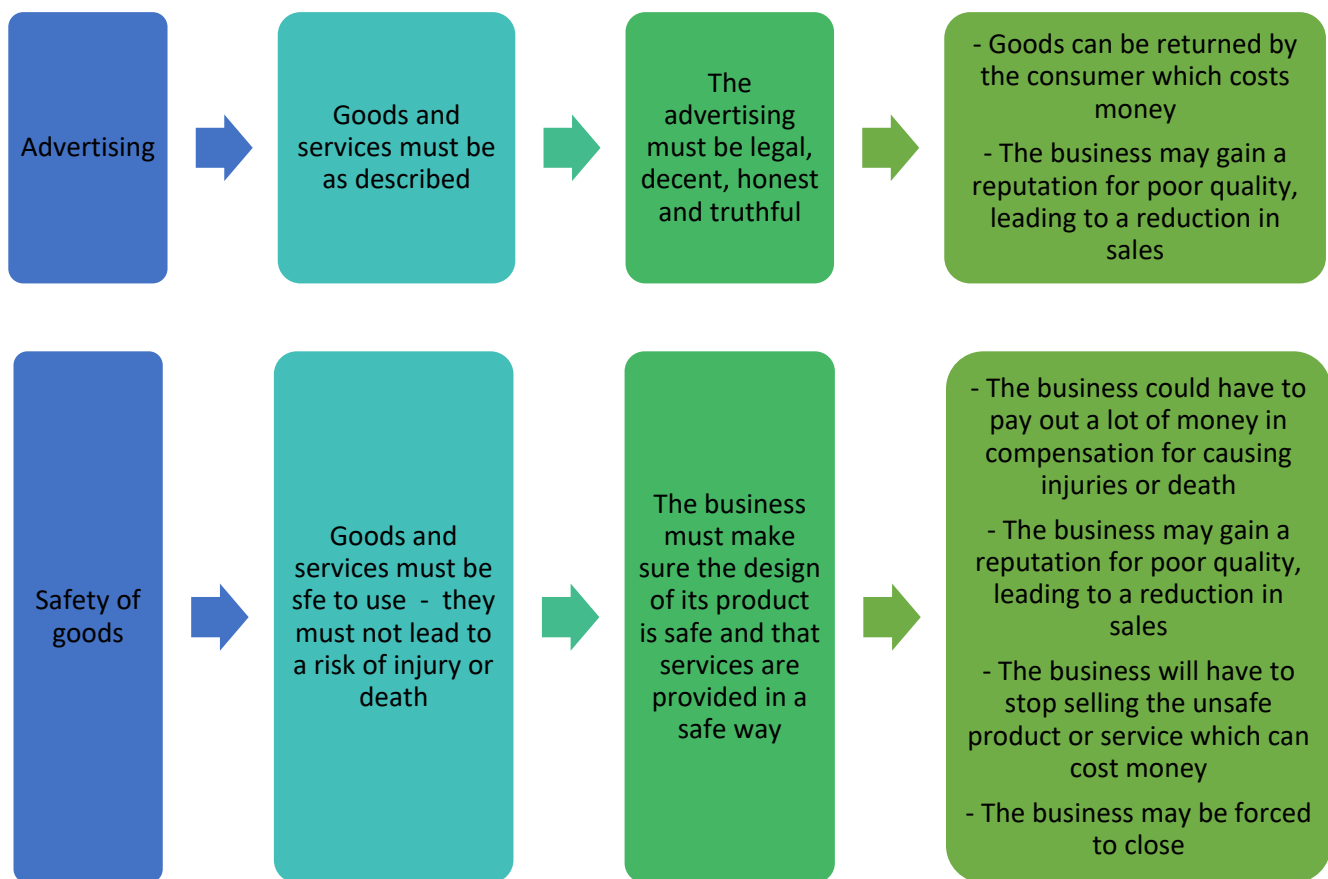
### *The impact of consumer law on businesses*

You need to know the basics of how the law affects businesses and what they sell:

- **Consumer laws** are designed to protect consumers from dishonest sellers
- Laws often apply to both goods and services
- The key law is the **Consumer Rights Act 2015** which states that:
  - goods and services must be of:
    - ✓ satisfactory quality
    - ✓ fit for purpose
    - ✓ as described
- Advertising is controlled by law - it must be legal, decent, honest and truthful
- Consumers have the right to return faulty goods within 30 days
- When services are not completed on time, or to a reasonable standard, the consumer can ask for work to be done again, or given a price reduction

The diagram below illustrates the impact of **consumer law** on businesses





Responsible businesses evaluate the risks involved in not acting within the law:

- The examples of ‘what the business must do’ in the diagram above often mean increased costs for a business
- When a law is broken, there will be costs for the business, including the loss of business reputation
- Responsible businesses know that it makes financial sense to spend money to ensure they do not break **consumer laws** as this will save them money in the long run and help the business to survive.

