

90839R



Level 1 Business Studies, 2011

90839 Apply business knowledge to an operational problem(s) in a given small business context

9.30 am Tuesday 29 November 2011
Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Business Studies 90839.

Check that this booklet has pages 2 and 3 in the correct order and that neither of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE A: CASE STUDY – BUSINESS RESTRUCTURING***Truman & Sons Ltd – Uniform Manufacturers***

Truman & Sons Ltd is a small manufacturer that designs and produces uniforms for most schools and sports teams in their community. The business is owned by Larry Truman and has been operating since 1985. Larry is the managing director, but is thinking about retiring and passing the business on to one of his sons, Barry.

Larry is a “people” person who is good at making and maintaining relationships, particularly with suppliers, staff and customers. He constantly “wines and dines” customers and suppliers, hoping to get good deals. Barry, on the other hand, seems to be concerned only about making a profit.

Recently, a new uniform manufacturing business, *Best Uniforms Ltd*, set up in competition on the other side of town. *Best Uniforms Ltd* is not well established in the community, but is very competitive in terms of pricing. They also have contacts overseas which supply them with very cheap material. *Truman & Sons Ltd* purchase their material from New Zealand and Australia. It is much more expensive and of high quality.

Another issue for Barry is the state of the assets in the factory. Larry has been so busy networking and socialising with clients that he has let the machinery and equipment fall into disrepair. It is going to require substantial investment to rectify this problem. Barry is still undecided whether to repair or replace the machinery and equipment.

Barry is very worried about the new competition and poor state of the equipment and fears that, if *Truman & Sons Ltd* cannot compete on price, they will lose many of their customers and may have to shut down.

He has not told anyone, but he is seriously thinking about restructuring the business.

RESOURCE B: CASE STUDY – ADVERTISING

Figure 1 Magazine advertisement

Introducing the New PC 1242

The 21st Century Computer Aided Pattern Cutting System

The PC 1242 will take the patterns from your design department and cut the material to size in large batches – a fully automated system. Scan or enter designs, and then sit back as the PC 1242 takes control and creates precise fabric pieces to meet your exact needs.

- Simple scanning or data entry.
- Reduced wage costs.
- Reduced wastage.
- Greater output.
- Longer working hours.
- Full system support.

Scissors are so “last century”!

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Figure 2 Newspaper classified advertisement

Thornton Technology

Machinery Service and Repairs

We have 30 years' experience servicing and repairing machinery in the textile and fashion industry. We keep your business running, while you keep your customers happy.

- Low-cost alternative – why buy new machinery when we can fix what you have?
- 48-hour service – we promise to have you up and running in two days.
- Regular service contracts prevent breakdowns.

Phone us on (09) 001 0001 during office hours.

