

# **Cambridge IGCSE**<sup>™</sup>

CANDIDATE NAME		
CENTRE NUMBER	CANDIDATE NUMBER	



ENTERPRISE 0454/12

Paper 1 October/November 2020

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

#### **INSTRUCTIONS**

- Answer all questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do not use an erasable pen or correction fluid.
- Do not write on any bar codes.

#### **INFORMATION**

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [].
- You should have received a copy of the case study before the examination. A copy of the case study is
  provided with this question paper as an insert.

This document has 16 pages. Blank pages are indicated.

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[Turn over

## Section A

# Answer all questions.

	_	oyed finding creative solutions to the problems he experienced.		
(a)	Sta	te <b>two</b> problems a new enterprise may experience.		
	1			
	2			
(b)		scribe <b>one</b> method that you used to develop a creative solution to a problem in yerprise project.		
(c)		scribe <b>one</b> method that could be used to monitor progress during the operation of erprise.		
(d)	Explain <b>one</b> way in which each of the following enterprise skills might be used in an enterpr			
	(i)	prioritisation/time management		
	(ii)	perseverance.		
		[Total		

Set	n's school enterprise project had almost failed due to a cash flow deficit.
(a)	Define the term <i>deficit</i> .
	[2]
(b)	Explain how break-even is calculated.
	[2]
(c)	Explain <b>one</b> advantage and <b>one</b> disadvantage to Seth's group of borrowing from family and friends during their school enterprise project.
	Advantage
	Disadvantage
	[6]
	[Total: 10]

Seth completed some market research.
(a) Explain one reason why any enterprise would complete market research.
[2]
(b) Identify the method of market research Seth completed.
[1]
(c) Explain one problem with the market research that Seth completed.
[2]
(d) Analyse the usefulness of one method of market research used in your enterprise project.
[3]
[Total: 8]

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(a)	State <b>two</b> objectives of an enterprise.
	1
	2[2]
(b)	Explain <b>two</b> reasons why Seth's computer servicing and repair enterprise was likely to be successful. Use an example from the case study to support each part of your answer.
	1
	2
	[4]
(c)	Describe <b>two</b> examples of verbal communication and <b>one</b> example of non-verbal communication used in <b>your enterprise project</b> .
	Example of verbal communication 1
	Example of verbal communication 2
	Example of non-verbal communication
	[6]

As a	As a new entrepreneur, Seth needed help and support but he did not know who to ask.			
(a)	Explain <b>two</b> sources of help and support for an enterprise.			
	1			
	2			
	[4]			
(b)	Explain <b>two</b> ways that you made sure that you met legal obligations in <b>your enterprise project</b> . Use examples to support your answer.			
	1			
	2			
	[6]			
	[Total: 10]			

## Section B

# Answer all questions.

6	(a)	Seth intended to operate his computer servicing and repair enterprise as a sole trader in the short term, but would consider changing this in the long term.
		Discuss <b>two</b> reasons why Seth might need to change his business organisation in the long term. Use examples to support your answer. [10]

- **(b)** Seth needed to make sure that people in the local area knew that his computer servicing and repair enterprise existed. He considered:
  - leaflets
  - social media
  - word of mouth.

Evaluate the method of marketing that would be <b>most</b> suitable for Seth's enterprise. Justify your choice, including why you rejected the other marketing methods. [15]


		11	
7	Nov	v consider <b>your enterprise project</b> .	
	(a)	Seth wanted to avoid the risk of debt.	
		Discuss how your attitude to risk affected the operation of <b>your enterprise project</b> . examples to support your answer.	Use [10]

- **(b)** Seth planned some aspects of his new enterprise but he did not complete any formal documents such as:
  - an action plan
  - a business plan
  - a cash flow forecast.

Evaluate the usefulness of <b>two</b> of these documents to <b>your enterprise project</b> .	[15]
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