### **Other consumer rights**

Consumer right	Explanation
Rights within 30 days	If goods become faulty within 30 days you have a right to return the goods for a full refund.  This does not apply to digital products that have been downloaded such as music or apps.
Rights within the first six months	If a product develops a fault within the first six months, it is presumed the fault was there at the time of purchase. Customers are entitled to a replacement or a reduction in the price.

Rights after six months	If a fault develops after six months, it is up to the customer to prove that the fault was there at the time of purchase - only if they can do this are they entitled to a replacement or a reduction in the price.
Services	Services are treated differently under the Consumer Rights Act. If the work is not completed to a reasonable standard or in the agreed time, then the customer can ask for the work to be completed again. If this is not possible, a price reduction should be agreed, which could be up to 100%.

For each of the statements given in the table below, identify whether it is true or false.

Statement	True	False	Statement	True	False
The Consumer Rights Act says that goods must always be of the best possible quality			Safety in goods bought by customers is covered by the Consumer Protection Act		
Customers can return faulty goods for a full refund within 30 days of purchase			Digital goods are covered in the same way as all other goods by the Consumer Rights Act		
All goods must be described correctly only when they are over £100			Good training will help in the production of quality goods		

## 4.5 Business Location

Specification content	What you should know
Factors influencing business location	✓ Costs, the proximity to the market, labour and materials

### ***Factors influencing business location***

The table below explains the main influences on the location of a business and gives an example of each.

Factor	Explanation and example
Costs	<ul style="list-style-type: none"> <li>▪ Locating in an area where the cost of land, premises or labour is low, such as areas in the north east of the UK, will enable a business to save on cost of renting an office or factory and on wages</li> <li>▪ Businesses need to transport raw materials in and finished goods out, so areas with good road, rail, sea or air links, such as the junction of the M6 and M5 motorways, will keep transport costs low</li> <li>▪ Access to reliable and cheap ICT communication, such as fast broadband. London has good ICT facilities but many remote, rural areas do not</li> </ul>
Proximity to the market	<ul style="list-style-type: none"> <li>▪ Service businesses must locate near their customers i.e. a hairdresser will locate near to where consumers live; a department store will locate in a shopping centre where there are lots of customers</li> <li>▪ Manufacturing businesses may locate near their customers for easier communication, i.e. a business that makes car components may locate near to the company that purchases them, to enable them to respond quickly to orders</li> <li>▪ A business located near its customers may be able to reduce the cost of transporting products to this market i.e. a local bakery will not transport bread to shops outside its area</li> </ul>
Proximity to labour	<ul style="list-style-type: none"> <li>▪ A business needs a supply of skilled workers. 'Silicon Fen' is an area near Cambridge where many ICT firms and skilled workers are located, so an ICT business might wish to locate here</li> <li>▪ A business that needs a lot of unskilled workers might locate in an area of high population and/or high unemployment i.e. Middlesbrough where steel mills have closed, resulting in workers becoming unemployed</li> </ul>



Proximity to materials	<ul style="list-style-type: none"> <li>▪ A business may locate near to a source of raw materials to save on transportation costs, particularly when the materials are bulky or heavy, i.e. fish processing businesses are usually located near a fishing port to reduce the need to transport the fish.</li> <li>▪ A cheese manufacturer may locate near to dairy farms so milk does not need to be transported a long distance.</li> <li>▪ Shorter transport journeys are good for the environment as this minimises carbon emissions and enables the business to be more environmentally friendly. This also helps to reduce business costs.</li> </ul>
Government	<ul style="list-style-type: none"> <li>▪ The government may give businesses grants towards start-up costs, or it may reduce corporation tax for those businesses locating to an area of high unemployment, which may encourage firms to locate in enterprise zones, such as in South Wales</li> </ul>

Using the words below, fill in the gaps to complete the paragraph

\_\_\_\_\_ to the market remains a very important \_\_\_\_\_ for many businesses. However, the growth of \_\_\_\_\_ selling and the reduction in \_\_\_\_\_ and shipping costs has made it possible for more and more \_\_\_\_\_ to compete, even when they are not \_\_\_\_\_ near to their customers. A business like \_\_\_\_\_ would be an example of a retailer which has competed effectively by being able to sell vast quantities at \_\_\_\_\_ prices.

