



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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ENTERPRISE

0454/01

Paper 1

October/November 2016

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, 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.

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.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **14** printed pages, **2** blank pages and **1** Insert.

Section A

Answer **all** the questions.

1 (a) State **two** skills needed to be enterprising.

1

2 [2]

(b) Identify **two** ways that opportunities for enterprise might arise.

1

.....

2

..... [2]

(c) Explain how **one** entrepreneur that you have studied used their entrepreneurial skills to be successful.

Name of entrepreneur

Explanation

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..... [4]

[Total: 8]

2 Enterprises can be both rewarding and challenging.

(a) Identify and explain **two** potential rewards that an entrepreneur could gain from running an enterprise.

1 Identify

Explain

2 Identify

Explain

.....[4]

(b) Explain **two** challenges that you faced in **your enterprise project**.

1

2

.....[4]

[Total: 8]

3 The teacher suggested that Sadie and Megan complete a business plan for their enterprise idea.

(a) Explain the term 'business plan'.

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

(b) Identify **two** business objectives that a new enterprise might have.

1
.....
2
..... [2]

(c) Sadie and Megan's planning was for the short-term time period only.

State **two** time periods in enterprise planning, other than short-term.

1
2 [2]

(d) Describe **two** reasons the business plan of an enterprise would need to be updated.

1
.....
.....
.....
2
.....
.....
..... [4]

[Total: 10]

4 Sadie and Megan asked their teacher to help them to complete the financial section of their business plan.

(a) What is meant by:

(i) revenue

.....
.....[1]

(ii) expenditure

.....
.....[1]

(iii) overheads

.....
.....[1]

(iv) debt?

.....
.....[1]

(b) Fig. 1 shows the Profit and Loss account for the enterprise idea.

Profit and Loss account for Week 1

	US\$
Revenue	A
Cost of boxes	30.00
Cost of food	100.00
Gross Profit	B
less expenditure on marketing	C
Net Profit	D

Fig. 1

Use the information in the case study to calculate the following amounts. Show your working where appropriate.

(i) Amount **A**.

.....

.....

.....

.....[3]

(ii) Amount **B**.

.....

.....[1]

(iii) Amount **C**.

.....

.....[1]

(iv) Amount **D**.

.....

.....[1]

(c) Explain whether making a profit was important for Sadie and Megan’s enterprise idea.

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[4]

[Total: 14]

5 Sadie and Megan used formal and informal methods of communication.

(a) Explain the term 'informal communication'.

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..... [2]

(b) Name and explain **two** documents used in the organisation of a meeting.

1 Name
Explain
.....
.....
2 Name
Explain
.....
..... [4]

(c) (i) Describe the purpose of **one** meeting held in **your enterprise project**.

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

(ii) Analyse the effectiveness of **this** meeting in reaching its purpose.

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..... [2]

[Total: 10]

Section B

Answer all the questions.

You may use the case study, your own enterprise experience and your knowledge of enterprise where appropriate to answer the following questions.

- 6 (a) Megan explained to Sadie that it would be important to be clear about the potential risks and rewards of this idea.

Discuss why it is important to identify the risks involved in Sadie and Megan’s enterprise idea. Justify your answer. [10]

Dotted lines for writing the answer.

- 7 (a) Sadie and Megan knew that they would need to prepare carefully for their negotiation with the catering staff.

Discuss the effectiveness of your planning when you were preparing to negotiate, as part of your enterprise project. [10]

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(b) The school canteen is run by a limited company but there are other types of business organisation, such as partnerships and sole traders.

Evaluate the **most** appropriate type of business organisation for **your enterprise project**.
Justify your recommendation. [15]

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[Total: 25]

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