

Cambridge Assessment International Education

Cambridge International General Certificate of Secondary Education

CANDIDATE NAME			
CENTRE NUMBER		CANDIDATE NUMBER	
ENTERPRISE			0454/11
Paper 1		October/November 2019	
			1 hour 30 minutes
Candidates an	swer on the Question Paper.		

READ THESE INSTRUCTIONS FIRST

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.

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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Section A

Answer all the questions.

1	Auı	relie's	mother wrote out a list of tasks to be included in an action plan.	
	(a)	Ехр	lain the difference between the following terms:	
		(i)	revenue and profit	
				.[2]
		(ii)	overheads and variable costs	
				.[2]
		(iii)	business plan and action plan.	
	/ b\	Ctat	a turn time negicule weed when planning	.[2
	(D)		te two time periods used when planning.	
	(c)		re two items that are usually included within an action plan, other than the tasks to	
	(0)		ipleted.	
		1		
		2		.[2]

[Total: 10]

Aur	elie's	family sold their produce to a local co-operative.
(a)	Exp	plain what is meant by a <i>co-operative</i> .
(b)		to two types of business erganisation, other than a se energive
(D)		te two types of business organisation, other than a co-operative.
		[2]
(c)	Wri	te down the type of business organisation you chose for your enterprise project.
	(i)	Explain one advantage you experienced within your enterprise project as a result of your choice of business organisation. Use an example to support your answer.
		[3]
	(ii)	Explain one disadvantage you experienced within your enterprise project as a result of your choice of business organisation. Use an example to support your answer.
		[3]
		[Total: 10]

Aur	elie used the internet to research the number of visitors to the area.
(a)	Explain one advantage and one disadvantage of using the internet for research.
	Advantage
	Disadvantage
	[74]
	[4]
(b)	Explain two ways that Aurelie's family could ensure customer satisfaction at Valley View Farm Stay. Use examples to support your answer.
	1
	2
	raz
	[6]
	[Total: 10]

Aur	elie's	s parents have strong ethical principles.
(a)	Exp	plain the difference between legal responsibilities and ethical principles.
		[2]
(b)	Exp	plain one potential social impact of an enterprise such as the Valley View Farm Stay.
		[2]
(c)	(i)	Explain one possible advantage to Valley View Farm of having ethical principles when operating their enterprise. Use an example to support your answer.
		[3]
	(ii)	Explain one possible disadvantage to Valley View Farm of having ethical principles when operating their enterprise. Use an example to support your answer.
		[3]
		[Total: 10]

	e task on the list for the action plan would be to market the Valley View Farm Stay by identifying ential customers and telling them about it.
(a)	State two primary methods of market research.
	1
	2[2]
(b)	State two benefits to a customer of marketing.
	1
	2[2]
(c)	Explain two methods of communicating with potential customers that would be suitable for Valley View Farm Stay.
	1
	2
	[6]
	[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)	Aurelie's parents were aware that there are many laws and regulations that protect consumers, employees and employers.
		Discuss two ways that laws and regulations could affect the operation of Valley View Farm Stay. Use examples to support your answer. [10]

- **(b)** Aurelie's family would need to pay for the cost of converting the farm buildings and advertising the farm stay. There are a number of sources of finance they could use, including:
 - an overdraft from a financial institution
 - becoming a limited company and sell shares
 - finance from private institutions, e.g. venture capital trusts
 - reinvestment of their own profits.

Recommend which two of these sources of finance would be most appropriate for the family to use to pay for these additional costs. Justify why you have rejected the other sources of finance. [15]

[Discuss the importance of budgets to the success of your enterprise project.
•	
•	
•	
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- **(b)** Starting the Valley View Farm Stay would involve some risks. There are a number of ways to reduce the risks involved in starting an enterprise, including:
 - completing research
 - preparing a business plan
 - producing a cash flow budget
 - using a PESTEL analysis.

Evaluate the effectiveness of the methods you used, or could have used, to reduce the risks involved in your enterprise project . (You may refer to the methods listed above or other methods in your answer.) [15]

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