

# ENTERPRISE

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Paper 0454/01  
Case Study

## Key messages

Candidates are required to apply the knowledge that they have gained from their studies of entrepreneurs and through the operation of their own enterprise to the questions set in the examination. They should be encouraged to use examples from their own experience wherever possible to develop their answers.

## General comments

Candidates generally responded well to the paper and the case study material appeared to be within their understanding. In nearly all cases candidates attempted all questions. Centres had prepared their candidates well by ensuring coverage of the syllabus content so that candidates possessed knowledge of enterprise terminology. This led to success in questions such as **2(a)(i)**, **3(a)**, **4(b)(ii)** and **5(a)(i)**, which required recall of knowledge. Some aspects of the syllabus were not fully understood, such as the opportunities which allow enterprise to arise. The paper provided the opportunity for candidates to apply their own experience of running an enterprise to given situations and to make evaluative judgements. Such opportunities were taken by strong candidates.

There was evidence that some candidates did not read the questions carefully and consequently their answers were not focused correctly on the question set. A lack of application in answers also significantly reduced the marks awarded in questions such as **2(b)** and **3(b)**. Candidates also need to be reminded that marks are lost in explanation-style questions when they identify long lists of knowledge points rather than fully developing a couple of well-chosen points.

**Section B** questions were the most challenging for all candidates. These questions ask for a justification of the decision made. The evaluation marks were often lost because the candidate did not make a decision at all, or the decision made was not linked to the knowledge and analysis presented. Candidates would benefit from considerable practice with this style of question.

There are some considerations that might be helpful in enabling candidates to achieve higher marks in future exam sessions.

- Candidates should learn key terms accurately – full marks are awarded for precise definitions.
- Candidates should pay careful attention to the wording of the question.
- Candidates need to use the information in the case study and their own experience to develop explanations, giving examples wherever possible.

## Comments on specific questions

### **Section A**

#### **Question 1**

Some candidates struggled to develop their answers fully here in order to gain the higher marks.

- (a) This question discriminated effectively between candidates. A common error was to repeat the example given in the stem of the question. A number of candidates thought that opportunities for enterprise arise because finance is available.

- (b) The question required candidates to apply their knowledge of entrepreneurial skills to the experiences faced by an entrepreneur they had studied. All candidates identified an entrepreneur but many struggled to develop their answers to discuss how the skills identified had contributed to their success. A number of candidates provided examples of the achievements of the individual but with no reference to skills.
- (c) Candidates were able to write about the reasons for government laws and regulations. Better candidates were able to explain how regulations/laws affected enterprises or consumers.

### Question 2

- (a) (i) This question was well answered by the majority of candidates.
- (ii) Candidates clearly understood this element of the syllabus, with many offering complete and precise answers.
- (b) Candidates showed knowledge of co-operatives as a business organisation but most struggled to identify why this organisational structure was an appropriate choice for the entrepreneurs in the case study.

### Question 3

- (a) This was a generally well-answered question.
- (b) Candidates frequently were not clear about the term profit. A number suggested that profit was important in order to repay costs. The better candidates were able to make a supported judgement as to why profit was or was not important to their enterprise.
- (c) The majority of candidates were aware of the purpose of producing a business plan and attempted to identify how this would help in the operation of an enterprise. Answers were rarely detailed enough to gain full marks. Using an example from their own enterprise experience would have assisted candidates in fully developing their answers.

### Question 4

The theory underlying these questions was generally well understood and therefore questions requiring definitions were done well.

- (a) (i) This term was understood by most candidates.
- (ii) Candidates needed to be more precise in their definitions and show that a deficit refers to a negative cash situation. Weaker candidates confused cash flow with Balance of Payments.
- (b) (i) Many good answers were provided here. A common error was to identify internal stakeholders.
- (ii) Candidates had a strong understanding of this element of the syllabus and were able to give a wide variety of relevant examples. A number of candidates provided two different examples of advertising media.
- (c) Candidates were clearly aware of what an agenda was but struggled to identify why it was important for the smooth running of a meeting.

### Question 5

Candidates had clearly covered this section of the syllabus in their studies but many struggled to explain the importance of financial planning.

- (a) (i) This element of the syllabus was clearly understood by many candidates and a wide variety of financial documents were listed.
- (ii) This question discriminated well between the candidates of different abilities. The better candidates showed a clear understanding of the purpose of the records identified and therefore could explain the problems that could arise if it were inaccurate.

- (b) (i) A number of candidates were unfamiliar with this aspect of the syllabus.
- (ii) Some very effective answers were provided for this question, which clearly discussed the provision of credit from the viewpoint of one of the identified stakeholders. Weaker candidates provided a general explanation of the idea of credit with no application to either of the stakeholders identified. A number of candidates ignored the request to discuss the provision of credit to **either** the suppliers **or** the co-operative, and discussed both stakeholders. Such candidates struggled to produce a two-sided argument.

