

# **Cambridge IGCSE**<sup>™</sup>

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



ENTERPRISE 0454/12

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.

## **Section A**

# Answer all questions.

1	Kwa	ame	did not set any formal aims for his proposed new enterprise.	
	(a)	Cor	mplete the following sentences by inserting <b>one</b> word in each space.	
		(i)	Aims are what enterprises want to achieve in the term.	
		(ii)	Objectives are what enterprises want to achieve in the term.	[2]
	(b)	-	olain <b>two</b> suitable aims or objectives that Kwame might have for his proposed neerprise.	ew
		1 A	Aim/objective	
		Exp	planation	
		2 A	Aim/objective	
		Exp	planation	
				[4]
	(c)	Sta	te <b>four</b> enterprise skills.	
		1		
		2		
		3		
		4		[4]
			[Total:	10]

Kwa risk		thought there was demand for his home repair enterprise, but he needed to reduce the
(a)	Exp	plain <b>two</b> reasons why demand for a product or service may change.
	1	
	۷	
		[4]
(b)	(i)	Identify <b>one</b> risk of Kwame's proposed new enterprise.
		[1]
	(ii)	Explain <b>one</b> likely impact on Kwame's proposed new enterprise of the risk identified in part (i).
		[2]

(c)	Explain <b>one</b> method that could be used to reduce the risks in Kwame's enterprise.
	Method
	Explanation
	[3]
	[Total: 10]

(a)	Explain <b>one</b> reason why it is important to plan before a meeting.
()	g.
<i>(</i> 1.)	
(b)	
	1
	2[2]
(c)	Explain how <b>one</b> document could have been used to improve Kwame's meeting with Zane.
	Meeting document
	Explanation
	[3]
(d)	Explain <b>one</b> method of communication, other than a meeting, that Kwame could have used to persuade Zane to invest in the enterprise.
	Method of communication
	Explanation
	[3]
	[Total: 10]

(a)	Defi	ne the following terms:
	(i)	fixed costs
		[2]
	(ii)	debt.
		[2]
(b)		lain <b>two</b> suitable sources of start-up funding for Kwame's proposed new enterprise, other personal savings.
	1 S	ource
	Ехр	lanation
	2 S	ource
	Ехр	lanation
		[6]
		[Total: 10]

Zan	ne suggested they complete a business plan.
(a)	State <b>two</b> sections normally included in a business plan.
	1
	2
(b)	Explain <b>one</b> reason why a business plan is necessary for an enterprise.
	[2]
(c)	Calculate the number of hours Kwame would need to work to break even. Show your working.
	[4]
(d)	Explain <b>one</b> example of a cost that could have been included in Fig. 1.
	Example of cost
	Explanation
	[2]
	[Total: 10]

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#### **Section B**

## Answer all questions.

- 6 (a) There are many methods that can be used to measure customer satisfaction. These include:
  - feedback questionnaires
  - number of complaints
  - number of sales.

Analyse how Kwame and Zane could have used <b>two</b> of these to measure satisfaction in their home repair enterprise.	customer [10]

(b)	Kwame had intended to operate his enterprise as a sole trader. He considered asking Zane if he would join him as a partner.
	Evaluate the advantages and disadvantages to Kwame of operating as a sole trader. Support your answer with examples from the case study. [15]

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Examples of stakeholders include customers, employees, suppliers, lenders, the lobusiness community and local government.
Analyse how any <b>two</b> of these stakeholders affected the operation of <b>your enterp project</b> .

- **(b)** The success of an enterprise can be evaluated in many ways. These include:
  - achieving sales
  - producing a quality good or service
  - profit
  - repeat custom.

Evaluate the success of <b>your enterprise project</b> using <b>two</b> of the ways listed above. [15]


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