ENTERPRISE

> **Paper 0454/01**
> **Case Study**

Key Messages

This examination requires candidates to apply the concepts, skills and terminology that they have learnt to familiar and unfamiliar enterprise problems. It is a data based paper. Candidates who use the information provided in the pre-issued case study and make an attempt to interpret that information will gain credit.

It is important to remind candidates that they must carefully read questions to identify who they are writing their response about. Frequently candidates write their comments based upon their general knowledge when the question specifies that it is the effect on the business identified in the case study or their own enterprise that should be discussed. It is vital that candidates read the stem of the question and identify the correct focus for their answer if they are to maximise marks. In preparation for the examination candidates should be encouraged to apply the issues raised by the case study to their own experience within enterprise, in order to explain and make effective judgments relating to the issues identified.

In *Section A* questions, candidates need to provide clear definitions and short explanations applied to the operation of an enterprise.

In *Section B* questions, candidates can improve upon discussion by examining both the positive and negative aspects before reaching a conclusion. To gain the maximum marks in this section of the paper candidates must apply their answers to the enterprise identified in the stem of the question, which will be either that in the case study or their own enterprise.

General Comments

The paper produced a wide spread of marks reflecting its ability to differentiate effectively between candidates. The paper proved quite challenging for a significant number of candidates. There were many chances within the paper for candidates to apply their own experience of running an enterprise and to make evaluative judgments. Strong candidates, whose quality of work was very impressive, took such opportunities.

There was strong evidence that some candidates did not read questions carefully enough. Such candidates often did not apply their responses to the organisation identified in the question. Consequently the focus of the answer was often misplaced and application marks could not be awarded.

Candidates were familiar with the terminology and concepts used in Enterprise and scored highly in questions such as 1**(a)** and 5**(a)** that required the recall of information. Candidates can improve on their understanding of how enterprises make use of the documentation produced, especially budgets. Answers to **Questions 4(c)** and **6(b)** showed that candidates were unclear on how budgets and planning could be used in an enterprise.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Provide precise definitions.

- Use relevant examples where ever possible.

- Pay careful attention to the wording of questions particularly the focus required for any application.

- Use the information in the case study and your own enterprise experience to develop explanations in *Section B* questions.

- Within **Section B** questions attempt to look at both the positive and negative aspects of the subject before reaching a conclusion.

Comments on Specific Questions

Section A

Question 1

(a) Many candidates were aware of the concept of team working and related it to the benefits of shared skills. A number of candidates struggled to apply the concept to the case study material and did not explain why this would be helpful to the entrepreneurs identified.

(b) To gain full marks in their question, candidates were required to show how they had used problem solving within their own enterprise. Candidates were clearly aware of a wide variety of problems that could be faced by a new enterprise. The best answers showed how solving the problem identified impacted, either positively or negatively, upon the operation of their enterprise.

Question 2

(**a**) A generally well answered question. The majority of candidates were aware of two features of a partnership organisation. A significant number identified a feature but did not develop the explanation; such answers gained a maximum of two marks. An error made by some candidates was to describe the benefits of a partnership rather than the features, which distinguish it from other business structures.

(b) Candidates were not comfortable with this style of question. Most candidates were able to identify the significant features of a limited company and therefore were awarded the two knowledge points available. Very few candidates were able to apply the identified point to the enterprise in the case study. Only the most able candidates attempted to explain why this made a limited company more suitable for this enterprise,

Question 3

(a) This was generally a well answered part of the question. Candidates were aware of the acronym and were able to identify the meaning of most of the letters and that it is a tool to identify risk. Very few candidates were able to explain that this is a tool to analyse the external or macro economic environment.

(b) This question discriminated well between candidates. The stronger candidates identified a risk faced by their enterprise, showed how they reduced that risk and then explained how this action improved their enterprise's likelihood of success. A significant number of candidates identified risks, or potential failures, with no reference to their own enterprise. Such answers gained only the two knowledge marks available. Candidates would benefit from greater practise with this style of question.

Question 4

(a) This term was clearly understood with many candidates giving clear and precise definitions. A common error was to confuse revenue with profit.

(b) Candidates were generally aware of the terms and gave relevant examples from the case study. A small but significant number of candidates confused the explanations and explained indirect costs in part **b(i)** rather than **b(ii)**.

(c) This question was not clearly understood by the majority of candidates. Candidates were able to show what a budget was and often explained how budgets could be used in an enterprise. The most frequent answer supplied was to prevent overspending or help to calculate potential revenue. Only the very best candidates attempted to apply their explanation to the enterprise discussed in the case study. The majority of candidates therefore gained only the two knowledge marks available.

(**d**)   The application and explanation element of this question were not well done. Candidates were able to identify how they budgeted, often providing detailed descriptions of the different budgets produced. To gain full marks candidates were required to explain why budgets were important to their enterprise. The best answers identified a budget used then explained how having such a budget prevented a particular problem within their enterprise.

Question 5

(**a**)   This term was clearly understood with many candidates giving clear and precise definitions. A common error made was to describe market research rather than marketing.

(**b**)   The strongest answers to this section of the question gave a clear explanation as to how customers would benefit from the greater information made available. The weakest candidates explained how the enterprise rather than customer would benefit.

Section B

Questions in this section of the paper require application to a specific enterprise in order to score highly. A number of candidates did not apply their answer to the enterprise identified in the stem of the question and therefore could not be awarded marks above Band 1. Candidates achieved higher marks in the questions that required application to their own enterprise experience such as **Questions 7a** and **7b**.

