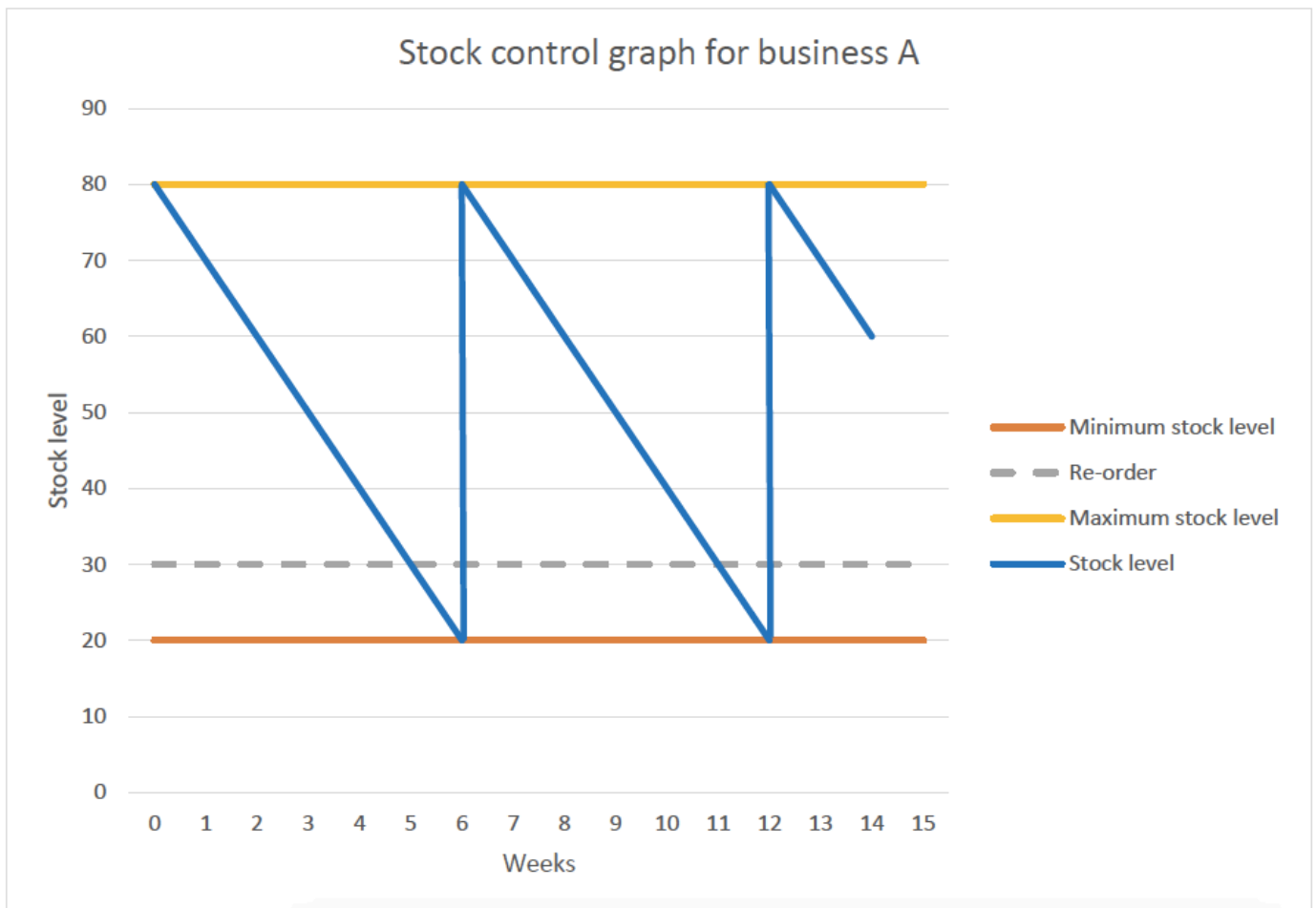


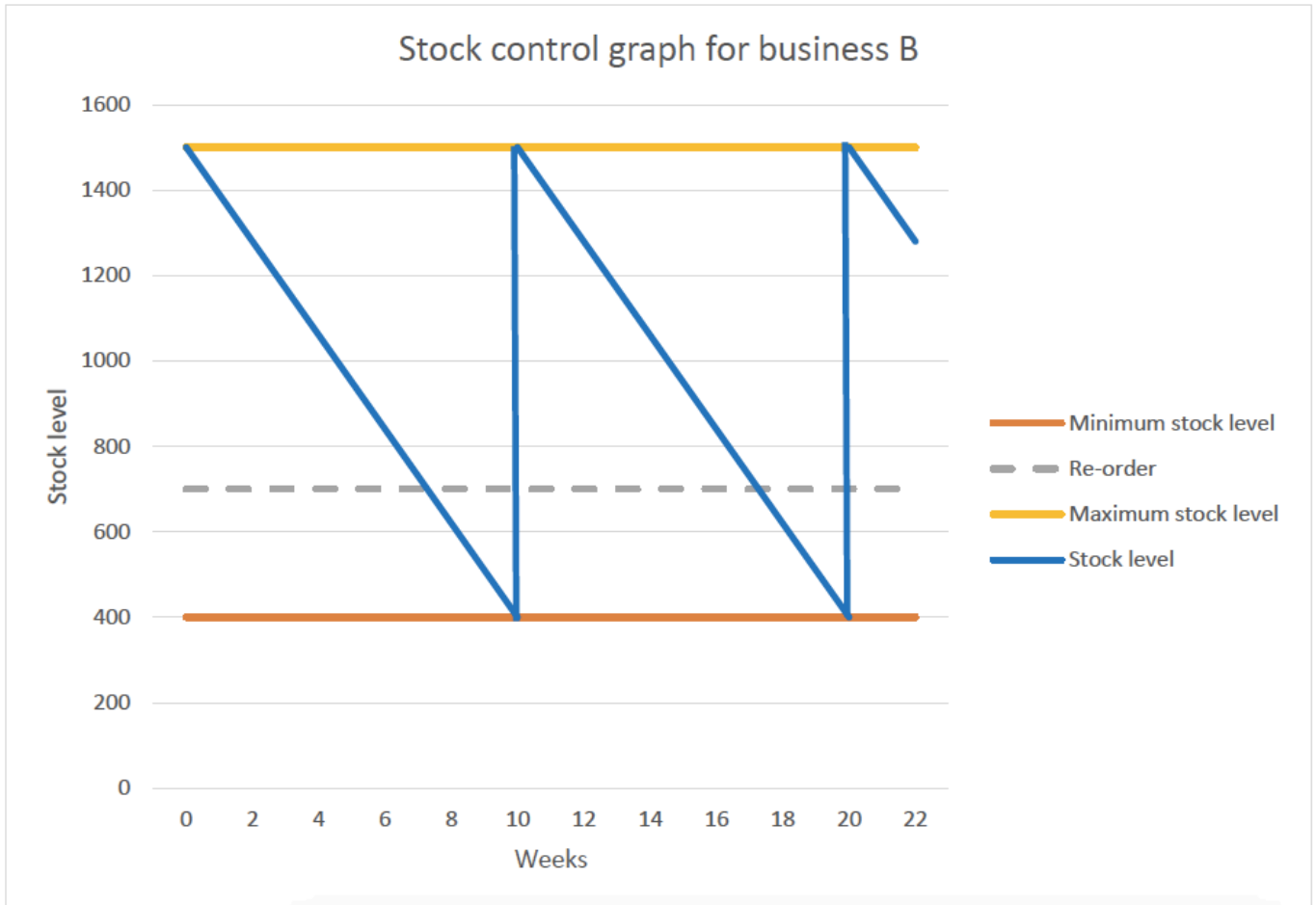
Operations: Stock control

## READING FROM STOCK CONTROL GRAPHS



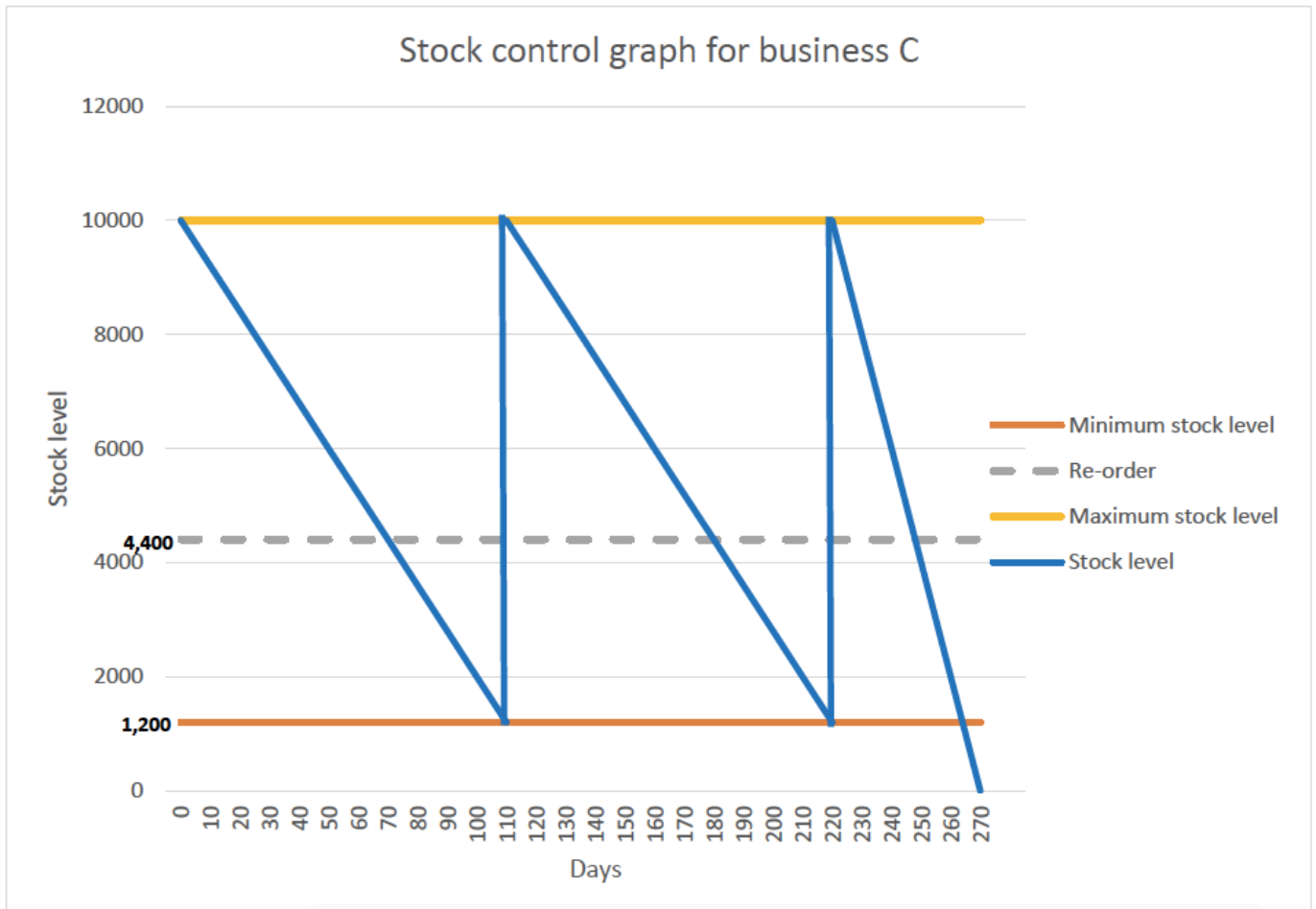
1. What is the minimum stock level for this business? (1)
2. At what point does the business re-order stock? (1)
3. How many products does the business sell per week? (2)
4. What is the business' lead time? (1)
5. Explain one benefit of holding a buffer stock to this business. (3)

Total marks available = 8



1. What is the maximum stock level for this business? (1)
2. How many products are ordered for each delivery? (1)
3. How many products does the business sell per week? (2)
4. Approximately (to the closest whole number) how many weeks do their suppliers take to deliver (lead time)? (1)
5. Explain one drawback to this business of holding large amounts of stock. (3)

Total marks available = 8



1. How many products does the business sell per day until Day 220? (1)
  
2. What is the business' lead time? (1)
  
3. Explain what has happened to this business to cause the change in stock levels from Day 220. (3)
  
4. Explain one action the business could have taken to prevent running out of stock on Day 270. (3)

