



Section 5.2

Activity 5.2.1

1. 'Batch production' is producing a limited number of identical products where each item in the batch goes through one stage of production before passing on to the next stage.
2. Wedding cakes produced by Sunburst bakeries would be produced as individual units, which is job production.
3. Factors that affect the type of production Sunburst uses might be:
 - Number of units to be produced
 - Nature of product
 - Unit cost Sunburst wants to achieve.
4. The advantages of Sunburst's decision to switch from batch to flow production might be:
 - Lower unit costs
 - Economies of scale
 - Increase in production capacity
 - More standardised products.

The disadvantages might be:

- High initial capital cost
- Lack of flexibility
- Some consumers put off by mass production.

Activity 5.2.2

Appropriate production methods:

- a. Children's clothing – batch production
- b. Electric plugs – flow production
- c. Ceramic pots for the wealthy – job production
- d. Desktop computers for consumers with slightly different specifications – mass customisation.

Activity 5.2.3

The advantages for business of mass customisation might be:

- Low unit costs



- Economies of scale
- High production capacity
- Products can be adapted for consumers
- Variety of tasks is attractive to employees.

The disadvantages might be:

- High initial capital costs
- Capital is more complex to operate
- High cost, high skilled workers
- Difficult for small and medium-sized businesses
- Not suitable for certain types of production.

Exam practice question

1. 'Flow production' is producing items in a continually moving production line, which can be a continuous 24-hours-a-day method.
2. Disadvantages BMW might have encountered using flow production include:
 - High initial capital costs
 - Lack of flexibility
 - Some consumers put off by mass production.
3. Characteristics of cell production include:
 - Team-based production
 - Workers have multiple tasks
 - Teams are responsible for starting and finishing the production of a product.
4. The advantages of BMW switching from flow production to cell production might be:
 - Increased motivation of staff
 - Flexible production system
 - Low handling costs
 - Improved quality.

The disadvantages might be:

- High initial capital costs
- High cost, high skilled workers
- Output lower than flow production
- Conflict between cells.



Key concept question

The importance of innovation in different production methods might be:

- Advances in capital as firms develop and use new types of machinery
- Advances in IT allow new production systems to develop
- New production systems (change from flow to mass customisation)
- Motivation of employees using new production methods
- Training of employees to use new production methods
- Development of new products (types of production system they need to produce them).