Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER | CANDIDATE NUMBER

9896874392

ENTERPRISE **0454/11**

Paper 1 **May/June 2017**

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.

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.

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

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Section A

Answer **all** the questions.

1 All enterprises face challenges and opportunities.

(a) Identify **two** challenges facing an enterprise.

1 ....

2 ....[2]

(b) Identify **two** ways in which opportunities for enterprise may arise.

1 ....

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2 ....

....[2]

(c) Explain how Saburo and Barak used **two** opportunities for enterprise during the growth of Saba Sauces.

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....[6]

[Total: 10]

2 Saburo and Barak were going to negotiate to sell their sauces nationally.

(a) What is meant by *negotiation*?

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....[2]

(b) Identify **two** steps involved in the negotiation process.

1 ....

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2 ....

....[2]

(c) Explain **two** factors that contributed to the success of the negotiations you were involved in as part of **your enterprise project**.

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[Total: 10]

3 The business advisor explained the different sources of finance.

(a) What is the difference between the following terms?

(i) *overdrafts* and *mortgages*

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.... [2]

(ii) *losses* and *cash flow deficit*

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.... [2]

(iii) *creditor* and *debtor*

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.... [2]

(b) Explain **one** advantage and **one** disadvantage of using profits for reinvestment as a source of finance for an enterprise.

Advantage ....

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Disadvantage ....

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.... [4]

[Total: 10]

4 Saburo and Barak used meetings in their enterprise.

(a) State **two other** external methods of communication used by an enterprise.

1 ....

2 ....[2]

(b) Identify **two** ways an enterprise can retain existing customers.

1 ....

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2 ....

....[2]

(c) Explain why it will be important for Saburo and Barak to keep their existing customers as they expand.

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[Total: 10]

5 To make good decisions, an enterprise will need clear objectives and planning.

(a) Identify **two** business objectives for an enterprise.

1 ....

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2 ....

....[2]

(b) List **two** pieces of financial information that are normally included in a business plan.

1 ....

2 ....[2]

(c) **(i)** Identify **two** decisions made in **your enterprise project**.

1 ....

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2 ....

....[2]

(ii) Explain the impact each decision had on **your enterprise project**.

1 ....

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2 ....

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[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)** The business advisor asked for a copy of the completed business plan.

Discuss how important the business plan was to Saba Sauces. [10]

(b) The business advisor suggested that Saba Sauces become a limited company.

Recommend whether Saba Sauces should remain a partnership or become a limited company as the enterprise expands. Justify your decision. [15]

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[Total: 25]

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7 **(a)** As a food manufacturer, Saba Sauces is affected by many laws and regulations.

Discuss how laws and regulations affected, or could have affected, the operation of **your enterprise project**. [10]

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(b) Saburo and Barak had not completed any market research before starting their enterprise. They considered using:

- a questionnaire
- interviews with potential customers
- internet research
- records of similar enterprises

Evaluate **two** of these four methods of research which would have been suitable before starting **your enterprise project**. Give reasons for your answer. [15]

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