

2. Study the information below and then answer the questions that follow.

FOLLEYS, THE TENT MANUFACTURERS

Candice and Simon Folley have been running a business manufacturing tents quite successfully for the last eight years. They currently employ twelve people. Now their son, Patrick, has joined them as a partner with the long-term view of taking over the business. This means they need to increase the scale of the business to provide a comfortable living for them all.

The tent-making business is currently situated in premises just off the Aberystwyth Road not far from the town centre. Candice suggests that they move to a large unit on the local industrial estate near the motorway. Here they could have a large internal display area and a large sales area.

Whether Follleys moves or not, the business wishes to improve both the **quality of its products** and its **stock control**. Tent sales tend to be seasonal and consequently it does not have a steady flow of orders. This means that it has to discount its stock heavily towards the end of each season to make way for new designs.

- (a) (i) Explain the meaning of *stock control*. [2]
- (ii) What problems might Follleys face as a result of poor stock control? [4]
- (b) Explain **two** ways in which Follleys could improve the *quality of its products*. [6]
- (c) Consider the factors that Follleys should take into account when deciding whether or not to relocate. [8]