Question 6

(**a**)   To score highly on this question the candidate was required to use the material in the case study to explain how this enterprise would need to alter their operation in order to aim for growth. The strongest candidates identified that growth would require greater funding or staffing and then explained how this limited company could facilitate such changes. A number of candidates showed strong understanding of objectives but did not relate their answer to how objectives will affect the way an enterprise runs. Unfortunately such answers could only be credited with a maximum of two knowledge marks.

(**b**)   This area of the syllabus was not well understood by many candidates. Candidates understood the questions outlined in the case study and often applied the questions to the enterprise. Only the strongest candidates were able to explain why enterprises need to consider such questions in order to succeed. The most successful answers identified that to achieve growth K and M would need to monitor their enterprise and alter their objectives in line with changes in the economy or other factors.

Question 7

(**a**)   This was a topic area that was clearly well understood by candidates. The question required candidates to identify at least two sources of help and support which they had used within their own enterprise and explain both the positives and negatives of these sources. The strongest candidates identified a source of support, showed what assistance had been given and then explained how this assistance had helped the enterprise to operate. Very few candidates followed the instruction to discuss and offered an evaluative comment. Weaker candidates provided a list of potential sources of advice but made no reference as to how they were used within their enterprise experience.

(**b**)   Communication methods are clearly a topic area that is well understood by the majority of candidates. This question required candidates to identify at least two types of communication which they had used within their own enterprise and explain both the positives and negatives of these forms of communication. The strongest candidates explained how a method of communication had been used within their own enterprise, identified the benefits of that method and then compared the method with an alternative method that may have been more successful. The weaker candidates provided a list of communication methods with no reference to how they were used within their enterprise or discussed the methods used by K and M.

ENTERPRISE

> **Paper 0454/02**
>
> **Coursework**

Key Messages

- To score top marks, candidates must provide evidence of all activities for each task

- Activities requiring demonstration of practical enterprising skills were done well

- Activities which required candidates to show analysis and evaluation skills (AO3) needed to contain more explanation and supporting evidence

General comments

This module is the coursework component for this examination, through which candidates have the opportunity to carry out their own enterprise project either on their own or as a member of a group. Candidates are required to complete four main tasks, each of which requires candidates to provide a range of material as evidence. These are designed to assess a range of assessment objectives and skills associated with enterprising activities. Coursework projects are initially assessed by Centre staff, and are then submitted for external moderation by CIE.

Candidates seem well advised in their choice of suitable projects. Many candidates are able to use appropriate enterprising techniques to gather the evidence required for each task. Candidates need to ensure they provide evidence for all elements of each task, or this will limit the potential number of marks that they can score. It is therefore important that both centres and candidates are familiar with the course requirements as specified in the syllabus. It is also important to highlight that whilst candidates can undertake group projects, all the reports, presentations and documents they produce must be each candidate's own work and not a collaborative effort. Any work produced jointly by candidates cannot be credited.

Overall, analysis and evaluation was awarded generously by many centres. A simple list or table, without any accompanying explanation of points does not constitute analysis. For candidates to access the higher mark bands, they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

For Task 1, candidates were required to submit both a written report, and either a wall chart or information leaflet. Some candidates only submitted a report. Whilst others produced evidence of a leaflet or wall chart but did not include them with their submission. It is important that all relevant materials are submitted on time, to ensure the moderation process is not unduly delayed.

Most candidates chose international entrepreneurs such as Steve Jobs and Bill Gates rather than local entrepreneurs, if they selected to produce a wall chart. For the report, better performing candidates were able to communicate the process and outcome of their investigations into choosing a suitable project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. There was good evidence of higher order skills of analysis and evaluation within the better reports. Others needed to develop more detailed explanations to say why they had chosen one option over other possible alternatives, rather than just stating their choice.

For Task 2, candidates were required to present evidence of business planning. All candidates were required to produce an Action Plan, risk assessment and either evidence of financial planning or marketing communication. Some candidates omitted evidence for at least one element of this task.

Many good responses contained detailed explanations to show possible risks, and the reasons behind their decisions. Others needed to develop more detailed explanations in order to achieve high marks. For

example, candidates could explain why the risks identified were issues for their project, why certain tasks in the Action Plan were given to a specific individual, and reasons behind the choice of their marketing or financial options. All candidates need to provide detailed explanations for all parts of the task, in order to show a 'very good ability to analyse information'.

For Task 3, candidates were required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. Candidates were well prepared to carry out this practical task. Most candidates seemed to enjoy the opportunity to practise their negotiation skills.

However it is worth emphasising the need for centres when using a witness statement as evidence of negotiation, that it should be signed by an appropriate person and include detailed comments to support the mark awarded. This would greatly assist the moderator in determining how well the skills of enterprise were applied.

For Task 4, candidates were required to produce a formal report. It was pleasing to see that most of the written reports did adhere closely to the guidelines from the syllabus regarding good practice for report generation. It should be noted that candidates do not need to comment on all four areas. Candidates are only required to submit a 1000 word report, so it is important to have a clear focus as candidates are rewarded for the depth of their analysis and evaluation. In order to access the higher mark bands they must include judgements that clearly relate to their particular activity, and be supported by a wide range of evidence. Clear recommendations based on the successfulness of the chosen topics are required. If candidates discuss all areas they will not be able to discuss and validate their findings in sufficient detail to gain the higher level marks.

A number of candidates focused on what they did, rather than make judgements about the effectiveness of their chosen areas. A brief list what was done does not show the analytical skills required by this task. Better candidates did attempt to analyse and evaluate whether chosen aspects were successful, which should be encouraged. The majority of candidates were able to make simple conclusions about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions which they need to do to merit a high mark.

Generally the level of annotation on the work was limited. It would assist the external moderation process if the centres pinpoint where candidates have demonstrated the relevant assessment criteria. For example writing AO1, AO2 and AO3 or comments such as good analysis at appropriate points in the work would be helpful.