



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
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ENTERPRISE

0454/01

Paper 1

October/November 2017

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.

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.

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

This document consists of **13** printed pages, **3** blank pages and **1** Insert.

Section A

Answer **all** the questions.

1 The dance groups wanted more people to watch the show but they needed a larger hall.

(a) What is the difference between the following terms?

(i) *needs* and *wants*

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.....[2]

(ii) *rewards* and *challenges*

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.....[2]

(b) Explain, using an example, how **your enterprise project** met your customers' needs and/or wants.

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.....[3]

[Total: 7]

2 The dance carnival would be organised as a social enterprise.

(a) Explain **one** advantage and **one** disadvantage of operating as a social enterprise.

Advantage

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.....

Disadvantage.....

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.....[4]

(b) (i) Identify **two** types of business organisation, other than social enterprise.

1

2[2]

(ii) Explain why **one** of the types of business organisation identified in (b)(i) might be suitable for the dance carnival enterprise.

Business organisation identified

Explanation

.....

.....

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.....

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.....[3]

[Total: 9]

3 Essa and Mercy drew up an action plan that showed the tasks to be completed and who would complete them.

(a) Identify **two other** pieces of information that might be included in an action plan.

1

.....

2

.....[2]

(b) When planning, enterprises must answer key strategic questions, such as ‘where is the enterprise going?’

Identify **two other** key strategic questions.

1

.....

2

.....[2]

(c) State **two** items that would normally be included in a budget.

1

2[2]

(d) Explain **two** ways that producing a budget assisted, or could have assisted, the operation of **your enterprise project**.

1

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2

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.....[6]

[Total: 12]

4 The local town council would have to look at the effect of the dance carnival on all stakeholders.

(a) What is meant by *stakeholders*?

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.....[2]

(b) State **two** external stakeholders in an enterprise.

1
2[2]

(c) State **two** methods of communication that could be used to communicate with external stakeholders.

1
2[2]

(d) Using examples from Fig. 1 (Insert), explain the difference between horizontal and vertical lines of communication.

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.....[4]

[Total: 10]

5 Essa completed some market research. The next step would be to start promoting the dance carnival.

(a) State **three** methods of identifying potential customers for an enterprise.

- 1
- 2
- 3 [3]

(b) Analyse the effectiveness of **one** method of identifying potential customers.

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..... [3]

(c) Identify and explain **two** suitable methods of marketing the dance carnival.

- 1 Identify
- Explain.....
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.....
- 2 Identify
- Explain.....
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.....
.....
..... [6]

[Total: 12]

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)** The dance carnival would be partially funded by sponsorship, and Mercy and Essa considered applying for a government grant or a bank loan.

Discuss the benefits and drawbacks on the carnival enterprise of each method of finance: a bank loan and a government grant. [10]

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- 7 (a) Essa used a number of entrepreneurial skills: she took the initiative and came up with a creative solution to the problem of a lack of space for people.

Discuss, using examples, how you used **two other** entrepreneurial skills during **your enterprise project**. [10]

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- (b) Essa and Mercy thought that the meeting with the local town council representative had been effective.

Evaluate the effectiveness of one or more meetings in **your enterprise project**. [15]

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[Total: 25]

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