

ENTERPRISE

Paper 0454/01
Case Study

Key messages

Thorough examination of the case study material before the exam is vital for success. Candidates who have attempted to apply the issues raised within the case study to evaluate their own enterprise experience were better prepared for the application required in many questions. This is particularly important as preparation for **Section B** of the paper. Candidates who are unable to apply their knowledge to the required enterprise will not score highly. Teaching time should be given to allow students to practise applying concepts to their own enterprise project.

Centres should be advised that a lack of practical enterprise experience has a detrimental effect on the quality of response produced by the candidate and therefore their overall mark. Candidates benefit greatly from planning the organisation of and running a formal meeting using the documentation outlined in Topic 10.4 of the syllabus, during their enterprise activity. This could be done when carrying out Task 3b of the coursework component.

Candidates should be encouraged to take careful note of any instructions within the question, such as that in **Question 4(d)** to use examples from the Fig. 1, as not fully answering the question will limit the credit available.

General comments

The pre-released case study identified a number of entrepreneurial terms and issues that candidates should understand and attempt to apply to their own experience before the examination. Candidates who had completed this aspect of their preparation were better prepared for the definition questions and the application required in questions such as **2** and **6**.

Candidates found questions that require application to their own enterprise experience particularly difficult. Within **Section B Question 7** an increase in the number of candidates who were able to effectively apply their knowledge to their own experience.

There was evidence that candidates would benefit from more thorough analysis of some aspects of the course, particularly Topics 7.3, 8.2, 10.4 and 10.5.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Use the case study material before the examination to clarify terminology, and identify issues and actions taken by the enterprise outlined.
- Attempts should be made to apply the points identified in the case study material to the candidates' own enterprise experience.
- Pay careful attention to the wording of questions.
- Within **Section B** answers, the use of examples from either the case study material (**Question 6**) or the candidate's own enterprise (**Question 7**) will help to illustrate application.
- Candidates would benefit from guidance and further practice in structuring answers to illustrate evaluation.

Comments on Specific Questions

Section A

Question 1

- (a) (i) Very well answered, with a large number of candidates accurately identifying the difference between the two terms through clear and precise definitions.
- (ii) Well answered by the majority of candidates. A small number of candidates struggled to gain full marks as they gave imprecise definitions such as 'rewards are things you get as an entrepreneur'.
- (b) This part of the question proved challenging for some candidates. The most successful answers identified a need or want, giving a precise example clearly related to their product or service. Such answers then explained the actions the candidate took to ensure that they provided goods or services that met this need or want and the effect on their enterprise of this action. A small number of candidates identified a general need, for example low prices, but this was not related to their customers or product and received limited credit.

Question 2

- (a) This question was challenging for a number of candidates. Answers which scored highly often made good use of the case study material and explained the advantage of gaining community support and the difficulty of raising finance. Candidates would benefit a better understanding of this aspect of the syllabus.
- (b) (i) A well-answered question.
- (ii) This question proved challenging for a number of candidates. Candidates providing the strongest answers here appeared to have made good use of the case study before the examination. Such candidates were able to choose a business organisation and explain why this was suitable for this local enterprise. A small number of candidates incorrectly chose a public limited company, showing a lack of understanding of the expense involved in setting up such a business organisation.

Question 3

- (a) A range of acceptable responses was provided for this question. A minority of candidates confused an action plan with a business plan.
- (b) Although some candidates were aware of the strategic questions as listed in Topic 7.3 of the syllabus many were unable to answer this question.
- (c) The most successful answers identified clearly elements of a budget as listed in Topic 6.5(a) of the syllabus. A common error was to confuse budgets with profit and loss accounts.
- (d) This question asked candidates to apply the information covered in Topic 6.5(c) of the syllabus to their own enterprise experience. The strongest answers focussed clearly on the candidates' own enterprise providing clear examples. Weaker answers provided a definition of the term budget. A small but significant number of candidates did not attempt this question.

Question 4

- (a) A large number of candidates gave a precise definition of this term.
- (b) Generally a very well answered question with a large number of candidates scoring full marks. Candidates who were not able to provide a precise definition in (a) showed that they were aware of stakeholder groups by giving a correct response to this question.
- (c) There were a large number of strong responses to this question, with candidates providing a range of different examples.

- (d) This area of the syllabus was clearly understood by the majority of candidates who gained full marks. Some candidates lost marks by overlooking the instruction to give examples from Fig. 1 and providing their own examples.

Question 5

Question 5 was the most challenging question for a large number of candidates. Within this question, **5(b)** was found the most difficult and **5(c)** was found the least difficult.

