Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2.4.3 Stock control**

1. Identify whether each of the following statements are true or false. Justify your answer.

|  |  |
| --- | --- |
| Statement | True/False |
| Labour productivity can be calculated as: number of employees/output. |  |
| Justification: |
| Stock will automatically be reordered when it reaches buffer level. |  |
| Justification: |
| A manufacturing business will always achieve the optimal mix of resources when it is capital intensive. |  |
| Justification: |
| Poor stock control may lead to poor customer service. |  |
| Justification: |
| There is an inverse relationship between capacity utilisation and unit costs. |  |
| Justification: |
| A benefit of lean production is lower waste. |  |
| Justification: |
| Just in time involves eliminating any quality problems from the production process. |  |
| Justification: |
| Just in time relies on a good relationship with suppliers. |  |
| Justification: |

1. Nomad Travels operates coach holidays to the south coast of England. Last month it ran 4 trips each with an average of 36 passengers. Its average capacity utilisation was 75%. What is each coach’s capacity?
	1. 30
	2. 34
	3. 44
	4. 48

Show your workings: