



Tuesday 26 June 2012 – Morning

A2 GCE APPLIED BUSINESS

F257/01 Managing Risk in the Workplace

Barcode with numbers: * F 2 2 7 4 0 0 6 1 2 *

Candidates answer on the Question Paper.

OCR supplied materials:

None

Duration: 2 hours

Other materials required:

None



Candidate forename		Candidate surname	
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Centre number						Candidate number			
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- Your Quality of Written Communication will be assessed in questions marked with an asterisk (*).
- This document consists of **24** pages. Any blank pages are indicated.

Patta Cake Ltd

Text 1

Patta Cake Ltd (*PC Ltd*) is a manufacturer of cup cakes. The company was set up over 30 years ago, having started out as a small shop selling delicious hand-made cup cakes. Now, due to its popularity, it has grown into a major supplier to British supermarkets. The company is still located in the Cotswolds where the Managing Director and founder, Patricia, is the majority shareholder.

The company consists of 55 staff (**see Fig. 1**) who work in a two-storey building. Upstairs, there is an office area where Patricia, three of the directors and their staff work. Downstairs is the factory where Lisa, the Production Director, is in charge of a team of 20 staff. She oversees the daily production of all the company's products. Sabeeh, the Human Resources Director, manages the training and recruitment of staff, as well as advising Lisa how she can implement health and safety law into the workplace.

The factory floor can be particularly hazardous. It has an automated assembly line where the cakes continually pass through at a rate of 3500 per hour. Along the line there is a mixing vat, a depositor and moulding machine, as well as a large oven (**see Fig. 2**). With the advice taken from Sabeeh, Lisa believes that she has successfully adhered to all the health and safety laws which affect the business. Yet, that did not stop her worrying at the beginning of January. This was brought about by Patricia's announcement that the Health and Safety Executive (HSE) was going to visit the factory the following day.

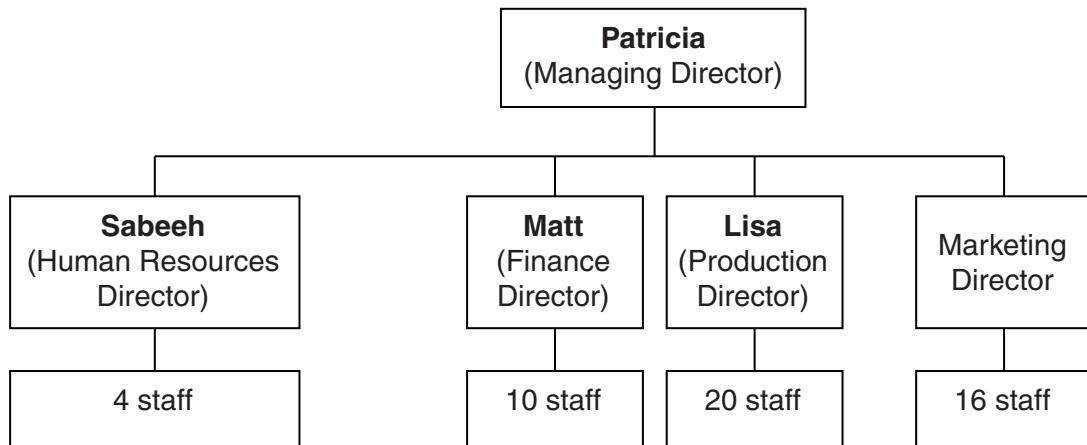


Fig.1

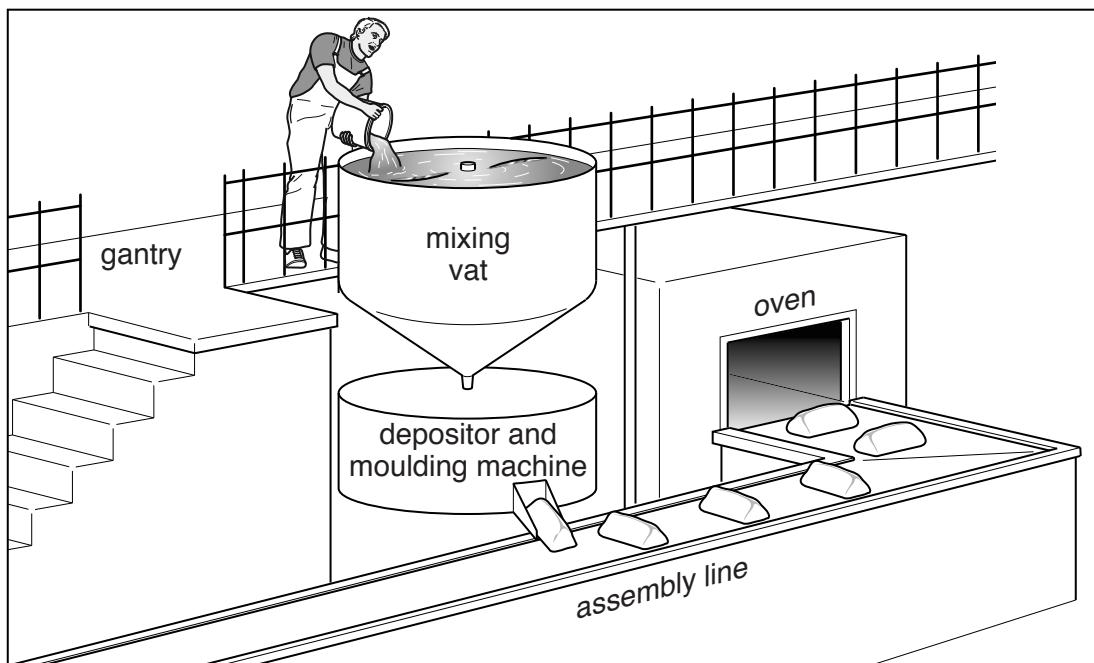


Fig. 2

1 Refer to Text 1.

(a) What is meant by the term 'hazard'?

