

# ENTERPRISE

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<p><b>Paper 0454/11</b> <b>Case Study</b></p>
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## Key messages

There was an improvement in marks this session. Centres had clearly focused upon examination technique within their teaching. This led to improved application and analysis, which significantly improved the work particularly within **Section B**. A rising number of candidates had also made good use of their examination preparation time to apply the concepts raised in the case study material to their own enterprise experiences. Such candidates scored very highly.

Candidates would greatly benefit from more practice on applying knowledge to examples from their own enterprise experience.

Within **Section B** questions, many strongly evaluative answers gained low marks because they were not written in the context of an organisation.

## General comments

Centres should ensure that candidates are aware of all of the syllabus content. There was evidence that candidates were unfamiliar with certain areas of content particularly the advantages of charities, and the content of topics 1.2 and 7.4.

There were very few instances of candidates not completing the paper, showing good time management skills. However there were some instances of candidates not attempting **Question 6(a)**.

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

Use the case study material to identify key concepts and terminology that candidates may be expected to apply during the examination.

Candidates should be encouraged to ensure that each paragraph of the answers to questions in **Section B** relate to the enterprise specified in the question.

Within **Section B** questions, candidates should be encouraged to produce a two sided argument particularly in **Questions 6(b)** and **7(b)**.

## Comments on specific questions

### **Section A**

#### **Question 1**

- (a) A number of candidates did not have good knowledge of this term with many gaining only one of the two marks available. A common mistake was to define aims rather than objectives.
- (b) This question was well answered by nearly all candidates who were able to state a wide variety of objectives.

- (c) Better answers identified two ways of being enterprising, as outlined in topic 1.2 of the syllabus. Such candidates then used detailed examples from the case study to show how this could be seen in Mari's actions. Weaker answers often stated incorrectly that taking decisions and researching are examples of being enterprising.

### Question 2

- (a) This term was generally well understood with many candidates gaining both of the marks available.
- (b) This question proved more challenging for some candidates. Better answers explained the disadvantages of operating as a charity, most frequently a lack of finance. The advantages of charitable status were less well understood. Centres would do well to revisit this aspect of the syllabus.
- (c) Candidates were very confident in their understanding of this aspect of the syllabus. Many candidates gained all of the marks available for the question. However, a common error was to state characteristics of one of the organisations but not explain why this is different to the other organisation. Such answers frequently gained two marks out of the four available.

### Question 3

- (a) Very well answered with the most common answers being either court action or injury to staff or customers. A small number of candidates gained one mark by stating a consequence but not providing a developed explanation.
- (b) This aspect of topic 7.4 was not well understood. Better responses explained the reasons given within the mark scheme and also offered practical examples. Although examples were not required as part of the answer to this question they often added greater depth to the explanations and helped to secure full marks.
- (c) This question required application to the candidate's own enterprise project. A requirement that continues to be difficult for some candidates. In better responses, candidates explained an action that they took, such as researching the laws. In this example, clear context was shown by stating a specific legal requirement for their enterprise project. In weaker responses, candidates simply stated general legal requirements and gained no credit as they did not answer the question set.

### Question 4

- (a) Candidates clearly understood this organisation and many gave detailed explanations of the purpose of such a group.
- (b) This question was generally well answered with answers following those outlined in the mark scheme.
- (c) A mark of one or two (out of 6) was common for this question. Candidates were aware of a benefit to this enterprise of being involved with activities to improve society, some candidates could identify two benefits. Only the stronger responses were fully developed to explain why this was beneficial to the Café or restaurant owners.

### Question 5

- (a) The majority of candidates were able to identify two appropriate forms of research and provide correct examples therefore gaining all four marks available. Weaker responses provided examples without explanation and gained two marks.
- (b) As with **Question 3(c)** some candidates struggled to apply the information they had learnt to their own enterprise project. The majority of candidates gained two marks by making simple statements in context such as 'we completed a questionnaire with the students of our college'. Those who gave specific examples of research they had completed and its impact upon their enterprise were rewarded with full marks.

