WORKPACK

UNIT 4

CHAPTER 8

MANAGEMENT ACTIVITIES

GAVINDUFFYBUSINESS.COM

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Planning

2024 Short Q7

Write True or False after each of the following statements.

	Statement	True or False
1.	An example of a tactical plan is pharmaceutical firm Johnson and Johnson switching to source 100% of their electricity needs from renewable sources within the next 18 months.	
2.	Netflix offering 52 weeks of paid parental leave to staff is an example of a business meeting their social responsibilities to their suppliers.	
3.	State broadcaster RTE announcing targets to be achieved over the next five years is an example of a contingency plan.	
4.	By 2025, DHL aims to have more than 500 gas powered vehicles in its fleet. This is an example of a mission statement.	
5.	Nintendo planning for a new product launch in the next four weeks is an example of an operational plan.	

2018 Q4 (A)

Read the information supplied and answer the questions which follow.

*Ryanair CEO, Michael O'Leary, has apologised for the cancellation of flights. The airline admits it "messed up the planning of pilots' holidays". **Source:*** **The Irish Times, *2017***

(i) Illustrate your understanding of the term **contingency plan**.

(ii) Outline the importance of planning for an airline such as Ryanair. Refer to strategic, tactical and manpower planning in your answer. (25 marks)

MS: (i) (4+1); (ii) 2@8(5+2+1), 1@4(2+2) Manpower planning

(i) ______________________________

E.g.

(ii) Plan:

Airline Link:

Plan:

Airline Link:

Plan:

Airline Link:

2013 Q4 (C)

EducaPrint Ltd is a business publishing schoolbooks in Ireland. John O'Leary, the Production Manager, suggested introducing some of its traditional print books in eBook format. He wanted to tap into the improvements in broadband speed and the major developments in mobile devices. The eBooks were launched on to the market in 2013 to great success. EducaPrint Ltd operated a matrix organisation structure for the development of the eBook products.

Discuss the importance of the management activity of 'planning' for EducaPrint Ltd.

MS: 3 points 7marks (4+3)+ 7marks (4+3)+ 6 marks (3+3). You should mention Educa and link them in as they are mentioned in the question.

Link:

Link:

Link:

Link:

2023 Q5 (C)

(C) **(i)** Distinguish between enterprise and management.

(ii) Discuss **two** benefits of planning as a management activity.

(20)

2010 Q4 (B)

Analyse the contributions that *strategic* and *tactical* planning can make to the successful management of a business. Use examples in your answer.
MS: 2 x 10 marks (4+4+2).

2016 Q4 (B)

The Mayfair Hotel is a five-star city centre hotel which is celebrating 100 years in business. To celebrate this centenary, the management of the hotel is planning various events. The General Manager, Ann Johnson, has suggested organising staff into various project teams, with a project leader to plan for this centenary celebration.
Evaluate how different types of planning contribute to business success. Relate your answer to Mayfair Hotel, making any appropriate assumptions.
MS: 3 x 6m (2+3+1) + Evaluation 2m

2020 Q4 (A)

Read the information supplied and answer the questions which follow.

Good4U is a family run health snacks business based in Sligo. In 2004 the business's original product was a sprouted seed. The Good4U goal was to become a market leader in the healthy snacks industry. The business now has over 40 products, including seed snacks and energy balls. Good4U recently launched a new salad topper range.

Outline the different types of planning that can contribute to a business being successful. Relate your answer to Good4U, making any appropriate assumptions. (20)

MS: 4 x 5m (2+2+1) State, explain, link to Good4U

Plan: ____________________

____

____

Link: _____________________________________

____

Plan: ____________________

____

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Link: _____________________________________

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Plan: ____________________

____

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Link: _____________________________________

____

Plan: ____________________

____

____

Link: _____________________________________

____

2010 Q4 (A)

(i) What is meant by the term SWOT analysis?
(ii) Conduct a SWOT analysis on a business of your choice. (Include **two** points under each heading)
MS: (i) 6 marks (4+2) Explain what it is, not just what the letters stand for
(ii) 14 marks. Name a business: 2 marks; 2 points for each SWOT 4@3(2+1)marks.