- (a) Candidates need to understand the different methods of market research that can be used by an enterprise. Only the very strongest candidates were able to give three distinctly different methods. The weakest answers stated 'market research' rather than identifying methods.
- (b) A number of candidates did not attempt this part of the question. Candidates need to understand the advantages and disadvantages of the various methods of market research that an enterprise can use. The strongest answers explained the benefits of the method chosen in allowing the researcher to gain the information required and the problems of choosing an incorrect or inadequate sample, or the time required for completion. Candidates would benefit a better understanding of this aspect of the syllabus.
- (c) The strongest answers made good use of the case study material to explain why low cost, local methods would be most suitable for this social enterprise. A number of these candidates focused on the benefits of social media. Weaker answers identified national methods of advertising for this local event, which could gain limited credit only.

Section B

Candidates providing the most successful answers in this section appeared to be clearly familiar with the case study material and their own enterprise experience.

Question 6

- (a) It was clear that candidates had clear knowledge and understanding of the different sources of finance identified in the question. The strongest answers used the case study and explained that as a social enterprise the dance carnival would be likely to be given a grant and the benefit of this would be that the money would not need to be repaid. Such answers often then explained that a loan would need to be repaid with interest and this would limit the funds available to organise another carnival. A number of candidates provided detailed but general answers that identified the advantages and disadvantages of both sources, which gained limited credit.
- (b) Candidates found this question to be the least difficult of the Section B questions. The strongest answers showed that candidates had considered the case study carefully before the examination. These candidates often linked the rewards to Essa's aim of allowing more people to watch the dance competitions. Strong understanding of the risks of operating a carnival outdoors was shown by explanations of the possible disruption to other people due to the noise and road closures. Weaker answers identified general risks and rewards faced by any enterprise or applied their answer to their own enterprise experience which did not answer the question set.

Question 7

- (a) This question required candidates to explain how they had used enterprise skills within their own enterprise project. It therefore built upon the work that candidates completed in Task 1(b) of their coursework. The most successful answers gave practical examples of how the skills identified had been used within their project. The positive or negative effect on the enterprise was then explained in detail. Such candidates frequently chose to explain the positive effect of their leadership and communication skills in helping to achieve high output and sales. A number of candidates overlooked the instruction in the question to use examples, and gained limited credit.

- (b) Candidates appeared to find this topic difficult. The strongest answers explained the actions the candidates took when organising the meeting, using material learnt within Topic 10.4. These candidates then analysed how their preparation had helped the meeting to be successful, usually by stating what had been achieved. The most successful evaluations showed awareness that these meetings were not always completely successful and identified improvements that could have been made. Candidates would benefit from the opportunity to organise, participate in and evaluate at least one formal business meeting as part of their enterprise experience. A small number of candidates confused meetings with presentations.

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<p>Paper 0454/02 Coursework</p>

Key messages

- Candidates must provide relevant evidence of all activities for each task
- Activities requiring demonstration of practical enterprising skills were done well
- Activities which required candidates to show analysis and evaluation skills (AO3) needed to contain more detailed explanation and supporting evidence
- Whilst candidates can undertake group projects, all the reports and documents submitted must be each candidate's own work and not a collaborative effort.
- Assessors are advised to add notes linked to the assessment criteria to the work as this helps with marking and moderating

General comments

There was evidence of awareness by centres of the requirements for this component. However, a number of centres appear to be unclear about the type of evidence that need to be produced for some components. Guidance on the task descriptors is available from the relevant section of the syllabus that is available from the Teacher Support site. There is a checklist in the Teachers' Handbook that highlights all the evidence that candidates need to submit. Candidates need to ensure they provide all the required materials to be able to access the full range of marks.

Centres must advise candidates that while they can undertake group projects, all documents produced must be the individual candidates' own work and not a collaborative effort. This includes the Action Plan, examples of marketing communication and the Income and Expenditure Budget. Any work produced jointly by candidates, cannot be awarded.

Centres are asked to advise candidates about the word limit. It may be helpful if candidates produce their work as Microsoft Word documents so that word counts can be easily checked. Teachers can then monitor this situation and advise candidates accordingly. While candidates are not currently penalised for writing more it is in their interests to follow the guidelines whenever possible.