### Section B

### Question 6

- (a) There were a range of answers to this question. A small number of candidates did not attempt an answer. The majority of candidates scored marks within Level 1 of the mark scheme. Very strong answers focussed upon the risks identified in the case study, such as the health risks linked to the use of out of date food or the risk of losing customers. The weakest responses were where candidates focussed upon their own enterprise experience rather than the enterprise within the case study, such answers could not progress beyond Level 1.
- (b) Some candidates often confused communication with advertisement and listed the benefits to an enterprise of advertising their products. The small number of very strong answers identified the methods of communication stated in the case study and evaluated their appropriateness for the task of persuading stakeholders. The most successful decided that face to face discussion or presentations would be most effective due to the ability of the people involved to ask and answer questions. As with **part (a)** of this question a lack of application to the pre-release material meant that many candidates gained marks within Level 1.

### Question 7

- (a) Candidates were comfortable with this area of the syllabus and a number produced very strong answers to the question. The majority of candidates focussed their answers to this question completely upon their own enterprise experience, very few incorrectly used examples from the case study. The most successful candidates used detailed examples to show how they identified and met the needs of their customers within their own enterprise project. Weaker responses included a general list of potential needs of customers and therefore these candidates gained a mark within Level 1.
- (b) Some candidates found this question more challenging than **Question 7(a)**. The vast majority of candidates gained marks within Level 2 because they described the sources of finance that they chose and made reference to some of the points listed in the bullet points. The strongest answers explained the most suitable method of finance for their enterprise project by explaining each of the bullet points using examples to support their discussion. Very few candidates discussed two methods of finance in sufficient depth to gain a mark within Level 4.

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<p><b>Paper 0454/12</b> <b>Case Study</b></p>
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## Key messages

Candidates should be reminded to take careful note of the skills required in the answers to each question, as signaled by the command words.

Candidates continue to confuse marketing with market research – this is an area that centres should place greater emphasis upon within their teaching.

A continuing trend this session was for candidates to write an introductory paragraph for each of the essays in **Section B** outlining either the case study information or the product that they produced in their own enterprise experience. Although this is helpful for the examiner, if the subsequent paragraphs in these essays contain no further application, candidates cannot gain marks above Level 1. Candidates should be encouraged to apply each paragraph of their answers to the enterprise specified within the question.

Candidates should be reminded that **Questions 6(a)** and **(b)** will require answers that focus application on the enterprise stated in the case study. Whilst **Questions 7(a)** and **(b)** will require application to the candidates' own enterprise experience. No credit can be given for application to the wrong enterprise.

## General comments

There was a rising number of candidates who had clearly made good use of their examination preparation time to apply the concepts raised in the case study material to their own enterprise experiences. Such candidates scored very highly especially in **Questions 2(d)** and **3(c)**.

There was some evidence to suggest that candidates are learning the content of key documents but not the reasons for producing those documents. This was evident in **Questions 4(a)** and **5(b)**.

The main issue, especially with **Section B** questions, continues to be that some candidates answer the questions generically and therefore do not apply their responses to the enterprise specified in the question. Candidates who do this will not be able to access marks in the levels above Level 1.

There were very few instances of candidates not completing the paper, showing good time management skills. However there were some instances of candidates not attempting some of the questions, mainly **Questions 7(a)** and **7(b)**.

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

Use the case study material to identify key concepts and terminology that candidates may be expected to apply during the examination.

Always ensure an example is given if requested in the question.

Candidates should be encouraged to ensure that each paragraph of the answers to questions in **Section B** relate to the enterprise specified in the question.

Within **Section B** questions, candidates should be encouraged to produce a two sided argument particularly in questions **6(b)** and **7(b)**.

### **Comments on specific questions**

#### **Section A**

##### **Question 1**

- (a) Generally very well answered by the majority of candidates.
- (b) Many candidates gained both of the marks available. A number of candidates listed a variety of tasks which could be completed within the home with no reference to entrepreneurship.
- (c) Most candidates were able to identify a skill or attribute as listed in section 3 of the syllabus. Some provided examples to show how this skill/attribute had been used in their enterprise project. Only the better responses fully explained how this had contributed to the success of the enterprise. A mark of two (out of four) was therefore common.

