



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

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NUMBER

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ENTERPRISE

0454/01

Paper 1

October/November 2011

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.

Each candidate should have received a copy of the case study prior to the examination.

A clean copy of the case study has been provided with this question paper.

The businesses described in this Question Paper are entirely fictitious.

Your answers must be based on the case study and your own enterprise experience and knowledge.

Candidates who do not follow this instruction will be penalised.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **10** printed pages, **2** blank pages and **1** Insert.



Section A

Answer **all** the questions.

For
Examiner's
Use

1 Pablo's enterprise started because he noticed that people were always asking for extra jars of honey.

(a) State **one other** factor that might create an opportunity for an enterprise to arise.

..... [1]

(b) With reference to an entrepreneur that you have studied, discuss how he or she has successfully used **two** entrepreneurial skills.

Name of entrepreneur

1

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2

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..... [6]

(c) Pablo did not know about the laws and regulations which affected the production and selling of food.

State and explain **one** reason why a government sets laws and regulations affecting an enterprise.

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..... [2]

[Total: 9]

2 Pablo and Kelechi proposed that the local beekeepers form a partnership.

(a) (i) Explain what is meant by a *partnership*.

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..... [2]

(ii) Explain **one** disadvantage to an entrepreneur of setting up a partnership.

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..... [2]

Pablo, Kelechi and other local beekeepers established a co-operative.

(b) Discuss which factors were likely to be **most** important to the local beekeepers when deciding to organise themselves as a co-operative.

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..... [6]

[Total: 10]

3 Enterprises have a number of business objectives. Pablo was happy to earn extra income by selling honey.

(a) Identify **two** business objectives, other than profit, that **your enterprise project** might have had.

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[2]

(b) Discuss how important making a profit was to **your enterprise project**.

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[6]

(c) State and explain **one** reason for producing a business plan when starting an enterprise.

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[3]

[Total: 11]

4 Pablo has arranged to meet a representative of NF Foods to negotiate an agreement to sell the co-operative's honey.

(a) Explain what is meant by the following terms:

(i) *negotiate*

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(ii) *cash flow deficit*

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[2 × 2]

(b) (i) Name **two** external stakeholders in an enterprise.

1

2

[2]

(ii) Give **two** methods an enterprise could use to communicate with external stakeholders.

1

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2

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[2]

(c) Pablo and Kelechi have called a meeting to explain their future plans for the co-operative.

Explain one reason why an agenda should be prepared before a meeting.

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[2]

[Total: 10]

5 (a) (i) Name **one** financial record which an enterprise should keep and maintain.

..... [1]

(ii) Explain why the record you named in 5 (a)(i) needs to be accurate.

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..... [2]

(b) Suppliers of jars and labels might be more willing to provide the co-operative with credit.

(i) How many day's credit will a business often offer to purchasers?

..... [1]

(ii) Discuss the possible advantages and disadvantages of the provision of credit to **either**:

- the suppliers of jars and labels
- or**
- the co-operative

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..... [6]

[Total: 10]

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TURN OVER FOR SECTION B

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