Name a Business:

Organising

2019 Q6 Short

Outline **two** problems which could arise in a business which has too wide a span of control.
MS: 6(3+3), 4(2+2)

1. ____

____

____

2. ____

____

____

2015 Q1 Short

Explain the term *span of control* and outline a situation where a narrow span of control may be appropriate.
MS: 6m (3+3) 4m

____

____

____

Link: ____

____

2011 Q4 Short

(a) Explain the term 'span of control'.
(b) Outline **two** factors that affect the width of the span of control in a business:
MS: (a) 6marks (3+3) (b) 4 marks (2+2)

(a) ____

____

(b)1. ____

____

2. ____

____

2021 Short – Q7

Distinguish between **chain of command** and **span of control**. MS: 5m (3+2) + 5m (3+2)

chain of command

span of control

2018 Q2 Short

Outline two implications for a business of changing from a functional to a matrix organisation structure **MS: (3+3) + (2+2)**

1.

2.

2012 Q5 Short

Outline two features of a matrix organisation structure. **MS: 6 marks (3+3) & 4 marks (2+2).**

1.

2.

2024 Q5 (B)

IKEA has over 450 stores and operates in five continents. When expanding a business, management will often develop an organisational structure to clarify the span of control and chain of command.

(i) Distinguish between the terms span of control and chain of command.

(ii) Discuss the benefits of a matrix organisation structure for a business such as IKEA.

2020 Q4 (B)

(i) Illustrate, by means of a diagram, a functional organisational structure for a manufacturing business such as Good4U.
(ii) Outline the benefits of a functional organisational structure.
MS: (i) 10m (3,3,2,2) (ii) 2 x 5m (2+3)

(i)

(ii)

State Benefit: ____________________
Develop: ____________________

State Benefit: ____________________
Develop: ____________________

2015 Q4 (B)

Outline the benefits **to a business** of a functional organisational structure. (15 marks)
MS: 3 @ 5m (2 + 3). Benefit must be clearly developed for each.

2023 Q5 Short

5. **(a)** Draft and label a functional organisational structure for a manufacturing firm.

(b) Outline **one** impact of choosing this type of organisational structure.

2014 Q4 (B)

EducaPrint Ltd is a business publishing schoolbooks in Ireland. John O'Leary, the Production Manager, suggested introducing some of its traditional print books in eBook format. He wanted to tap into the improvements in broadband speed and the major developments in mobile devices. The eBooks were launched onto the market in 2013 to great success. EducaPrint Ltd operated a matrix organisation structure for the development of the eBook products.

Outline the benefits *and* challenges for EducaPrint Ltd of a matrix organisation structure (team structure) for the development of the eBook products.

MS: 4 @ 5 marks 2 benefits @ 5 marks (2+3) 2 challenges @ 5 marks (2+3).

Benefit:

Link:

Benefit:

Link:

Challenge:

Link:

Challenge:

Link:

2016 Q4 (C)

Discuss the benefits **and** challenges for a business of developing a matrix organisation structure (team structure) to complete specific projects in a business. (20m)

MS: 4 x 5m (2 + 3) At least one of each is needed; refer to project

Benefit:

Benefit:

Challenge:

Challenge:

Controlling

2015 (C)

Explain the methods a business could consider to minimise the risk of bad debts as part of its credit control system. (20 marks)
MS: 7m (4+3) + 7m (4+3) + 6m (3+3).

Method: ______________________________
Explanation: ______________________________

Method: ______________________________
Explanation: ______________________________

Method: ______________________________
Explanation: ______________________________

2022 Short Q11 & 2017 Short Q6

Outline two methods a business may use to minimise bad debts.

2022 Q5 (B)

Read the information supplied and answer the questions which follow.

M6 Motors

Alan Naughton is an entrepreneur who set up M6 Motors in 2011. The business is now one of the leading car sourcing companies in Ireland. As the business grew Alan expanded his workforce. The company specialises in high specification cars at competitive prices.