##### **Question 2**

- (a) The majority of candidates were able to give a precise definition of this term. A common error was to confuse potential with current customers.
- (b) Candidates found this to be one of the most challenging questions on the exam paper. The strongest answers explained the importance of choosing the correct sample. The weakest answers did not address the question and simply stated that such data maybe unreliable.
- (c) The best answers identified a method, such as those in the mark scheme, and explained what information this could provide. A number of candidates stated the internet. Candidates should be reminded that this is a means of locating secondary research, such as company records, rather than a method of research in its own right. A significant number of candidates lost marks on this question by confusing primary and secondary research or by providing a definition.
- (d) The majority of candidates gained two marks (out of four) on this question by identifying a reason for marketing and offering an example from the case material. Only the better responses were developed to show why this would be important to this new unknown enterprise. A small but significant number of candidates confused marketing with market research.

##### **Question 3**

- (a) This area of the syllabus was not well understood by the majority of candidates. A common error was to explain that entrepreneurs must meet the needs and wants of customers. The strongest candidates used the case study to identify health and safety or accurate product descriptions as key responsibilities.
- (b) A large number of candidates provided precise definitions. Weaker answers explained this as a problem or challenge.
- (c) It was evident that a number of centres had discussed the different attitudes towards risk outlined in the case study before the examination. The candidates from these centres scored highly on this question. Weaker answers had ignored the guidance in the question to use examples from the case study and simply defined attitudes towards risk. Such answers could gain no credit.

##### **Question 4**

- (a) Candidates clearly understood the term budget. Many candidates gave a definition of the term which was not required by the question and therefore could not be rewarded. Only the best answers effectively explained the purpose of this document. The most common correct answer being to prevent overspending.
- (b) This question generated a range of responses. Candidates who had a good understanding of the case study material scored highly. The majority of candidates gained one mark by providing a very general answer such as 'Paul's budget would be smaller'.

- (c) The majority of candidates gained all of the marks available on this question. A small number of candidates lost marks by calculating the profit per chair rather than total profit for five chairs.
- (d) Generally well answered. The most common answer being a failure to sell the number of products expected or rising cost.

#### Question 5

- (a) This term was well understood by candidates with many gaining full marks.
- (b) A common correct answer to this part of the question was that the document would be used to gain finance from a bank. Candidates had very little knowledge of the other reasons why a business plan is useful for a new enterprise. A mark of two (out of four) was common for this question.
- (c) Candidates who thoroughly understood the case study material scored highly on this question. Such candidates were able to explain in detail how recycling materials improves the local environment giving examples from the case study to support their answer. The majority of candidates were able to identify that tyres would be removed from the environment.

#### Section B

#### Question 6

- (a) A range of answers were provided to this question, but the majority scored marks within Level 1 or 2 of the mark scheme. The best answers used the evidence in the case study to explain why this new enterprise would need to deal with customer complaints in order to retain customers and gather positive word of mouth advertising. A number of candidates incorrectly discussed ways that the entrepreneur could deal with complaints rather than why they should do so. A small number of candidates were confused by the question and discussed why customers would complain about the chairs.
- (b) Candidates clearly understood this topic area and provided some very detailed examinations of the advantages and disadvantages of each method of finance. A large number of candidates however wrote very detailed essays which gained marks in level one because the answer was not applied to the enterprise in the case study. Had such answers been applied they would have gained very high marks. The strongest answers identified that this recycling enterprise would be highly likely to gain government grants which would not require repayment therefore reducing the costs of the enterprise.

#### Question 7

- (a) This question was not well answered by many students. A small but significant number of candidates did not attempt the question. The strongest answers identified two stakeholders, most frequently customers and financiers. An example was given of the specific stakeholder within the candidate's enterprise project and the consequences of ignoring their views was detailed. The weakest answers included a list of potential stakeholders with no application to the candidates' own enterprise project.
- (b) Candidates found this to be a very challenging question. In order to access marks above Level 1 candidates needed to give specific examples of the communications they had used when contacting stakeholders. Some very detailed analytical answers were produced which were not in the context of their own enterprise and therefore did not answer the question set. The most successful candidates explained how oral communications such as presentations to their parents, (as potential financiers), allowed questions to be asked and therefore secured the finance required.

