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ENTERPRISE

0454/11

Paper 1

May/June 2026

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. Do **not** use correction fluid or tape.
- 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 Mateo wanted his new enterprise to reduce trash and improve the music festival services.

(a) Select the most appropriate phrase from the list below to complete each of the sentences.

- a legal requirement
- an ethical consideration
- the negotiation process
- the risk of enterprise

(i) Reducing trash is an example of [1]

(ii) Losing money invested in an enterprise is an example of [1]

(b) State **two** problems a new enterprise may experience.

1 [2]

2 [2]

(c) Explain, using an example, **one** method you used to reduce the risks involved in **your enterprise project**.

method used [3]



(d) Explain, using an example, **one** way that your attitude to risk affected **your enterprise project**.

attitude to risk
.....
.....
.....
.....
..... [3]

[Total: 10]



- 2 Mateo knew that it was important to plan the finances before starting any enterprise. He planned to use his personal savings.

(a) Explain **one** benefit to Mateo of using his personal savings to finance the enterprise.

.....

.....

.....

..... [2]

- (b) Using information from Table 1.1 in the case study, prepare Mateo's financial plan for **2(b)(i)–(iv)**. Show your working.

Table 1.1

financial plan	
\$	
sales revenue:	
10 tents each rented for 3 nights	(i)
costs:	
purchase of 10 tents and sleeping bags	(ii)
rent of location for 3 nights for up to 50 tents	250
total cost	(iii)
profit or loss	(iv)

[6]

- (c) Explain **one** benefit Mateo might gain by using trade credit to buy the tents.

.....

.....

.....

..... [2]

[Total: 10]



3 The bank manager thought that Mateo's enterprise had the potential to be successful.

(a) State **two** ways that success can be measured in an enterprise.

1

2

[2]

(b) Explain **two** reasons why Mateo's enterprise is likely to be successful. Use an example from the case study to support each reason.

1

.....

.....

.....

2

.....

.....

.....

[4]

(c) Describe **two** enterprise skills.

1

.....

.....

.....

2

.....

.....

.....

[4]

[Total: 10]



- 4 Mateo had not yet completed a business plan. Nita provided him with templates for some documents.

(a) Explain the difference between *aims* and *objectives*.

.....

.....

.....

..... [2]

(b) Identify which **one** of the following documents usually includes a 'statement of aims and objectives':

- action plan
- agenda
- business plan

..... [1]

(c) Explain **one** benefit to Mateo of preparing an action plan. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]



(d) Explain **two** reasons why Mateo may need to update his action plan. Use an example from the case study to support each reason.

1

.....

.....

.....

2

.....

.....

.....

[4]

[Total: 10]





5 Using the questionnaire responses, Mateo decided on a price of \$12 a night to rent a tent.

(a) Explain **one** benefit to Mateo of using a questionnaire as a method of market research.

.....

.....

.....

..... [2]

(b) State **two** methods of measuring customer satisfaction.

1

.....

2

..... [2]

(c) Explain **one** reason why retaining customers would be important in Mateo's enterprise.

.....

.....

.....

.....

..... [3]

(d) Justify why social media is an appropriate way for Mateo to persuade music festival visitors to rent his tents.

.....

.....

.....

.....

..... [3]

[Total: 10]





Section B

Answer **all** questions.

- 6 (a)** Mateo obtained advice from Nita, the bank manager. Nita also suggested that he discuss his enterprise idea with music festival organisers.

Analyse the suitability of these **two** sources of advice and support for Mateo's enterprise. Use examples from the case study to support your answer.

[10]





- (b)** Mateo intended to operate his enterprise as a sole trader, but he thought that he might need to change the business organisation in the future.

Evaluate whether Mateo should remain as a sole trader or change to a limited liability company as the enterprise grows. You should consider the advantages and disadvantages to Mateo of each choice in your answer.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school handwriting practice paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



11

[15]





7

- (a) Analyse **two** reasons why the language you used in a negotiation within **your enterprise project** should be different from the language used when talking to friends. Use examples to support your answer.

[10]

[10]





(b) Enterprises can be affected by changes in:

- government policy
- real income
- tastes and fashion
- technology.

Evaluate the effects that any **two** of these changes could have on the operation or success of **your enterprise project**. Use examples to support your answer.

[illegible]



[15]

[Total: 25]







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