(B) Discuss how stock control and quality control achieve efficiencies for a business such as M6 Motors. (20)

Stock Control

How it achieves efficiencies for M6 MOTORS:

Quality Control

How it achieves efficiencies for M6 MOTORS:

2011 Q4 (C)

Describe how 'stock control' *and* 'quality control' achieve efficiencies in business.
MS: 2 @ 10 marks (2 + 4 + 4)

2024 Short Q8

Distinguish between **two** types of management control commonly used in a business.

Planning Solutions

2018 Q7 Short Solution

1	True
2	False
3	False
4	False
5	True

10
3+2+2+2+1

2018 Q4 (A) Solution

Read the information supplied and answer the questions which follow.

*Ryanair CEO, Michael O'Leary, has apologised for the cancellation of flights. The airline admits it "messed up the planning of pilots' holidays". **Source: Adapted from** **The Irish Times**, **2017***

(i) Illustrate your understanding of the term **contingency plan**.
(ii) Outline the importance of planning for an airline such as Ryanair. Refer to strategic, tactical and manpower planning in your answer. (25 marks)
MS: (i) (4+1); (ii) 2@8(5+2+1), 1@4(2+2) Manpower planning

(i) A contingency plan is a back-up plan to take account of a possible future event/an unforeseen event, to prevent the closure of a business or disruption to supply.
E.g. Ryanair should have had a contingency plan as a back-up plan if many pilots were seeking holidays during the busiest season.

(ii) **Strategic Plan**
Long Term planning for the major objectives of the business. It is prepared by senior management to ensure the long term profitability and ultimate existence of the business. It involves taking the mission statement and backing it up with plans to achieve the objectives of the business/they shape the objectives of the business. They have a high financial risk. They require a knowledge of the whole business and its policies.
E.g. Expansion like a takeover of a competitor (IAG takeover of Aer Lingus).

Tactical Plan
The Strategic plan is broken down into tactical plans which are short term, devised by middle management. These plans achieve operations which make the overall strategic goals possible.
E.g. moving to checking in online in airports within 2 years in the UK.

Manpower Planning
A manpower plan is a plan for the human resources of a business. It sets out the number of staff which are required. It also sets out the type of staff which are required/ putting the right number of people, with the right skills in the right place, at the right time to achieve the goals of the organisation.
E.g.: Ryanair rostering staff to cover during busy Christmas periods

2013 Q4 (C) Solution

EducaPrint Ltd is a business publishing schoolbooks in Ireland. John O'Leary, the Production Manager, suggested introducing some of its traditional print books in eBook format. He wanted to tap into the improvements in broadband speed and the major developments in mobile devices. The eBooks were launched on to the market in 2013 to great success. EducaPrint Ltd operated a matrix organisation structure for the development of the eBook products.

Discuss the importance of the management activity of 'planning' for EducaPrint Ltd.

MS: 3 points 7marks (4+3)+ 7marks (4+3)+ 6 marks (3+3). A link to the mini-ABQ above should be given when presented with one and when mentioned in the question.

A **Mission Statement** is a **visionary statement** outlining who the business is, what the business **does** and **where the business is going**, containing the business' **values**.

Link: It is important as it would give an **insight** for the stakeholders in to the **core values and culture** of EducaPrint Ltd which can help decision-making.

A **strategic plan** is **long-term plan** covering a period of five years or more. It is usually drawn up by **senior management** and it outlines how the long-term goals of the firm are to be achieved. E.g. expansion in to new markets. Ideas are **taken from the Mission Statement** for them. It is important as it gives a long-term **picture** and **focus** to work towards.

Link: EducaPrint Ltd may decide to expand its successful business model into third-level books by 2025.

A **Tactical Plan** is **short-term planning** which **breaks the strategic plan** into **shorter more manageable periods**, which is important as it makes it more relevant for the day-to-day operations. It deals with the **'now'** part of the plan. It is usually drawn up by **middle management**.

Link: EducaPrint Ltd might attempt to target one third-level college for the next academic year.