**internet**

**businesses**

**Amazon**

**factor**

**low**

**located**

**transport**

**proximity**

## 4.6 Working with suppliers

Specification content	What you should know
The role of procurement	✓ Identifying goods and services to buy, choosing suppliers, ordering goods and services, receiving deliveries from suppliers
The impact of logistical and supply decisions on businesses	✓ Time, length of supply chain, reliability of supply, costs, customer service

### *The role of procurement*

The flow chart below shows the four stages of procurement and explains the decisions made at each stage.

Identifying goods and services to buy	<ul style="list-style-type: none"> <li>• Which season is the business buying for?</li> <li>• Changes in technology affect the product a business sells</li> <li>• Changes in fashion and lifestyle affect the products a business sells</li> </ul>	<ul style="list-style-type: none"> <li>• A clothes retailer needs to decide what clothes it will sell during summer months</li> <li>• A TV retailer will need to decide how many new types of TV to stock and how many old ones</li> <li>• A food store needs to decide if it should sell more vegetarian meals</li> </ul>
Choosing suppliers	<ul style="list-style-type: none"> <li>• Dependant on the quality of goods or services the consumers want</li> <li>• Reputation and reliability of suppliers is important</li> </ul>	<ul style="list-style-type: none"> <li>• A furniture store will need high quality stock</li> <li>• Next will want to obtain clothing from ethical suppliers i.e. those who do not use child labour</li> </ul>
Ordering goods and services	<ul style="list-style-type: none"> <li>• A business completes an order form stating what it wants and send it to the supplier</li> </ul>	<ul style="list-style-type: none"> <li>• A bakery will need to send an order for flour to the supplier</li> </ul>
Receiving deliveries from suppliers	<ul style="list-style-type: none"> <li>• A business will arrange for workers to receive the goods and have an area where they can be stored</li> </ul>	<ul style="list-style-type: none"> <li>• The owner of a small shop may put goods on shelves as they arrive if they do not have much storage space</li> </ul>

### ***Impact of logistical and supply decisions on businesses***

The table below gives examples of issues that need to be considered and potential problems connected with logistical decisions (those involving transportation of goods to customers) and supply decisions (those involving companies the business buys from).

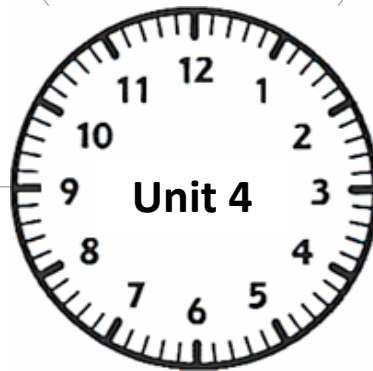
<b>Issue</b>	<b>Explanation</b>	<b>Potential problem</b>
Time	The supplier must be able to deliver the goods on time	The supplier may be short of materials or components and this may delay its production of goods and services. The business could lose sales and revenue as a result
Reliability	As well as being able to deliver on time, the supplier must be able to supply the quantity and quality of goods needed by the customer	If the supplier is short of materials or they are not of sufficient quality, it may have to delay or stop production. The business could lose sales and revenue as a result
Length of the supply chain	A long supply chain has an increased risk of problems occurring along the chain	A business which makes a component may not get the materials it needs and so cannot produce the components its customer needs to assemble its product
Costs	The customer will want delivery costs to be as low as possible but this must not be at the expense of reliability	High delivery costs may make the total production costs too high and the firm may not be able to sell its goods at a profit
Customer service	A supplier will need to provide customer service to deal with problems and enquiries from its potential and actual customers	The business may lose customers if businesses that buy from it are not happy with the service they receive.