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[2]

(b) Identify **three** injuries or physical conditions which might be caused to the staff working in a factory such as that operated by *PC Ltd* and explain how each may occur.

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[6]

(c) Name **four** health and safety laws which could impact on *PC Ltd*.

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4: [4]

(d) Explain **three** responsibilities of the Health and Safety Executive (HSE).

1:

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Number of children in the household: _____

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[Total: 18]

Text 2

The visit from the HSE proved helpful in identifying a number of measures which needed to be considered and implemented in the factory. The HSE Inspectors explained that the health and safety risks to which the staff were exposed to in such an environment were very high and that it was imperative that Lisa, as Production Director, met the needs of her staff. The Inspectors continued to warn that if she did not implement their recommendations as a matter of urgency, the implications could prove both serious for her and the company.

During their time at *PC Ltd*, the HSE Inspectors had observed how the cakes were manufactured. They had read the risk assessment and decided that, it was out of date. It was apparent that although the majority of production was automated, there was still a degree of human intervention needed, which the risk assessment had not considered. For example, the Inspectors had noticed that the workers had to climb a flight of stairs with heavy sacks of flour and sugar in order to pour ingredients (which themselves could become airborne) into the vat. Staff also had to handle the cakes as they came freshly out of the oven when ready.

Lisa had a lot to consider. The problem she faced was implementing the changes within the deadline of one month, whilst trying to meet the production targets given to her by Patricia. These targets increased the pressures on Lisa and her staff. However, if she achieved these targets successfully, the rewards could be great.

2 Refer to Text 2.

(a) What is meant by the term 'risk'?

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[2]

(b) Apart from a visit from the HSE, explain **two problems** the directors of *PC Ltd* may encounter if they do not attempt to minimise risk in the workplace.

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(c) Explain **three benefits** to *PC Ltd* of effective risk management.

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[6]

(d) Evaluate the extent to which training is an effective way of reducing risk on the production line at *PC Ltd.*

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[14]

[Total: 28]

Text 3

It was getting near to the deadline set by the HSE and Lisa had not had the time to implement the changes specified. She had asked Matt, the Finance Director, if she could hire someone to implement the changes, but he refused as he wanted to keep costs as low as possible in light of increasingly slim profit margins. Patricia, too, would not change her mind about the targets she had set for Lisa, as she knew they had to keep production high in order to remain competitive.

The week before the HSE Inspectors were due to return, Thomas, a new and inexperienced factory worker, was struggling to carry a heavy sack of flour up to the mixing vat. Unfortunately, when he reached the gantry, he found it difficult to manoeuvre around Lisa, who was taking measurements from the vat. Just as he was about to put the sack down, he sneezed and staggered back into Lisa and, on bumping into her, he toppled into the mixing vat.

Fortunately, Thomas only broke his arm when falling into the vat. As a result of this accident, Lisa had to shut the vat down immediately for a week for cleaning and repair and Thomas was signed off work by the doctor.

On the afternoon of the incident, Lisa went to see Patricia to explain to her what had happened. On hearing the bad news Patricia was furious. "Great that's all we need, just before the HSE return!", she shouted. "I didn't even draw up a contingency plan for this event, as I thought every member of staff knew that there shouldn't be more than one person on the gantry to the mixing vat at any one time," she continued.

"I am so sorry Patricia, it's just that I am not sure Thomas really understood all our policies and procedures. I would have got down from the gantry earlier, but I was so worried about meeting your targets, that I decided to stay there", replied Lisa.

3 Refer to Text 3.

(a) Explain **three** issues which may have contributed towards the accident.

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(b) What is meant by the term 'contingency plan'?

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(c) Explain **two** contingency planning procedures which could be implemented at *PC Ltd.*

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(d)* Discuss the extent to which a contingency plan may have helped in dealing with the effects of Thomas and Lisa's accident.

[14]

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[Total: 28]

Text 4

Thankfully, Lisa did manage to implement the changes required by the HSE on time. However that, coupled with the broken vat and Thomas being unable to work, had added to the financial burden facing *PC Ltd*. Prior to the incident, a period of rising labour costs and increasing demands by the supermarkets to sell their products at lower prices had meant that *PC Ltd*'s profits had been further reduced.

To make matters worse, Sabeeh told Patricia in March that some of the production workers had been to see him to complain that their wages were too low and that their working conditions were too dangerous. He added that the workers were considering industrial action in the form of a work-to-rule.

Patricia replied, "But we need flexibility from them at a time like this. How could they be making these demands now when they know the pressures the company is under? They know we cannot afford it!".

At this point Matt offered his thoughts. "There is one way in which we may salvage the future of this business, but it is risky. My team and I have been looking at Eastern Europe in light of the rather grim financial information. A few of our competitors have either opened up new factories in Poland or have completely relocated there. Apparently, the laws are more relaxed and the wages are a lot lower. With that in mind, if we close operations here and relocate to Poland, it could be just what we need."

"It's a possibility", replied Patricia. "Put it this way, things are very bad here at the moment, but I am just not sure we know enough about Poland. It would be a strategic risk."

4 Refer to Text 4.

(a) Explain **three** ways in which a work-to-rule may affect *PC Ltd*.

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[6]

(b) Other than a work-to-rule, explain **three** forms of industrial action which the workers at *PC Ltd* could take.

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(c) Discuss whether or not setting up an operation in Poland would be a worthwhile strategic risk for *PC Ltd.*

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[14]

[Total: 26]

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