Other: Contingency plan

2010 Q4 (B)

Analyse the contributions that *strategic* and *tactical* planning can make to the successful management of a business. Use examples in your answer.

MS: 2 x 10 marks (4+4+2).

2020 Q4 (A) Solution

Read the information supplied and answer the questions which follow.

Good4U is a family run health snacks business based in Sligo. In 2004 the business's original product was a sprouted seed. The Good4U goal was to become a market leader in the healthy snacks industry. The business now has over 40 products, including seed snacks and energy balls. Good4U recently launched a new salad topper range.

Outline the different types of planning that can contribute to a business being successful. Relate your answer to Good4U, making any appropriate assumptions. (20)

MS: 4 x 5m (2+2+1) State, explain, link to Good4U

Mission Statement

The overarching visionary statement for the business giving a general overview of what the business' purpose is.
E.g. For Good4U it may be to provide tasty healthy food so people can enjoy eating healthier

Strategic Plan

Long Term plan drawn up by Senior Management, taken from the Mission Statement to create plans
E.g. Good4U long term plan is to be the market leader in their market

Tactical Plan

Shorter term plans (can be 1-2 years)
Drawn up by middle management, breaking down the Senior Management's Strategic plans in to the 'now'
E.g. Good4U recent new salad topper would be a shorter term plan to expand ranges

Operational plan

Day to day planning to help the business run smoothly. Planning
E.g. Good4U would need to plan staff rosters, holidays, day to day and weekly plans for stock and raw materials

Contingency Plan

Back up plan, for emergencies or unforeseen events
Helps prevent disruptions
E.g. Good4U would need a contingency should a key supplier close down

2010 Q4 (A) Solution

Conduct a SWOT analysis on a business of your choice.
What is meant by the term SWOT analysis? (Include **two** points under each heading)
MS: (A) 6 marks (4+2) Explain what it is, not just what the letters stand for
(B) 14 marks. Name a business: 2 marks; 2 points for each SWOT 4@3(2+1)marks.
Make sure to include key business terms in your answer and not just examples.

It is used to evaluate/analyse a business when devising strategy or making a plan (pre-planning).

SWOT analysis stands for **Strengths, Weaknesses (both internal) & Opportunities, Threats** (both external).

Business: Supervalu

Strengths

Brand Name: Supervalu has a well-established and easily recognisable brand name.

Delivery Service: It has a well-established delivery service, delivering groceries for people who might not have the time to go to the supermarket.

Weaknesses

Price: Supervalu tends to be more expensive that other supermarkets like Aldi.

Outlets: It is not located everywhere, and does not have as many outlets as other food retailers, e.g. Tesco.

Opportunities

Discount Range: They could develop a discount brand for staple goods (e.g. bread, milk) to appeal to consumers with less income.

Cheaper Rents: They could seek to open small outlets in some regional towns where premises have been left empty after other businesses closed down.

Threats

Competition: Discount retailers such as Aldi and Lidl are opening up.

Economic Conditions: Because of salary reductions/tax increases, people have less money to spend on groceries.

Organising Solutions

2019 Q6 Short Solution

Q6 Outline **two** problems which could arise in a business which has too wide a span of control.
MS: 6(3+3), 4(2+2)

(i) Manager Overload: Managers may have to supervise too many stuff, meaning they become overworked and stressed and may reach burnout.

(ii) Lower Morale of Workers: Staff may not get enough feedback or attention as managers have too many staff to supervise, meaning they don't get positive feedback.

2015 Q1 Short Solution

Explain the term *span of control* and outline a situation where a narrow span of control may be appropriate.
MS: 6m (3+3) 4m

Span of control refers to the number of employees/subordinates that report directly to one manager/supervisor in a hierarchy.
It would be more appropriate when the work requires a high level of expertise/where nature of work is complex (employees need more interaction/attention) *or* where workers or management lack experience.