### Section B

#### Question 6

- (a) It was clear that some candidates had not followed the instructions clearly. Many ignored the requirement to discuss the decisions taken in their meetings. A number of candidates used the SLEPT structure to identify factors affecting their enterprise, with no reference to either decision-making or meetings. Effective answers gave examples of the decisions taken and explained why those decisions had been made. The most frequently discussed factors were the finance available, guidance from advisors and the respective power of people within the meeting.
- (b) Negotiation was clearly understood by the majority of candidates. The weakest candidates simply described the process of negotiation. Stronger candidates explained how preparation would help negotiations to be more successful. Some candidates struggled to gain Level 4 because they did not address the requirement to discuss the negotiations between Pablo and the representative of NF Foods. This lack of appropriate application limited candidates' ability to achieve the highest marks.

#### Question 7

- (a) Candidates had a strong understanding of the concepts of this part of the syllabus. Many answers gave a detailed description of the methods of market research available to an enterprise. Stronger candidates developed their answers to analyse the suitability of such methods for their own enterprise project. Very few candidates fully developed their discussion to reach a supported judgement on the best method of research for their enterprise. Weaker candidates frequently gave detailed analysis of the various methods of research, which could not be rewarded because it was not applied as indicated in the question.
- (b) The concept of customer retention and satisfaction was not clearly understood by all candidates. The strongest candidates used the case study, analysed at least two suitable methods of improving customer satisfaction for this enterprise, and produced a supported judgement as to the most appropriate methods for Pablo. A common error was to ignore the customer satisfaction aspect of the question and discuss promotions or advertising to expand the enterprise. Most candidates applied their answers to the enterprise in the case study.

# ENTERPRISE

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Paper 0454/02  
Coursework

## Key messages

- To score top marks, candidates must provide evidence of all activities for each task.
- 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 explanation and supporting evidence.

## General comments

This module is the coursework component for this examination, through which candidates have the opportunity to carry out their own enterprise project, either on their own or as a member of a group. Candidates are required to complete four main tasks, each of which requires candidates to provide a range of material as evidence. These are designed to assess a range of assessment objectives and skills associated with enterprising activities. Coursework projects are initially assessed by Centre staff and are then submitted for external moderation by University of Cambridge International Examinations.

Candidates seem well advised in their choice of suitable projects. Many candidates are able to use appropriate enterprising techniques to gather the evidence required for each task. Candidates need to ensure they provide evidence for all elements of each task, or this will limit the number of marks that they can potentially score. It is therefore important that both Centres and candidates are familiar with the course requirements, as specified in the syllabus.

Overall, analysis and evaluation marks were awarded generously by many Centres. A simple list or table, without any accompanying explanation of points, does not constitute analysis. For candidates to access the higher mark bands, they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

For **Task 1**, candidates were required to submit both a written report and either a wall chart or information leaflet. Some candidates only submitted a report. It was pleasing to see that so many candidates chose a local entrepreneur, if they selected to produce a wall chart. For the report, better-performing candidates were able to communicate the process and outcome of their investigations into choosing a suitable project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. There was good evidence of higher order skills of analysis and evaluation within the better reports. Others needed to develop more detailed explanations to say why they had chosen one option over other possible options, rather than just stating their choice.

For **Task 2**, candidates were required to present evidence of business planning. All candidates were required to produce an action plan, risk assessment and either evidence of financial planning or marketing communication. Some candidates omitted evidence for one element of this task.

Many good responses contained detailed explanations to show possible risks and the reasons behind their decisions. Others needed to develop more detailed explanations in order to achieve high marks. For example, candidates could explain why the risks identified were issues for their project, why certain tasks in the action plan were given to a specific individual, and reasons behind the choice of their marketing or financial options. All candidates need to provide detailed explanations for all parts of the task, in order to show a 'very good ability to analyse information'.

For **Task 3**, candidates were required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. Candidates were well prepared to carry out this practical task. Most candidates seemed to enjoy the opportunity to practise their negotiation skills.

However, it is worth emphasising the requirement that when candidates use a witness statement as evidence of negotiation, Centres should ensure that it is signed by an appropriate person and includes detailed comments to support the mark awarded. This would greatly assist the Moderator in determining how well the skills of enterprise were applied.

For **Task 4**, candidates were required to produce a formal report. It was pleasing to see that most of the written reports adhered closely to the guidelines from the syllabus regarding good practice for report generation. The majority of candidates were able to make simple conclusions about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions, which they need to do to merit a high mark.

The annotation of the work was limited. It would assist the external moderation process if the Centres pinpoint where candidates have demonstrated the relevant assessment criteria. For example, writing AO1, AO2 and AO3 or comments such as 'good analysis' at appropriate points in the work would be helpful.