Name:

Date Taken:

Class: Total Possible Marks: 32



Capacity Utilisation

Complete the following questions in the time allowed by your teacher

QUICK DEFINITIONS

Write a short, accurate definition for each of the following key terms. (2 marks for each good quality definition)

2	1.	Define: production capacity
2	2.	Define: capacity utilisation
2	3.	Define: excess capacity
2	4.	Define: unit cost

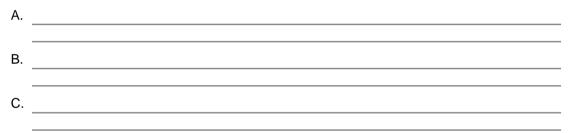
QUICK LISTS

3

In this section, provide an outline or list points which answer the question

5. List thre	e different kinds of business and how they might measure capacity
A	
В	
C	
D	
E	

$\frac{1}{4}$ 6. List three reasons why a business is likely to consider capacity utilisation an important measure of performance



Short Answers

In this section, write a short answer (one or two sentences) for each question.

 $\frac{1}{4}$ 7. Explain three reasons why a business might be operating at significantly less than full capacity

 $\frac{1}{4}$ ^{8.} Describe three ways in which a business could respond to a situation of excess demand / under capacity

 $\frac{1}{4}$ 9. Explain why a business may experience problems if it tries to operate a very high levels of capacity utilisation

_ 10. 5

Jenkins Roadside Cafes Ltd				
Output per week	Café 1	Café 2	Café 3	Café 4
Meals (capacity)		1,500	1,000	
Meals sold	800	1,125	900	1,700
Capacity utilisation	80%	75%		
Spare capacity (per week)	200		100	300
opene opposity (per meen)	200		100	50

Complete the capacity utilisation calculations for Jenkins Roadside Cafes Ltd based on the table above