

CANDIDATE  
NAME

CENTRE  
NUMBER

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|--|--|--|--|--|

CANDIDATE  
NUMBER

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|



**ENTERPRISE**

Paper 1

**0454/12**

**May/June 2015**

**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.

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.**

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.

The syllabus is approved 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.

**Section A**

Answer **all** the questions.

1 All enterprises involve rewards, challenges and risks.

(a) Identify:

(i) **Two** rewards

(ii) **Two** challenges

facing an enterprise.

Rewards .....  
..... [2]

Challenges .....  
..... [2]

(b) Explain how you dealt with **two** risks in **your enterprise project**.

1 .....  
.....  
.....  
.....  
.....  
.....  
.....

2 .....  
.....  
.....  
.....  
.....  
.....  
..... [6]

**[Total: 10]**

2 Kirsty identified two business objectives for her enterprise: to make a profit and to be ethical.

(a) Identify **two other** objectives that an enterprise may have.

- 1 .....
- 2 ..... [2]

(b) What is meant by profit?

.....  
.....  
.....  
..... [2]

(c) Explain how Kirsty's aim to be ethical would affect how she runs her enterprise.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
..... [6]

**[Total: 10]**

3 Kirsty knew that an important step would be to produce a business plan.

(a) Identify:

(i) **Two** pieces of financial information

(ii) **Two** pieces of non-financial information  
that would usually be included in a business plan.

Financial information .....  
..... [2]

Non-financial information .....  
..... [2]

(b) Explain why it is necessary for an entrepreneur to produce a business plan before starting an enterprise.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
..... [6]

[Total: 10]



5 All enterprises need to be concerned with finance and marketing.

(a) What is meant by the following terms?

(i) Investment

.....  
..... [1]

(ii) Savings

.....  
..... [1]

(b) Explain **two** benefits of using personal savings as a source of finance for an enterprise.

1 .....  
.....  
.....  
.....

2 .....  
.....  
.....  
..... [4]

(c) Explain **two** reasons why Kirsty needed to arrange the marketing of Kirsty's Designs.

1 .....  
.....  
.....  
.....

2 .....  
.....  
.....  
..... [4]

**[Total: 10]**



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

- (b) Kirsty would need an additional source of finance to buy the computer and printer.

Evaluate the most suitable method of finance that Kirsty could use to purchase these items.  
[15]

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



A series of horizontal dotted lines for writing.

**[Total: 25]**  
**[Turn over**







A series of 25 horizontal dotted lines for writing.

**[Total: 25]**





**BLANK PAGE**

---

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at [www.cie.org.uk](http://www.cie.org.uk) after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.