* 0000800000001 * DFD

CAMBRIDGE International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

* 1 6 9 0 5 9 8 8 0 0 *

ENTERPRISE **0454/12**

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.

DC (SL) 354704/2

Section A

Answer **all** questions.

1 Malik offered to help Sanvi with her enterprise after a problem with a late trade credit payment.

(a) Define the term ‘trade credit’.

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....

....

.... [2]

(b) Explain **one** reason entrepreneurs offer trade credit to their customers.

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.... [2]

(c) Select the most appropriate word to complete each of the sentences:

(i) People who own part of the enterprise are called ....

.... [1]

(ii) People with an interest in the activities of an enterprise are called ....

.... [1]

(d) Explain why each of the following could be interested in **your enterprise project**:

(i) students at your school

....

....

....

.... [2]

(ii) lenders

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....

....

.... [2]

[Total: 10]

2 Malik could see that there was a demand for his services, but his parents were concerned about the risks for his new enterprise.

(a) Describe **two** reasons why the demand for a good or service may change.

1 ....

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2 ....

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[4]

(b) **(i)** State **two** attitudes to risk.

1 ....

2 ....

[2]

(ii) Explain **one** problem caused by your attitude to risk in **your enterprise project**.

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.... [2]

(c) Explain, using an example, **one** legal obligation in **your enterprise project**.

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.... [2]

[Total: 10]

3 Malik completed a business plan.

(a) State **two** sections usually included in a business plan.

1 ....

2 ....
[2]

(b) Explain **one** way a business plan could help Malik in his new enterprise. Use an example from the case study to support your answer.

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.... [3]

(c) State **two** examples of costs that Malik may have to pay when operating his enterprise.

1 ....

2 ....
[2]

(d) Justify **one** source of finance that would be suitable for Malik's enterprise.

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.... [3]

[Total: 10]

4 Sanvi wanted to be ethical when she attended the business network meeting.

(a) Explain the purpose of **one** document used in a formal meeting.

document ....

purpose ....

....

.... [2]

(b) Describe **one** informal method of communication used in the case study.

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.... [2]

(c) Explain **one** action taken in **your enterprise project** that could be considered as ethical behaviour.

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.... [2]

(d) Explain the help offered to Malik by **two** sources of support other than a business network.

1 ....

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2 ....

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.... [4]

[Total: 10]

5 Malik decided to complete an action plan although he realised that this might need to be updated in the future.

(a) State **two** headings usually included in an action plan.

1 ....

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2 ....

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[2]

(b) Explain **one** benefit to an enterprise of updating an action plan.

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.... [2]

(c) Justify **two** appropriate methods of market research that Malik could use when planning his enterprise.

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2 ....

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[6]

[Total: 10]

Section B

Answer **all** questions.

6 (a) Malik expected to rely on word-of-mouth marketing communication.

Analyse the advantages and disadvantages to Malik's enterprise of using this method of marketing communication.

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(b) Evaluate whether Malik should operate his new enterprise as a sole trader or as a partnership. Justify your choice, explaining why you rejected the other type of business organisation.

[15]

[Total: 25]

7 Now consider **your enterprise project**.

(a) There are many financial calculations and records used in enterprise. These include:

- break-even
- cash flow
- profit.

Analyse how **two** of these calculations or records helped you to make decisions in **your enterprise project**. Use examples to support your answer.

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.... [10]

(b) There are many enterprise skills. These can include:

- innovation
- practical skills
- problem-solving
- team-building.

Evaluate the importance of **three** of these skills to the success or failure of **your enterprise project**. Justify which skill was the most important.

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[15]

[Total: 25]

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