Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

5406594702

ENTERPRISE **0454/11**

Paper 1 **May/June 2016**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

Each candidate should have received a copy of the case study prior to the examination.
A clean copy of the case study has been provided with this Question Paper.

The businesses described in this Question Paper are entirely fictitious.
Your answers must be based on the case study and your own enterprise experience and knowledge.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **12** printed pages, **4** blank pages and **1** Insert.

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CAMBRIDGE
International Examinations

Section A

Answer **all** the questions.

1 The teacher asked the students to give examples of ways that they had been enterprising at school or at home.

(a) Explain the term 'enterprise'.

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....[2]

(b) Identify and explain **three** possible ways of being enterprising at school or at home.

1 Identify ....

Explain ....

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2 Identify ....

Explain ....

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3 Identify ....

Explain ....

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....[6]

[Total: 8]

2 A PESTEL analysis helps to identify the risks of an enterprise.

(a) State what the letters PESTEL stand for.

P ....

E ....

S ....

T ....

E ....

L ....[4]

(b) Explain **one** reason why governments set laws and regulations that can affect the start-up of an enterprise.

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....[2]

(c) Explain how **two** risks experienced during **your enterprise project** had an impact on the enterprise.

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2 ....

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....[6]

[Total: 12]

3 Aiyana knew that she needed to plan carefully and to use appropriate language in her negotiation.

(a) Explain the term 'negotiation'.

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....[2]

(b) Identify **two** questions an entrepreneur should consider when planning for a negotiation.

1 ....

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2 ....

....[2]

(c) Aiyana was negotiating with her family for the fruit. She knew that her language should be different than when talking with them informally.

Explain why the language in a negotiation should be different from language used with friends. Use an example to support your answer.

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....[6]

[Total: 10]

4 Ezequiel produced a budget for the fruit drinks.

(a) Explain the difference between the following terms:

(i) fixed costs and variable costs

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....[2]

(ii) revenue and profit.

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....[2]

(b) Analyse the usefulness of budgeting to enterprises. Use an example from either the case study or your own enterprise project of how a budget was used, to support your answer.

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....[6]

[Total: 10]

5 The friends had not thought about the marketing of their drinks.

(a) Explain **one** potential benefit of marketing to:

(i) a customer

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....[2]

(ii) an enterprise.

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....[2]

(b) Explain the benefits and drawbacks of internet advertising to this fruit drinks enterprise.

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....[6]

[Total: 10]

Section B

Answer **all** the questions.

You may use the case study, your own enterprise experience and your knowledge of enterprise where appropriate to answer the following questions.

6 **(a)** Aiyana's family were willing to accept delayed payment.

Discuss the advantages and disadvantages to **Aiyana's family** of offering delayed payment to the new enterprise. [10]

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(b) Ezequiel produced a budget for the enterprise, but other financial documents could also be produced.

Evaluate the importance of financial documents to the operation of the fruit drinks enterprise. [15]

[Total: 25]

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7 **(a)** The teacher explained that good planning was essential to the success of an enterprise.

Discuss the importance of planning to the success of **your enterprise project**. Use examples to support your answer. [10]

(b) Harley completed the market research for the project.

Evaluate the methods of market research that would be **most** suitable for identifying potential customers for **your enterprise project**. [15]

[Total: 25]

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