## Revision Clocks

Production processes

Working with suppliers

Quality of goods and services



Business location

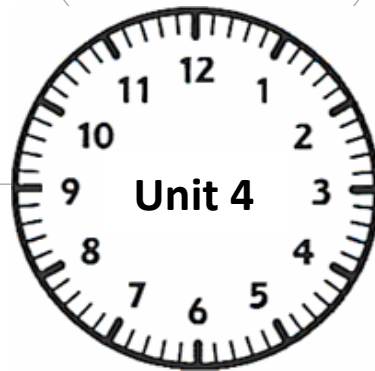
The sales process and customer service

Consumer law

Production processes

Working with suppliers

Quality of goods and services



Business location

The sales process and customer service

Consumer law



1. Three is key! **READ** the passage, **READ** the questions, **REREAD** the passage to find your answer.



2. Look back and highlight or underline **evidence** from the text that proves or supports your answer.

## Possible Practice Exam Questions

Answer each of the following exam style questions. Use the structures on p9 to help you.



1. Three is key! **READ** the passage, **READ** the questions, **REREAD** the passage to find your answer.



2. Look back and highlight or underline **evidence** from the text that proves or supports your answer.

### Mini

MINI Cars (MC) is owned by BMW. They produce a range of models at their factory, which is centrally located in the UK near Oxford. A lot of the production processes use technology to help get the cars made. The production happens in batches so the right number of each model is made.

Some cars are made to order for customers but most are delivered to forecourts across the country to be sold by staff. MC make sure that its forecourt staff are knowledgeable on all the specifications so that they can discuss customer's requirements with them face to face.

Once a customer has bought a MINI MC make sure the follow up with them a month after purchase to check that they are happy with their vehicle. They also help with servicing in the future and give them special offers on upgrades to their vehicle.

1. State two location factors that a business may take into consideration. [2]

---

---

2. Analyse one reason why MC may have chosen to locate in Oxford. [3]

---

---

---

---

---

3. Explain how having knowledgeable sales staff could benefit Mini. [2]

---

---

---

---







## Self-Review of Unit 4: Operations

I have completed the following tasks (✓):

- Personalised Learning Checklist
- Glossary of key terms
- Read the exam 'top tips'
- Learnt the exam structures
- Read the topic information and completed all tasks
- Completed at least two revision clocks
- Answered **all** of the possible exam questions using the exam structures

*The topics I understand well are.....*

*The topics I need to improve on are.....*

My targets to help me improve in this unit are.....

1.

2.

## Additional Support

If you need any further support please speak to your teacher!

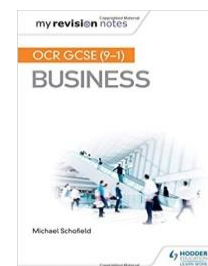
Course textbook: OCR GCSE (9-1) Business

[https://www.amazon.co.uk/OCR-GCSE-9-1-Business-Third/dp/1471899365/ref=sr\\_1\\_2?crid=3CWFI3AR0SAZ9&keywords=ocr+gcse+business+studies+9-1&qid=1556985885&s=gateway&sprefix=ocr+gcse+business%2Caps%2C185&sr=8-2](https://www.amazon.co.uk/OCR-GCSE-9-1-Business-Third/dp/1471899365/ref=sr_1_2?crid=3CWFI3AR0SAZ9&keywords=ocr+gcse+business+studies+9-1&qid=1556985885&s=gateway&sprefix=ocr+gcse+business%2Caps%2C185&sr=8-2)



Revision guide: My Revision Notes OCR GCSE (9-1)

[https://www.amazon.co.uk/My-Revision-Notes-GCSE-Business/dp/1510423699/ref=sr\\_1\\_1?crid=3CWFI3AR0SAZ9&keywords=ocr+gcse+business+studies+9-1&qid=1556986123&s=gateway&sprefix=ocr+gcse+business%2Caps%2C185&sr=8-1](https://www.amazon.co.uk/My-Revision-Notes-GCSE-Business/dp/1510423699/ref=sr_1_1?crid=3CWFI3AR0SAZ9&keywords=ocr+gcse+business+studies+9-1&qid=1556986123&s=gateway&sprefix=ocr+gcse+business%2Caps%2C185&sr=8-1)



You could also try the following websites:

<http://www.bbc.co.uk/education/subjects/zpsvr82>

<http://www.businessed.co.uk/index.php/home/activities/gcse-activities/gcse-activities-topic>

<https://www.tutor2u.net/>