2011 Q4 Short Solution

(a) Explain the term 'span of control'.
(b) Outline **two** factors that affect the width of the span of control in a business:
MS: (a) 6marks (3+3)   (b) 4 marks (2+2)

(a) **Span of control** refers to the number of employees/subordinates that report directly to one manager/supervisor in a hierarchy.

(b) **Skill of manager**: An experienced, confident and able manager can operate a wide span of control.
Skill of the workforce: When employees are trusted because of their skill sets and motivation, a wide span of control may operate.
The nature of the work: If the work involved requires a high level of expertise a narrow span of control is appropriate.

2021 Short – Q7 Solution

Distinguish between **chain of command** and **span of control**. MS: 5m (3+2) + 5m (3+2)

Chain of command is **the line/path** on which orders and instructions and decisions are passed from top to bottom of the hierarchy. It is also the **channel for which feedback is communicated**. It creates a **communication line within** the business.
The span of control is the **number of people** who **report directly to a manager/supervisor/superior** in an organisation.
The span of control can be wide or narrow depending on the type of work, the experience/quality of the manger, the experience of the staff and the level of skill required.

2018 Q2 Short Solution

Outline two implications for a business of changing from a functional to a matrix organisation structure **MS: (3+3) + (2+2)**

Training/Staff Development required
Training costs involved for manager and staff which takes time to complete/ Productivity may decline in the short term/ Staff development may result as employees have greater knowledge and learn how the whole business operates/ Multi-skilled staff.

Duplication of duties
Duplication may exist across several teams. Several teams may have a marketing manager, production manager. It is essential that each of these managers communicate to avoid conflicting approaches to projects.

Greater complexity in the chain of command
Staff will have **2 managers** to report to (generally department manager and project manager). This can lead to divided loyalties and there could be a conflict of interest between both.

Staff conflict/power struggles
Staff may resist working outside of their own departments. Staff may dislike working outside their comfort zones.

Other: Increased intrapreneurship/Greater innovation; Better staff relations; Greater staff flexibility.

2012 Q5 Short Solution

Outline two features of a matrix organisation structure.
MS: 6 marks (3+3) & 4 marks (2+2).

Team Based Across Departments
It is a team-based structure with expertise drawn from different departments, e.g. marketing, finance, information technology, production, etc.
Project Leader
Team members are answerable to the project leader who is responsible for co-ordinating team effort and ensuring task completion.
Conflict/Confusion
Each employee can have two managers, the project manager and the functional manager which could lead to confusion and conflict.

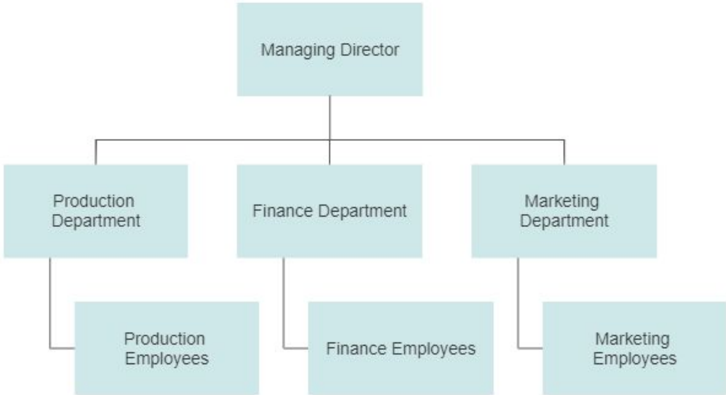
2024 Q5 (B) Solution

(B)	(i)	**Distinguish between the terms span of control and chain of command** Span of control refers to the number of subordinates who report to a manager. The span of control may be narrow or wide depending on the type of work, experience of the manager etc Chain of command refers to the line of authority/ communication in a business. The chain of command clarifies the hierarchy of a business/who reports to whom	2@5m(2+3)
(B)	(ii)	**Discuss the benefits of a matrix organisation structure for a business such as IKEA** **Benefits** **Increased Motivation** Social/Esteem needs of employees at IKEA are satisfied working within a team. This can encourage the employees to contribute their best efforts. Example Required **Better coordination** Mix of people from different departments at IKEA means people will learn more about what goes on throughout the business. Example Required **Better decision making** More expertise when people of different departments at IKEA come together to discuss issues, problem solve and make decisions. Sharing opinions and the expertise of team members from different disciplines can lead to better decisions. Example Required **Greater productivity-Synergies** Greater productivity can be achieved when employees work together and therefor the output is greater than when employees work separately. Example Required	3@5m(2+2+1)