Administration was generally good. In a centre with more than one teacher, internal moderation must be carried out. Any marks changed should be clearly indicated on the ICRC. The total marks for each candidate also need to be the same on all documentation – the ICRC, CASF and the MS1. The marks submitted to Cambridge, are those on the MS1, so if changes are made, it is essential that these are transferred to the MS1. Overall the level of annotation on the work was limited. It would assist the external moderation process if the centres pinpoint where candidates have demonstrated the relevant assessment criteria, for example, by writing 'AO1', 'AO2' and 'AO3' or comments such as 'good' or 'excellent analysis' at appropriate points in the work. This helps both the centre and moderator see how and why a particular mark has been awarded.

Candidates were well advised in their choice of suitable projects. Candidates should be congratulated on their choice of projects, which showed true entrepreneurial spirit. Choices for this session included making stress balls, running a barber shop, birthday cards and personalised baseball caps. Such creativity should be encouraged.

Overall, many centres awarded analysis and evaluation generously. A simple list of advantages and disadvantages or a table, without any accompanying explanation, does not constitute analysis. Points need to be developed to explain how or why these points need to be considered. For candidates to access the higher mark bands they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

Comments on specific tasks

For Task 1, candidates were required to submit a formal report. All candidates used the correct format. Most candidates attempted to identify entrepreneurial skills, but many found evaluating their own skills in terms of what might be useful for the projects more challenging. The second part of the task involved identifying a suitable project. For this they should explore the advantages and disadvantages of two or three possible options, before deciding which one they will carry out. It is not enough that candidates give their opinion; they must be able to support observations made with evidence gathered. Evidence might include market research, news articles or costings obtained. Better performing candidates were able to communicate the process and outcome of their investigations when choosing their project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. Others needed to explore points listed for the different options, and use evidence gathered to say why they had chosen one option over other possible alternatives, for example quoting the results of market research. The candidates from one or two centres included a wall chart about entrepreneurs which is not required as part of the 2017 syllabus.

For Task 2, candidates were required to present evidence of business planning. Many assessors were generous in their marking, and as little or no evidence of how they had arrived at their marks was included it was difficult to see how some marks had been rewarded. All candidates were required to produce an Action Plan, and evidence of either financial planning or planning marketing communications. Some candidates omitted evidence for at least one element of this task. Typical omissions were the witness statement and two different examples of marketing communications, individually produced by the candidate.

Most candidates did submit an Action Plan. However, monitoring is an area that most candidates find challenging. The majority of candidates describe what each stage involved rather than state how they would check to know if the action had been completed.

For the second part, there was an equal mix of candidates selecting finance or marketing communication. Written evidence of the candidate's choice was usually included. Candidates should be encouraged to develop more detailed explanations in order to access the higher mark bands. For example, rather than outline general advantages and disadvantages of different options, they should focus on explaining why these methods might be appropriate for their particular business. However candidates need to be advised that they should not rely on the visual materials as the medium for this, as candidates cannot and do not analyse the issues in sufficient depth.

It should be noted that the presentation must relate to their proposals for finance or marketing communications. Some centres confused this with the negotiation, which forms part of Task 3. Also candidates should be encouraged to carry out an individual presentation wherever possible, so they have the maximum opportunity to demonstrate their enterprise skills. Rather than simply state the skills used, assessors are encouraged to provide detailed evidence of specific skills shown during the presentation in the witness statement. This makes it easier for both the assessor and moderator to confirm the skills shown.

A number of candidates included additional documents including a risk assessment and business plan, which are unnecessary. Whilst both documents can provide some additional detail they should not replace the documents required by the task.

For Task 3, candidates were required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. The marking was generally in line with the required standard. However to access the top mark band, candidates must clearly identify, and not just describe the specific enterprise skills used when carrying out the different activities. For example if they used their initiative when sourcing ingredients, they should state that they used this skill as well as explain how they demonstrated it. A number of candidates did not provide evidence for both parts of the tasks.

For Task 4, candidates were required to produce a formal report. Nearly all candidates used an appropriate layout. In terms of content, candidates do not need to comment on all four areas. If marketing communications is selected, they should focus on this aspect alone rather than discuss general marketing issues such as market research or pricing. If candidates cover all areas they will not be able to discuss and validate their findings in sufficient detail to gain the higher level marks. As candidates are only required to submit a 1000 word report, having a clear focus is essential. Candidates are being rewarded for the depth of their analysis and evaluation. To do this, candidates would be expected to use words like 'because', 'due to', 'therefore', 'as such' to develop their points. Many candidates focused too much on what they did, rather than analyse and make judgements about the effectiveness of their chosen areas. This should cover both successes and failures. A review of what was done does not show the analytical or evaluative skills required

by this task. Better performing candidates did attempt to consider the implications of points identified, which should be encouraged. The majority of candidates were able to make simple conclusions and recommendations about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions, which they need to do to merit a high mark.