

Name: _____ Class: _____
Date Taken: _____ 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)

$\frac{2}{2}$ 1. Define: production capacity

$\frac{2}{2}$ 2. Define: capacity utilisation

$\frac{2}{2}$ 3. Define: excess capacity

$\frac{2}{2}$ 4. Define: unit cost

QUICK LISTS

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

$\frac{3}{3}$ 5. List three different kinds of business and how they might measure capacity

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____

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

- A. _____

- B. _____

- C. _____

Short Answers

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

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

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

- $\frac{4}{5}$ 9. Explain why a business may experience problems if it tries to operate a very high levels of capacity utilisation

- $\frac{5}{5}$ 10.

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

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