Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME	

CENTRE NUMBER						CANDIDATE NUMBER					

ENTERPRISE **0454/12**

Paper 1 **May/June 2019**

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 syllabus is regulated 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.

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Cambridge Assessment International Education

[Turn over

Section A

Answer **all** the questions.

1 Paul had an enterprising idea to use old tyres to make furniture.

(a) Explain the term *enterprise*.

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..... [2]

(b) State **two** examples of being enterprising at home.

1 .....

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2 .....

..... [2]

(c) Explain how using **one** entrepreneurial skill or attribute helped **your enterprise project** to succeed.

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..... [4]

[Total: 8]

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2 Paul had completed a limited amount of market research to identify potential customers but he had not thought about marketing.

(a) Explain the term *potential customers*.

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..... [2]

(b) Explain **one** reason why primary market research can be inaccurate.

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..... [2]

(c) Describe **one** method of secondary market research.

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(d) Explain **one** reason why marketing would be important to Paul's enterprise idea.

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..... [4]

[Total: 10]

3 Harriet thought that Paul's new enterprise idea had many potential risks. Paul would also have responsibilities as an entrepreneur.

(a) State **two** responsibilities that entrepreneurs have to their customers.

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2 .....

..... [2]

(b) Explain the term *risk*.

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(c) Explain how Paul's attitude to risk is different from Harriet's attitude to risk. Use examples from the case study to support your answer.

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..... [6]

[Total: 10]

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4 Paul thought he had enough information to produce a budget for making the chairs.

(a) Explain **one** reason for producing a budget.

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..... [2]

(b) Explain **two** ways that Paul's budget would be different from the budget of a larger enterprise.

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(c) Calculate Paul's profit if he sells five chairs. Show your working.

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(d) Explain **one** reason why an enterprise might **not** receive the profit expected.

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..... [2]

[Total: 12]

5 Paul ignored Harriet's advice to produce a business plan.

(a) Explain the term *business plan*.

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(b) Explain **two** ways that producing a business plan would help in the start-up of an enterprise.

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(c) Explain **one** way that Paul's enterprise idea would improve the environment. Use an example from the case study in your answer.

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[Total: 10]

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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)** Harriet thought that customers might complain when they realise where the materials for their new furniture had come from.

Discuss why it is important for the long-term success of Paul's enterprise idea that he deals with customer complaints. [10]

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(b) Paul researched possible sources of finance, including government grants.

Evaluate whether a government grant would be the **most** suitable source of finance for Paul's enterprise idea. You should consider **two** other sources of finance in your answer. [15]

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[Total: 25]

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7 **(a)** Paul considered the views and interests of a number of people, known as stakeholders, who might be affected by his enterprise idea.

Discuss the importance of considering the views and interests of different stakeholders to the start-up and success of **your enterprise project**. [10]

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(b) Paul used oral and written communication within his enterprise.

Evaluate whether oral or written communication was, or could have been, **most** effective within **your enterprise project** when communicating with **two** of the following:

- financial institutions
- suppliers
- customers
- another stakeholder. [15]

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