2020 Q4 (B) Solution

(i) Illustrate, by means of a diagram, a functional organisational structure for a manufacturing business such as Good4U. (ii) Outline the benefits of a functional organisational structure. MS: (i) 10m (3,3,2,2) (ii) 2 x 5m (2+3)

(i)



(ii)

Clear Chain of Command as staff have clear lines of authority in a functional structure so they know who reports to who.
This improves coordination, as employees know what is expected of them and when.

There is Shared skills and expertise as similar disciplines work together, i.e. all engineers working together brings expertise together. Employees can learn from each other and become more highly skilled.
This benefits the productivity in the business and aids staff development.

2015 Q4 (B) Solution

Outline the benefits **to a business** of a functional organisational structure. (15 marks)
MS: 3 @ 5m (2 + 3). Benefit must be clearly developed for each.

Departments Engage In Specialisation

Each department is **concentrating exclusively on one function** such as **marketing, production, sales or finance,** employees and management build up high levels of skill and expertise through **repetition and practice**.

This benefits the business as it leads to **efficiencies** and managers can have **wider spans of control** as they are focusing on one task.

Clear Chain Of Command

Clear lines of authority exist and employees know **who to report to**.
There is a **person in charge of each department**, which improves **co-ordination**, as employees **know what is expected** of them and when.

There **is accountability** as someone is **responsible for each section**.

Clear Communication Channels.

Instructions flow downward from top management along the chain of command and **information is communicated upward**. It may result in important information being communicated quickly leading to **quicker decision-making**.

Promotional Paths

There is a **visible hierarchical ladder**, providing **career paths** for employees. This provides **scope for the promotion** to the next level, so businesses can **promote from within**, which benefits the business as it improve motivation of employees.

(Also 2010 Q4 (C) Discuss the benefits of a functional organisational structure in a business.
Refer to the Chain of Command *and* Span of Control in your answer.

2023 Q5 Short

Question		Possible Responses	Max. Mark
5	(a)	**Draft and label a functional organisation chart for a manufacturing firm.** **Title:** <u>Functional Structure of a manufacturing firm.</u>  • **Production dept required.**	3@2m
	(b)	**Outline one impact of choosing this type of organisation structure:** **Clear Chain of Command** Staff have clear lines of authority in a functional structure. Staff know who reports to who in a functional structure there is a person in charge of each department, which improves coordination, as employees know what is expected of them and when. **Specialisation/ Shared skills and expertise** Employees from similar disciplines, i.e. all engineers working together brings expertise together. Employees can learn from each other and become more highly skilled. This benefits the productivity in the business and aids staff development.	2m, 2m

2014 Q4 (B) Solution

Outline the benefits *and* challenges for EducaPrint Ltd of a matrix organisation structure (team structure) for the development of the eBook products. **MS: 4 @ 5 marks 2 benefits @ 5 marks (2+3) 2 challenges @ 5 marks (2+3).**

A Matrix Organisation structure should help bring **Greater Unity Across the Business.** It is a **team based** structure with expertise drawn from different departments e.g. marketing, finance, information technology, production. This **greater interaction across departments** will lead to **greater understanding of individual departments** in EducaPrint to what they have to do to launch a successful eBook.

A Matrix Organisation structure should help create **better decision making in EducaPrint.** All team members have an **input into decision-making** and problem solving which allows for greater output and **productivity (synergy**). New ideas will evolve and better decisions will be made on the eBook.

A Matrix Organisation structure should help EducaPrint with their **Tactical Planning** as it **focuses on projects.**
A matrix structure is generally set up in business to carry out **specific projects** such as product development within an R&D context. The eBook products by EducaPrint Ltd can be worked on as a project.

