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ENTERPRISE

0454/13

Paper 1

May/June 2021

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [].
- You should have received a copy of the case study before the examination. A copy of the case study is provided with this question paper as an insert.

This document has **16** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 There are different stakeholders in Millie’s boat trip enterprise.

(a) Define the term *stakeholder*.

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

(b) Explain why each of the following are stakeholders in Millie’s enterprise:

(i) the local boat owners

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

(ii) the people on her sightseeing boat trips.

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..... [2]

(c) Describe **two** reasons why laws or regulations are needed to protect Millie's stakeholders.

1

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2

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..... [4]

[Total: 10]

2 Kyle said that changes in government policy could have an effect on the success of an enterprise, and that effect may be positive or negative.

(a) Identify **two** ways that an entrepreneur can measure the success of their enterprise.

1

2 [2]

(b) Explain **one** reason why it is important that an entrepreneur monitors the progress of their enterprise.

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..... [2]

(c) (i) Explain **one** positive effect government policy might have on Millie's boat trip enterprise. Use an example to support your answer.

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..... [3]

(ii) Explain **one** negative effect government policy might have on Millie's boat trip enterprise. Use an example to support your answer.

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.....
..... [3]

[Total: 10]

3 (a) Define the terms:

(i) *income*

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

(ii) *expenditure.*

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

(b) (i) Using Table 1, calculate Millie’s fuel costs if she operates 80 boat trips in her first year.

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..... [2]

(ii) Using Table 1, calculate Millie’s total revenue if she operates 80 boat trips in her first year.

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..... [2]

(c) Describe the possible impact on total profit if the cost of insurance increased to US\$275.

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

[Total: 10]

4 Keisha suggested Millie consider crowdfunding, a government grant or trade credit as sources of finance.

(a) Identify **two** sources of finance, other than crowdfunding, a government grant or trade credit.

1

2 [2]

(b) Define the term *crowdfunding*.

.....

.....

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..... [2]

(c) Explain **one** advantage and **one** disadvantage to Millie of using trade credit to finance the costs in Table 1.

Advantage

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Disadvantage

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..... [6]

[Total: 10]

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