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<p><b>Paper 0454/13</b> <b>Case Study</b></p>
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## Key messages

There were a rising number of candidates who had clearly made good use of their examination preparation time to apply the concepts raised in the case study material to their own enterprise experiences. Such candidates scored very highly particularly in **Section B**.

Candidates should be reminded to take careful note of the command words in each question. A question that requests the candidate to use an example cannot be successfully answered without one. This was a particular issue in **Questions 2(c)** and **3(c)**.

Within **Section B** questions, candidates continue to focus their answers upon application to the incorrect enterprise. **Questions 6(a)** and **(b)** will require answers that focus application on the enterprise stated in the case study. Whilst **Questions 7(a)** and **(b)** will require application to the candidates' own enterprise experience. No credit can be given for application to the wrong enterprise.

## General comments

Centres should ensure that candidates are aware of all of the syllabus content. There was evidence that candidates were unfamiliar with certain areas of content particularly those covered by **Question 3** on the exam paper.

There was some evidence to suggest that candidates are learning the content of key documents but not the reasons for producing those documents. This was evident in **Questions 2(c)** and **2(d)**.

There were very few instances of candidates not completing the paper, showing good time management skills. However there were some instances of candidates not attempting some of the questions, mainly **Questions 3(b)**, **3(c)**, **3(d)** and **4(c)**.

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

Use the case study material to identify key concepts and terminology that candidates may be expected to apply during the examination.

Candidates should be encouraged to ensure that each paragraph of the answers to questions in **Section B** relate to the enterprise specified in the question.

Within **Section B** questions, candidates should be encouraged to produce a two sided argument particularly in **Questions 6(b)** and **7(b)**.

## Comments on specific questions

### **Section A**

#### **Question 1**

- (a) (i) Candidates did not have a good knowledge of this term. A common mistake was to confuse resourcefulness with using resources.
- (ii) Candidates had a better understanding of this term than the term in **part (i)** but the term was not generally well understood.



- (b) This question was well answered by the majority of candidates who were able to state a wide variety of attributes from section 3 of the syllabus. Those that did not score highly on this question often stated general characteristics which could apply to an employee such as 'hard-working'.
- (c) (i) The strongest answers identified an action from the case study, such as those listed in the mark scheme, and then explained how this met the identified demand. The most common answer being that 'he left his job to work full-time'. Weaker answers did not extend sufficiently to show the impact of the action identified. Such answers gained one mark.
- (ii) As with **part (c)(i)** candidates who were able to identify examples from the case study material scored highly on this question. A number of candidates were confused by the term globalisation and simply repeated the term in their answer.

### Question 2

- (a) This term was generally well understood with many candidates gaining both of the marks available. A common error was to confuse the simple budget document with a financial limit. Such answers when clearly written gained one mark.
- (b) This question was well answered by the majority of candidates.
- (c) A small number of candidates did not attempt this question. Some candidates gained many marks by making good use of the information provided in the case study to identify problems with the budget, such as those stated in the mark scheme. They then explained why the error identified would create problems for the enterprise. Other candidates gave generic answers such as that the figures maybe incorrect which did not merit many marks.
- (d) The majority of candidates did not clearly understand the purpose of producing a budget. Such candidates often repeated the answer given in **part (c)**. A mark of one was common on this question. The best answers used the case study material to give specific examples of how the budget would have helped Dennis and Selwyn to identify problems with costs or the correct price to charge.

### Question 3

- (a) Very well answered with a wide variety of risks being suggested.
- (b) Candidates were often able to identify a method of identifying risks. PESTEL and SWOT being the most common correct answer. Even the most able candidates struggled to fully develop their explanation to show how the method stated operates to identify risk. A common error was to state that a business plan would identify risk without specifying which part of the plan. A mark of one was common for this question.
- (c) Candidates were not comfortable in their understanding of employer responsibility. The most common correct answers were health and safety and paying a reasonable wage. Very few candidates provided examples to support their answer.
- (d) Candidates were generally more comfortable with this area of responsibility than the employer responsibility examined in **part (c)**. A wide variety of suitable points were identified and the strongest answers were supported by examples from a variety of different enterprises. A common error was to ignore the instruction to, 'explain one responsibility', and instead to give a list of points. Such answers gained a maximum of one mark.