A challenge for EducaPrint with a Matrix structure that may arise could be an **Unclear Chain of Command.** Each employee can have **two managers**, the **project manager** and the **functional manager**, which could lead to **confusion** and **conflict.**

Employees may not be able to prioritise their work effectively, or spread their workload evenly, causing disharmony in EducaPrint as they have their own tasks and their project tasks.

A challenge for EducaPrint with a Matrix structure that may arise could be **Slower Decision Making.** Decision-making may be **slow** because getting the **agreement** of the team during **consultation** stage might take some time.
This matrix organisational structure **may not be appropriate in a crisis or emergency situation** where tough decisions may have to be made quickly, e.g. EducaPrint may need to act quickly if their eBook platform fails.

2016 Q4 (C)

Discuss the benefits **and** challenges for a business of developing a matrix organisation structure (team structure) to complete specific projects in a business. (20m) **MS: 4 x 5m (2 + 3) At least one of each is needed; refer to project**

Same information as the EducaPrint solution above

Controlling Solutions

2015 (C) Solution

Explain the methods a business could consider to minimise the risk of bad debts as part of its credit control system. (20 marks)
MS: 7m (4+3) + 7m (4+3) + 6m (3+3).

Question	Possible Responses	Max Mark
11.	**Outline two ways to minimise bad debts for a business.** **Check credit worthiness of all Debtors:** Before dealing with new customers, businesses should be prudent and check on their previous history, e.g. asking for bank references, trade references, credit bureau, credit ratings, etc. **Set appropriate credit limits and credit periods/Draw up clear terms and conditions:** Controlling the amount of credit and ensuring that payments are made on time e.g. a credit limit of €5,000 and a time limit of one month for any payment. **Policy for late payments/partial payments** A business should agree with customers in advance on penalties for late payments, e.g. charging interest on overdue accounts. This will incentivise customers to pay up on time. **Administration/ Clear communication channels:** Have an efficient administrative system where invoicing, payment demands and follow up phone calls and visits occur promptly to ensure payment. Having reminders set to inform customers approaching the end of their credit period/limit.	10 5+5 (3 + 2)

2022 Q11 Short & 2017 Q Short – Q6 Solution

Outline two methods a business may use to minimise bad debts.

As above

2022 Q5 (B) Solution

(B) Discuss how stock control and quality control achieve efficiencies for a business such as M6 motors. (20)

Question			Possible Responses	Max Mark
5	(B)		**Stock Control** A business needs to control its stock to ensure it has optimum stock levels to meet customer demand at all times. Too much stock will lead to obsolescence, tied-up capital, increased storage and insurance costs and risk of theft. Too little stock can lead to lost sales, reduces customer loyalty and result in brand damage.	20 2 x 10 (4,4,2)
			Quality Control • The aim of quality control is to ensure that all products reach a specific standard set by the business, the industry or quality organisations. • It can involve appointing a Quality controller, doing regular physical inspections, sampling etc. • These systems will result in consistence and greater customer satisfaction. A business can also apply for Quality awards such as Q mark or ISO9000.	(4,4,2)

2011 Q4 (C) Solution

Describe how 'stock control' *and* 'quality control' achieve efficiencies in business.
MS: 2 @ 10 marks (2 + 4 + 4).

As above

2024 Short Q8 Solution

Question			Possible Responses	Max Mark
8.			**Distinguish between two types of management control commonly used in a business.** **Quality Control:** Ensuring that the product and service standards expected by customers are properly met. Quality control involves regularly measuring the standards of the goods and services. **Credit control:** Monitoring which customers are given credit, for how long and ensuring they pay it on time. Credit control involves checking the creditworthiness of debtors and putting in place measure to ensure prompt payments. **Stock Control:** Ensures businesses have the right quaintly and type of goods in stock at the right time, without incurring stockholding costs. Stock control increases consumer satisfaction and reduces costs. **Financial Control:** Financial control involves measuring the financial performance of the business against cashflow forecasts and budgets.	2@5m(3+2)