5.3 Working with suppliers and the supply chain: 10-minute Pack

Total Marks

AQA 8132 · Calculator allowed · about 10 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for any calculation: method marks are available even if your final answer is wrong. Otterburn Toy Company, used throughout this pack, is a fictional business.

1 Which one of the following best describes a supply chain?

- ☐ A) The sequence of businesses and processes involved in getting a product from raw materials to the final customer
- ☐ B) A list of a business's employees and their job roles
- ☐ C) The route a delivery driver takes on a single day
- ☐ D) A business's total sales for one year

(Total for Question 1 is 1 mark)

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2 State the correct order of the following four stages in Otterburn's supply chain for its toy cars, from the start of the chain to the end: wholesaler, plastics supplier (raw materials), Otterburn (manufacturer), retailer/consumer.

(Total for Question 2 is 2 marks)

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3 Which one of the following is a genuine reason a business might choose one supplier over another?

- ☐ A) The supplier's office is the tallest building in the city
- ☐ B) The supplier offers a lower price, better quality or more reliable delivery than its rivals
- ☐ C) The supplier was the first one found in an internet search
- ☐ D) The supplier has the same name as the business's founder

(Total for Question 3 is 1 mark)

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4 State two criteria a business should consider when choosing which supplier to use.

(Total for Question 4 is 2 marks)

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5 Explain one advantage to Otterburn of using a single supplier for all of its plastic wheel-sets, rather than splitting the order between several suppliers.

(Total for Question 5 is 3 marks)

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Mark scheme · 5.3 Working with suppliers and the supply chain: 10-minute Pack

Question 1

A cao **B1**

Answer: A

Question 2

correct order: plastics supplier (raw materials) -> Otterburn (manufacturer) -> wholesaler -> retailer/consumer, cao; allow B1 for two or three stages correctly placed relative to each other **B2**

Answer: Plastics supplier (raw materials) -> Otterburn (manufacturer) -> wholesaler -> retailer/consumer.

Question 3

B cao **B1**

Answer: B

Question 4

one acceptable criterion, e.g. the price charged per unit **B1**

a second acceptable criterion, e.g. the quality of the goods, the reliability of delivery times, or the payment terms offered **B1**

Answer: Any two, e.g. price per unit; quality; reliability of delivery; payment terms.

Question 5

identifies the point, e.g. ordering everything from one supplier means Otterburn can build a closer working relationship and order in larger quantities **B1**

develops the point, e.g. larger orders from one supplier make Otterburn a more valuable customer, giving it more negotiating power **B1**

links clearly to an outcome, e.g. this could win Otterburn a bulk-order discount or priority treatment, lowering its costs or improving delivery reliability **B1**

Answer: Ordering everything from one supplier lets Otterburn build a closer relationship and order in larger quantities, giving it more negotiating power, which could win a bulk-order discount or priority treatment, lowering costs or improving delivery reliability.

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