### Question 4

- (a) Candidates clearly understood the term SMART and many stated what each letter stood for. This was not the question and so such answers gained no credit. The most successful answers showed understanding that such objectives give a sense of direction and allow the negotiators to measure their success.
- (b) This question was generally well answered with answers following those outlined in the mark scheme.



- (c) A mark of two was common for this question. Candidates were aware of factors that would contribute to the success of the negotiation. Some candidates were able to explain how the factors could affect success. Some of the most able candidates fully developed their answers using examples from the case study material.

#### Question 5

- (a) The majority of candidates were able to identify two appropriate benefits and gain both marks.
- (b) As with **part (a)** very few candidates were not able to fully explain one disadvantage.
- (c) Candidates were less successful in this part of the question. Although many candidates understood the term profit they often struggled to explain why it would be necessary for this enterprise. The most successful candidates identified issues in the case study material, such as those identified in the mark scheme, and explained how profit would help. An error made by some candidates was to state incorrectly that profit would pay for costs, illustrating a lack of understanding that profit is earned after all costs have been paid.

#### Section B

#### Question 6

- (a) There were a range of answers to this question but the majority scored marks within Level 2 of the mark scheme. The best answers focussed upon issues identified in the case study such as the need to meet customer wants. Weaker answers focussed upon candidates' own enterprise experience rather than the enterprise within the case study. Such answers could not progress beyond Level 1.
- (b) Candidates were clearly very comfortable with this question and there were a number of very strong answers. Candidates who scored highly considered the benefits and costs of each proposal before reaching a justified decision on the best choice. Such candidates clearly had a strong understanding of the material in the case study and used examples from this material to support their argument. As with **part (a)** of this question, a lack of application to the pre-release material meant that many candidates gained marks within Level 1.

#### Question 7

- (a) A small number of candidates did not attempt this question. The most successful candidates used detailed examples to show how they dealt with specific complaints within their enterprise project. Weaker answers simply stated the methods enterprises could use to deal with complaints without application to candidates' own enterprise experience.
- (b) Candidates had strong knowledge of methods of communication and the different stakeholders within enterprise. A common error, in the weakest answers, was to give lists of advantages and disadvantages for each of the methods of communication outlined. Such answers did not address the question and gained marks in the lowest level. The strongest answers stated a specific stakeholder within their enterprise project, usually parents, fellow students or school staff. They then explained the advantages and disadvantages of two of the listed methods of communicating from the list given before making a justified decision as to which method was most suitable.

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<p><b>Paper 0454/02</b> <b>Coursework</b></p>
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## **Key messages**

Candidates must provide relevant evidence of all the required activities for each task in order to access the full range of marks.

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 detailed explanation and supporting evidence.

Whilst candidates can undertake group projects, all reports and documents submitted must be each candidate's own work and not a collaborative effort.

Assessors are advised to add notes linked to the assessment criteria to the work as this helps with marking and moderating.

## **General comments**

Candidates use their creativity when selecting appropriate projects. Choices for this session included making body creams, arranging sporting events as well as food and craft stalls. Such creativity and initiative should be encouraged.

Overall, most centres awarded the marks for analysis and evaluation generously. A simple list of advantages and disadvantages or a table without any accompanying explanation, does not constitute analysis. Points must be developed to show how or why such issues need to be considered in relation to the project. For candidates to access the higher mark bands, they must also show depth to their analysis (and evaluation) and this should be seen consistently throughout the task.

Candidates must provide all the required materials to be able to access the full range of marks. A significant number of candidates included documents including business plans, marketing plans and risk assessments which were unnecessary, and cannot be awarded. The relevant sections in the syllabus and Coursework Handbook provide clear guidance as to the materials candidates must submit for each task.

Centres should advise candidates that while they can select group projects, all documents produced must be the individual candidates' own work and not a collaborative effort. Any work produced jointly by candidates cannot be awarded. This includes the Action Plan, examples of marketing communication and the Income and Expenditure Budget.

It is important to note that for tasks 1 and 4 there is a word limit. Candidates may find it helpful to produce their work as Word documents so that word counts can be easily checked. Teachers can then monitor this and advise candidates accordingly.

