

# **Cambridge IGCSE**<sup>™</sup>

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ENTERPRISE 0454/13

Paper 1 October/November 2021

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. Any blank pages are indicated.

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[Turn over

## **Section A**

# Answer all questions.

| 1 |     | rissa<br>erpris | used several enterprise skills when she was organising the reusable drinking bottle se.  |
|---|-----|-----------------|--|
|   | (a) | Exp             | plain what is meant by the following enterprise skills:                                  |
|   |     | (i)             | problem-solving  |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 |  |
|   |     | (ii)            | creativity.  |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 | [4]  |
|   | (b) | Exp             | plain how each of the following stakeholders could affect Marissa's proposed enterprise: |
|   |     | (i)             | customers  |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 | ıcı  |
|   |     | (ii)            | the recycling company manager  |
|   |     | (11)            | the recycling company manager.   |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 |  |
|   |     |                 | [3]  |
|   |     |                 | [Total: 10]  |

| (a) | Exp   | lain the effect of:  |
|-----|-------|--|
|     | (i)   | one health and safety risk in an enterprise  |
|     |       |  |
|     |       |  |
|     |       | [2]  |
|     | (ii)  | one production risk in an enterprise.  |
|     |       |  |
|     |       |  |
|     |       | [2]  |
| (b) | -     | lain how Marissa could have used market research to reduce the risks in her enterprise. an example from the case study to support your answer.                       |
|     |       |  |
|     | ••••• |  |
|     |       |  |
|     |       |  |
|     |       | [3]  |
| (c) |       | lain <b>one</b> reason why Marissa might decide <b>not</b> to start the reusable drinking bottle erprise. Use an example from the case study to support your answer. |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       | [3]  |

[Total: 10]

2

All enterprises involve some level of risk.

| 3 | Mar | issa's enterprise was ethical and it would have a positive impact on the local community.  |
|---|-----|--|
|   | (a) | Define the term ethics.  |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     | [2]  |
|   | (b) | Explain <b>one</b> positive impact that an enterprise might have on a local community. Use an example from any enterprise you are aware of to support your answer. |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     | [3]  |
|   | (c) | Explain <b>one</b> negative impact that an enterprise might have on a community. Use an example from any enterprise you are aware of to support your answer.       |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     |  |
|   |     | [3]  |
|   | (d) | Describe <b>one</b> way in which laws and regulations could affect the marketing of an enterprise.   |
|   |     |  |
|   |     |  |
|   |     | [2]  |
|   |     | [Total: 10]  |

| Mai | rissa | used different methods of communication.   |
|-----|-------|--|
| (a) | Des   | cribe one informal method of communication that Marissa used.  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       | [2]  |
| (b) |       | lain <b>one</b> reason why a presentation was a suitable method of communication with the bol students.                        |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       | [2]  |
| (c) |       | ify a suitable method of marketing communication that Marissa could use to encourage<br>s of the reusable drinking bottles to: |
|     |       |  |
|     | (i)   | customers from a local fitness centre  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     | (ii)  | international customers.   |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       | [6]  |
|     |       | [Total: 10]  |

| (a) | State <b>one</b> example of a variable cost for an enterprise.          | [1]         |
|-----|---|-------------|
| (b) | Explain <b>one</b> reason why an enterprise would need a business plan. |             |
|     |   |             |
|     |   |             |
| (c) | Explain <b>two</b> reasons why a business plan may need to be updated.  |             |
|     | 1   |             |
|     |   |             |
|     |   |             |
|     | 2   |             |
|     |   |             |
|     |   |             |
| (d) | Describe <b>one</b> document Marissa could have used in her meetings.   | <u>.</u> 4] |
|     |   |             |
|     |   |             |
|     |   |             |
|     |   |             |
|     |   | [3]         |
|     | [Total: 1   | 0]          |

5

## Section B

# Answer all questions.

| 6 | (a) | Marissa's friends said the most important factors for them would be the final design and the price of a reusable drinking bottle.                                |
|---|-----|--|
|   |     | Analyse <b>two</b> methods of market research that Marissa could use to find out what other potential customers would want from a reusable drinking bottle. [10] |
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| The recycling company manager would not risk investing this amount of money unless he was convinced that he could sell enough bottles to cover the cost. |  |  |  |
|--|--|--|--|
| Evaluate whether the recycling company manager should invest in the new machine. Use a break-even calculation to support your answer. [15]               |  |  |  |
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#### Now consider your enterprise project.

- 7 (a) Planning is an important part of the negotiation process. It includes:
  - setting objectives
  - choosing evidence to use
  - selecting the benefits of the proposal
  - selecting the weaknesses of the proposal
  - · considering arguments and counter-arguments.

| Discuss the importance of any <b>two</b> of the above stages to the success of a negotiation you were involved in during <b>your enterprise project</b> . [10] |
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- (b) Start-up funding could be obtained from:banks

  - family and friends
  - personal savings
  - selling shares.

| Evaluate the positive and negative effects of <b>two</b> sources of finance you used, or could have used, in <b>your enterprise project</b> . You may include the sources of finance listed above in your answer.  [15] |
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