CAPACITY UTILISATION

Define capacity utilisation

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What is the formula for calculating capacity utilisation?

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What are the problems of working with spare capacity?

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What are the problems with working at full capacity?

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How can a firm increase its capacity utilisation / avoid spare capacity?

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Read the Capacity Utilisation text book chapter (from page 486) and make brief notes on the following:

*Operations decisions and targets*

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Costs and capacity utilisation

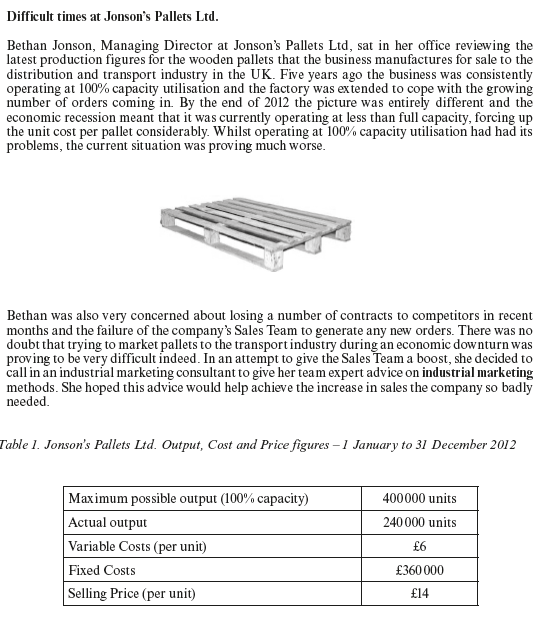
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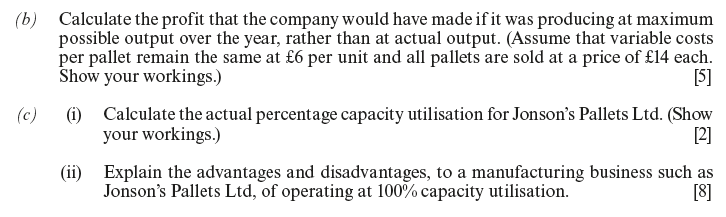
How to improve capacity utilisation

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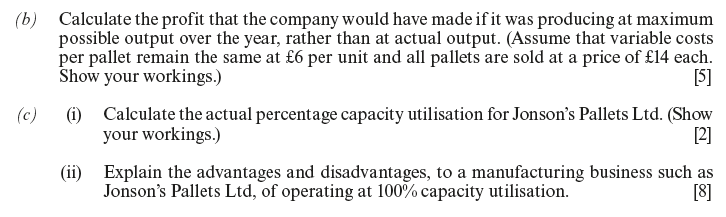
*(Questions continue over the page)*

Past Paper Question

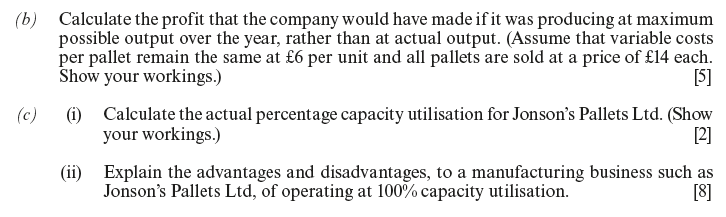




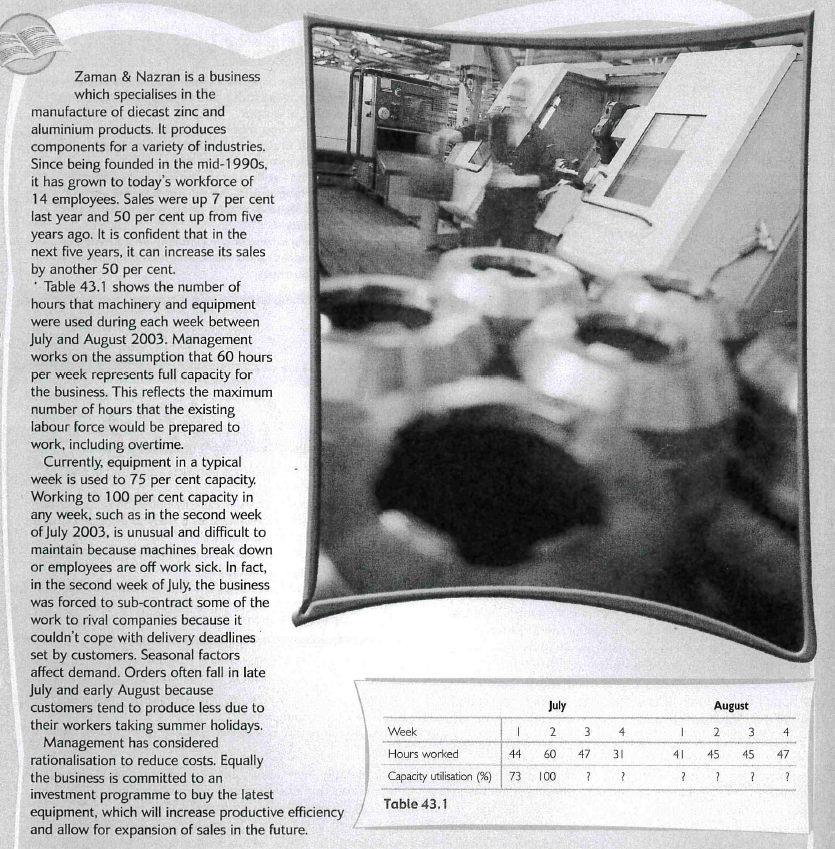
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1. Calculate capacity utilisation for weeks 3-4 in July and weeks 1- 4 in August

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2. Analyse two ways in which the business could increase capacity utilisation

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