

Write your name here	
Surname	Other names
<b>Edexcel</b> <b>Principal Learning</b>	Centre Number
	Candidate Number
<b>Manufacturing and Product Design</b>	
<b>Level 2</b>	
<b>Unit 1: Running a Manufacturing Business</b>	
Sample Assessment Material <b>Time: 1 hour</b>	Paper Reference <b>MP201/01</b>
<b>You do not need any other materials.</b>	Total Marks

### Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided  
– *there may be more space than you need.*

### Information

- The total mark for this paper is 60.
- The marks for **each** question are shown in brackets  
– *use this as a guide as to how much time to spend on each question.*

### Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

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**Answer ALL questions. Write your answers in the spaces provided.**

**1** What type of manufacturing business structure is most likely to be involved when producing individually designed pieces of jewellery?

.....  
.....

**(Total for Question 1 = 1 mark)**

**2** What type of manufacturing business structure is most likely to be involved when making mass produced MP3 players?

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**(Total for Question 2 = 1 mark)**

**3** Which type of organisational structure ranks employees at different levels within the organisation?

.....  
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**(Total for Question 3 = 1 mark)**

**4** Explain how a flat organisational structure works.

.....  
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**(Total for Question 4 = 1 mark)**

**5** State **one** advantage of a flat organisational structure.

.....  
.....

**(Total for Question 5 = 1 mark)**



6 State **two** functions of a large manufacturing organisation.

Function 1

.....

Function 2

.....

(Total for Question 6 = 2 marks)

7 Which function is responsible for ensuring budgets are monitored?

.....

.....

(Total for Question 7 = 1 mark)

8 List **three** things a manufacturing business must do to remain a profitable and sustainable enterprise.

1 .....

2 .....

3 .....

(Total for Question 8 = 3 marks)



**9** Give **two** reasons why cash flow is important to the success of a manufacturing business.

1 .....

.....

2 .....

.....

**(Total for Question 9 = 2 marks)**

**10** Give **three** reasons why budgeting is important to the success of a manufacturing business.

1 .....

2 .....

3 .....

**(Total for Question 10 = 3 marks)**

**11** Give **two** reasons why budgeting is important to reinvestment in a manufacturing business.

1 .....

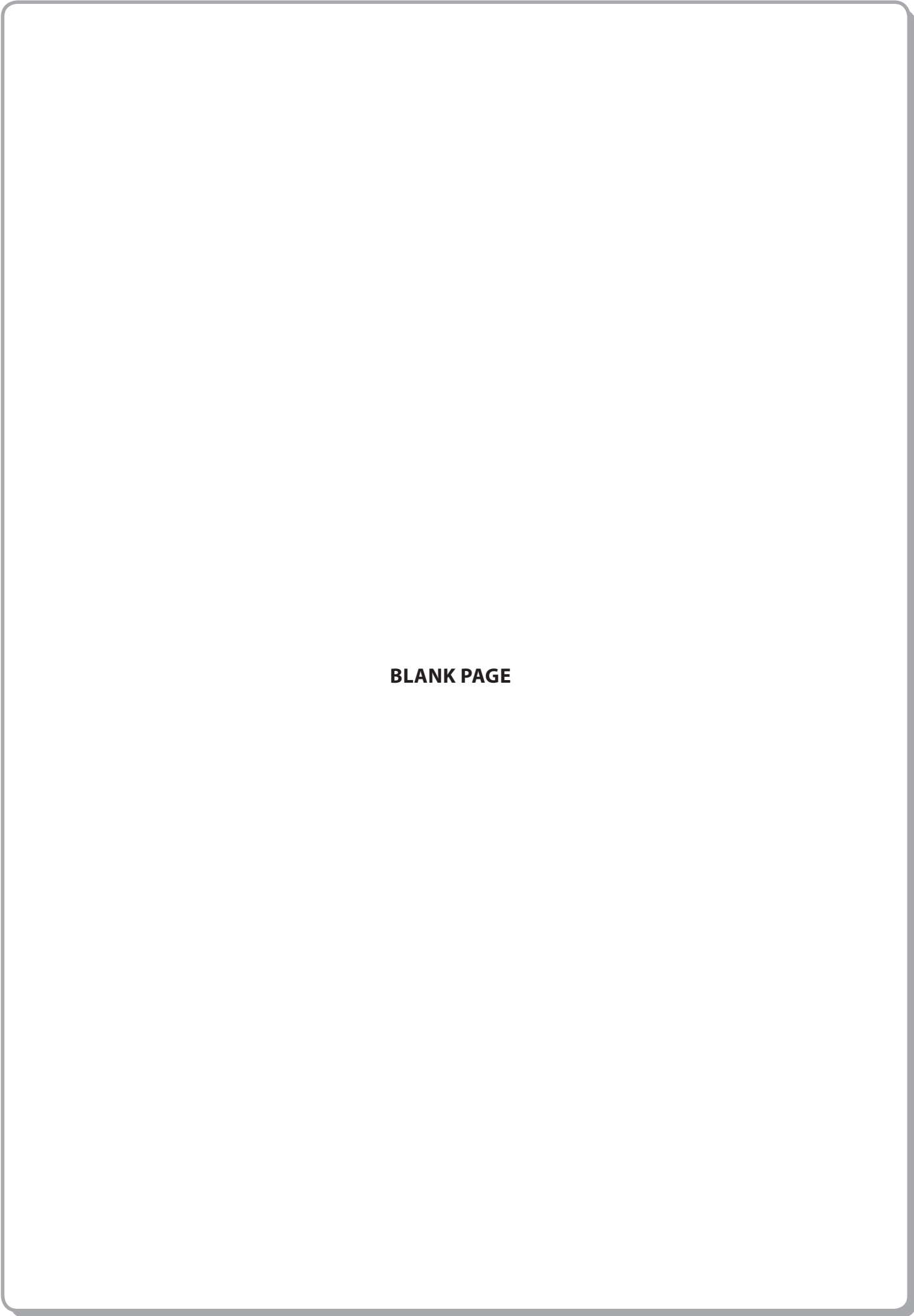
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2 .....

