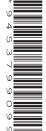


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME			
CENTRE NUMBER		CANDIDATE NUMBER	



ENTERPRISE 0454/01

Paper 1 May/June 2011

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, highlighters, 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. Candidates who do not follow this instruction will be penalised.

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.



1 hour 30 minutes

Section A

For Examiner's Use

Answer all the questions.

1

(a)	Vija	y remembered that at school Mabel had been very enterprising.
	(i)	What is meant by the term enterprising?
	(ii)	Explain one way that you were enterprising when taking part in your enterprise project .
		[2]
(b)	Mal	pel asked for advice from her father before starting her enterprise.
		rhich they could assist Mabel to solve the problems of starting up 'Mabel's Lunches'.
		[5]
		[Total: 8]

	ny enterprises are concerned about the possible legal issues involved in running an erprise.
(a)	Explain one way in which production in an enterprise might be affected by laws.
	[2]
(b)	Use PESTEL analysis to discuss two risks that could affect your enterprise project .
	[6]
	[Total: 8]

2

3

	_	as a sole trader under the name 'Mabel's Lunches', Mabel plans to set up a sandwich service.
(a)	Wha	at is meant by the term <i>sole trader</i> ?
		rol
(b)		jotiation skills are very important for Mabel, such as when arranging credit with local
(6)		pliers.
	(i)	What is meant by negotiation?
		[0]
	(ii)	Identify and explain two factors which any entrepreneur would need to consider
	(")	before negotiating with a supplier.
		1
		2
		2
		[4]

(c)	lder a sı	ntify and explain two skills, apart from negotiation skills, that Mabel would need to be uccessful entrepreneur.	For Examiner's Use
	1		
	2		
		[6]	
		[Total: 14]	
(a)	Exp	plain the meaning of the following terms:	
` ,		variable cost	
	(ii)	overheads	
	(iii)	profit	
		[0]	
		[3]	

	Dudget Here	Cast	
	Budget item	Cost US\$	
	Van	2000	
	Packaging	35	
	Food items	150	
	Total	2185	
	Identify two more	items which m	ight be included in a budget.
	1		
	2		[2]
(c)			d be avoided by preparing a budget for an enterprise.
(c)		em which coul	
(c)	Explain one proble	em which coul	d be avoided by preparing a budget for an enterprise.
(c)	Explain one proble	em which coul	d be avoided by preparing a budget for an enterprise.
(c)	Explain one proble	em which coul	d be avoided by preparing a budget for an enterprise.
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(c)	Explain one proble	em which coul	d be avoided by preparing a budget for an enterprise.

5

any enterprises have a cash flow de	ficit during the	start up period		
Explain why cash flow is important	nt to an enterp	rise.		
				•••••
	•••••			
Complete the cash flow budget	below by cale	culating the am	ounts for A	and B . 7
figures in brackets are negative.				
Mabel's Lunches Cash Flow Bu	ıdget			
	January	February	March	April
Cash inflow (receipts)	US\$	US\$	US\$	US\$
Cash sales		300	<u>450</u>	<u>450</u>
Total cash inflow (receipts)	0	300	<u>450</u>	<u>450</u>
Cash outflow (payments) Vehicle (van)	2000			
Fuel	100	100	100	100
Food	150	150	150	150
Packaging	35	35	35	35
Insurance	500			
Total cash outflow (payments)	2785	285	285	285
Net Cash flow	(2785)	15	A	165
Opening bank balance	2700	_(85)	_(70)	_95
Closing bank balance	(85)	_(70)	95	_B
Amount A	•••••			
Amount B				

[Total: 11]

(c)	With reference to your enterprise project , explain the methods you used to try to avoid a cash flow deficit.
	[6]

Section B

For Examiner's Use

Answer all the questions.

Use the case study, your own enterprise experience and your knowledge of business to answer question 6(a).

Evaluate how the setting of business objectives would affect how your enterp project operated.

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

For Examiner's Use

6	(b)	Discuss how business planning would enable Mabel to ensure the successful start up and long term growth of her enterprise.
		[15]

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

For Examiner's Use

7	(a)	Evaluate the different methods of communication Mabel could have used to arrange credit with local suppliers.
		[10]

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

For Examiner's Use

7	(b)	When starting up, Mabel gave out leaflets to local businesses. She calculated the risks and responsibilities of attracting more customers.
		Discuss how Mabel could use marketing communication methods to attract more customers.
		HEI

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