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0454/12

May/June 2015

1 hour 30 minutes

No Additional Materials are required.

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.

Section A

Answer **all** the questions.

1 All enterprises involve rewards, challenges and risks.

(a) Identify:

(i) **Two** rewards

(ii) **Two** challenges

facing an enterprise.

Rewards
 [2]

Challenges
 [2]

(b) Explain how you dealt with **two** risks in **your enterprise project**.

1

2

 [6]

[Total: 10]

2 Kirsty identified two business objectives for her enterprise: to make a profit and to be ethical.

(a) Identify **two other** objectives that an enterprise may have.

1

2 [2]

(b) What is meant by profit?

.....

.....

.....

..... [2]

(c) Explain how Kirsty's aim to be ethical would affect how she runs her enterprise.

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..... [6]

[Total: 10]

3 Kirsty knew that an important step would be to produce a business plan.

(a) Identify:

(i) **Two** pieces of financial information

(ii) **Two** pieces of non-financial information

that would usually be included in a business plan.

Financial information

.....[2]

Non-financial information

..... [2]

(b) Explain why it is necessary for an entrepreneur to produce a business plan before starting an enterprise.

..... [6]

[Total: 10]

4 Kirsty went to her bank manager for formal support.

(a) Identify **two other** sources of formal support for an enterprise.

1

2 [2]

(b) Identify **two other** types of financial institutions that could support an enterprise.

1

2 [2]

(c) Explain how you used formal and informal support in **your enterprise project**.

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..... [6]

[Total: 10]

5 All enterprises need to be concerned with finance and marketing.

(a) What is meant by the following terms?

(i) Investment

.....
 [1]

(ii) Savings

.....
 [1]

(b) Explain **two** benefits of using personal savings as a source of finance for an enterprise.

1

 [4]

(c) Explain **two** reasons why Kirsty needed to arrange the marketing of Kirsty's Designs.

1

 [4]

[Total: 10]

Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 6(b).

- (b)** Kirsty would need an additional source of finance to buy the computer and printer.

Evaluate the most suitable method of finance that Kirsty could use to purchase these items. [15]

This image shows a full page of primary-ruled paper. It features approximately 20 horizontal dashed lines spaced evenly down the page, providing a guide for handwriting practice. The paper is otherwise blank, with no margins, text, or other markings.

Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 7(a).

7 (a) Kirsty arranged a meeting.

Analyse, using examples from **your enterprise project**, the effectiveness of **one** of the meetings you were involved in. [10]

This image shows a full page of primary-ruled paper. It features approximately 20 horizontal dashed lines spaced evenly down the page, providing a guide for handwriting practice. The paper is otherwise blank, with no margins, text, or other markings.

Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 7(b).

- (b)** There was only one thing left to do, and that was to arrange the marketing.

Evaluate the effectiveness of the methods you used in **your enterprise project** to market your enterprise. [15]

This image shows a full page of primary-ruled paper. It features approximately 20 horizontal dashed lines spaced evenly down the page, providing a guide for handwriting practice. The paper is otherwise blank, with no margins, text, or other markings.

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