Total marks available = 8

Operations: Stock control

# READING FROM STOCK CONTROL GRAPHS

## Business A

1. What is the minimum stock level for this business? (1)  
20 units
2. At what point does the business re-order stock? (1)  
30 units
3. How many products does the business sell per week? (2)  
10 units
4. What is the business' lead time? (1)  
1 week
5. Explain one benefit of holding a buffer stock to this business. (3)  
For 3 marks, there will be one benefit identified and two clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc. The answer must be in context if it is to secure all 3 marks.  
Possible benefits include:
  - In case of a sudden change in demand
  - In case of a delay in delivery of stock

## Business B

1. What is the maximum stock level for this business? (1)  
1,500 units
2. How many products are ordered for each delivery? (1)  
1,100 units
3. How many products does the business sell per week? (2)  
110 units
4. Approximately (to the closest whole number) how many weeks do their suppliers take to deliver (lead time)? (1)  
3 weeks
5. Explain one drawback to this business of holding large amounts of stock. (3)  
For 3 marks, there will be one drawback identified and two clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc. The answer must be in context if it is to secure all 3 marks.  
Possible drawbacks include:
  - Storage costs
  - Change in trends
  - Depreciation costs
  - Opportunity cost

## Business C

1. How many products does the business sell per day until Day 220? (1)  
80 units
2. What is the business' lead time? (1)  
40 days
3. Explain what has happened to this business to cause the change in stock levels from Day 220. (3)  
For 3 marks, there will be one point identified and two clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc. The answer must be in context if it is to secure all 3 marks.  
Possible points include:
  - Increase in demand

4. Explain one action the business could have taken to prevent running out of stock on Day 270. (3)  
For 3 marks, there will be one action identified and two clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc. The answer must be in context if it is to secure all 3 marks.

Possible actions include:

- Placed an order as soon as the change was noticed
- Hold a larger buffer stock
- Arrange a shorter lead time (quicker delivery) with the supplier