There was limited or no annotation on the work. It would assist the external moderation process if centres show where candidates have demonstrated the relevant assessment criteria. For example writing 'AO1', 'AO2' and 'AO3' or comments such as 'good/excellent analysis' at appropriate points in the work. This would be beneficial to both the centre and Moderator to show how and why a particular mark has been awarded.

Administration was good. Please note when there is more than one teacher, internal moderation is required to ensure consistency of marks within the centre. Any marks changed should be clearly indicated on all documentation. The marks submitted to Cambridge are those on the MS1, so if changes are made, it is essential that these are transferred to the MS1.

## **Comments on specific tasks**

### **Task 1**

Most candidates used the correct report format for this task.

Most candidates attempted to identify entrepreneurial skills, but many found evaluating their own skills in terms of what might be useful for the projects more challenging.

The main part of the task involved identifying a suitable project. Better responses had their data presented in a meaningful way and then attempted to draw valid conclusions from the evidence they had obtained. Only the better responses were able to use evidence gathered to say why they had chosen one option over other possible alternatives, for example by quoting the results of market research to support decisions made. Weaker responses had listed points but they didn't show why such points needed to be considered. A number of candidates focused only on their chosen option and simply stated reasons why other ideas had been rejected without discussing the merits of these alternatives. These would need to be discussed in order to achieve higher marks.

### **Task 2**

Most candidates submitted an Action Plan. Monitoring is a concept that some candidates continue to find challenging. The majority of candidates described what each stage involved rather than indicate how they would check to know if the action had been completed successfully or not. For example, when selling, keeping books of accounts may be a suitable way to monitor progress.

For the second part, there was an equal mix of candidates selecting each option. A few candidates did include elements of both which is unnecessary. The better responses provided detailed explanations to support their final choices. Weaker responses outlined general advantages and disadvantages which could apply to any enterprise and were not able to apply points made to their chosen project. Please note, candidates should not rely on the slides alone to provide the necessary level of detail for the written explanation and justification of their final choice. A common error was to confuse the presentation with the negotiation, which forms part of Task 3. The presentation must relate to their proposals for finance or marketing communications.

A number of candidates omitted evidence for at least one element of this task. Typical omissions were the witness statement (which must be signed by the teacher or equivalent person) or two different examples of marketing communication, individually produced by each candidate. The absence of these materials will restrict the mark band that candidates can access.

### **Task 3**

Marking was generally in line with the required standard for this task.

Stronger responses were detailed explanations of the specific enterprise skills candidates had used to carry out the various activities as part of their project. For example if they used their communication skills when sourcing ingredients, they should name this skill as well as explain how they demonstrated it. Weaker responses were simply a description of what candidates did.

The planning for negotiation was generally well attempted. The strongest responses included good evidence of information they would use to support their negotiation as well as clear outcomes. Some candidates did not provide evidence of planning for a negotiation, which is one of the task requirements. This restricted the mark bands that they could access.

Candidates should carry out an individual negotiation wherever possible to allow maximum opportunity to demonstrate their negotiating and other enterprise skills.

#### Task 4

This is the most challenging task as only AO3 analysis and evaluation is assessed. The report should cover both successes and failures, as it is not expected that everything will go to plan. A common error is for candidates to simply describe or review what they did rather than analyse and make judgements about the significant issues discussed for each of their chosen areas. Better performing candidates did attempt to consider the implications of points identified, using phrases such as ‘therefore’ or ‘this means that’ to help develop points made.

Most candidates used an appropriate report format including a title, introduction, findings for the two areas, conclusions and recommendations. Some candidates discussed more than the two areas, which was unnecessary. As candidates are required to submit a 1000 word report, having a clear focus is essential.

Most candidates were able to make simple conclusions and recommendations about the success of their project. However, few candidates were able to use evidence collected to support their conclusions, which they need to do to access the higher level marks. Evidence could include customer feedback, the actual costs or income statement. Many candidates submitted photographs, permission letters, receipts and screen shots but it was not clear why they had been included. Evidence should only be included if it is clearly labelled and supports the point being made.