.....

**(Total for Question 11 = 2 marks)**





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12 The following is part of a **profit and loss statement** for a manufacturing company.

**PROFIT AND LOSS STATEMENT**

	£	£	£
Sales			5,000
Purchases		1,000	
Closing Stock		(500)	
Cost of Sales			500
<b>Gross Profit</b>			
Production Wages		500	
Administration Costs		100	
Sales Wages		200	
Rent			
Other Expenses		50	
			1,000
<b>Net Profit</b>			<b>3,500</b>

(i) Calculate the gross profit. (1)

(ii) Calculate the amount spent on rent. (1)



(iii) Complete the profit and loss statement by entering the correct figures in the spaces provided.

(1)

(iv) Calculate the net profit if sales were reduced to £4000.

(1)

Net profit = £ .....

**(Total for Question 12 = 4 marks)**



**13** A cake manufacturer keeps records to calculate yields and actual costs per batch of mixture.

Production day	Monday	Tuesday	Wednesday	Thursday	Friday
Number of mixes	10	15	20	25	40
Yield per mix	110	150	210	260	
Cost per mix (£)	10	10	11	11	

Assuming the yield on Friday is 10 more than the mix on Tuesday, and the cost per mix is £1 less than Wednesday, complete the record for Friday.

**(Total for Question 13 = 2 marks)**

**14** A production manager has received a quarterly wages summary from administration and has found an error in the **Total wages cost** row.

In which month did the error occur and what is the correct figure?

Month	January	February	March
Number of hours worked	1100	1400	1200
Hourly wage cost	£11	£12	£13
Total wages cost	£12 100	£16 700	£15 600

Month error occurred .....

Correct figure £ .....

**(Total for Question 14 = 2 marks)**



**15** Explain **one** disadvantage to a large business of a matrix structure.

.....  
.....

**(Total for Question 15 = 2 marks)**

**16** Give **two** functions of a marketing department.

1 .....

2 .....

**(Total for Question 16 = 2 marks)**

**17** Describe **one** responsibility of a distribution driver that relates directly to the profitability and sustainability of a manufacturing company.

.....  
.....  
.....  
.....

**(Total for Question 17 = 2 marks)**



**18** Give **two** reasons why it is important to monitor and control production cost budgets.

1 .....

2 .....

**(Total for Question 18 = 2 marks)**

**19** Give **one** consequence of **negative** cash flow on a manufacturing business.

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**(Total for Question 19 = 2 marks)**

**20** Describe **one positive** consequence of good financial control in a manufacturing business.

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**(Total for Question 20 = 2 marks)**



21 (i) Interpret the following cash flow statement below and **report** on the cash flow situation for June.

<b>Cash flow statement</b>			
Month	<b>April</b>	<b>May</b>	<b>June</b>
Balance at start of month	£100,000	£70,000	£100,000
Receipts	£100,000	£130,000	£ 70,000
Payments	£130,000	£100,000	£180,000

(2)

(ii) Interpret the information report and give one piece of appropriate **advice** to the company.

(2)

**(Total for Question 21 = 4 marks)**



22 (i) Construct a simple financial template suitable for recording monthly costs and sales income over a **three** month period, based on the following:

Costs

Income from sales

Construct your template in the space below.

(2)

(ii) Complete your template using the following information:

Month 1: Costs were £100, Income from sales was £400

Month 2: Income from sales was £400, material costs were 23% higher than Month 1

Month 3: Costs were 10% higher than Month 1, income from sales was 15% higher than Month 2

(2)



(iii) Construct a simple template below for a profit and loss statement for each month based on the information in (ii).

(2)

**Profit and loss statement**

(iv) Calculate the profit or loss for each month and the total profit or loss for the 3 month period and enter the data onto your statement.

(2)

Show your calculations here

**(Total for Question 22 = 8 marks)**



**23** Give **three** reasons why a hierarchical structure might be suitable for a medium sized organisation.

1 .....

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2 .....

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3 .....

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**(Total for Question 23 = 3 marks)**

**24** Describe **two** ways marketing and design function staff liaise and work together to create a profitable and sustainable business.

1 .....

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2 .....

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**(Total for Question 24 = 4 marks)**



**25** Describe the benefits of successful budgeting, sound cash flow and financial control in a manufacturing company to a new employee.

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**(Total for Question 25 = 3 marks)**

**TOTAL FOR PAPER = 60 MARKS**





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