



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
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ENTERPRISE

0454/12

Paper 1

October/November 2018

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 Johnny decided to draw up an action plan before starting his research.

(a) State **two** methods of research.

- 1
- 2 [2]

(b) State **two** items usually included in an action plan.

- 1
- 2 [2]

(c) Explain **one** reason why an action plan is helpful for an enterprise.

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- [2]

(d) Explain **one** reason why it is necessary to monitor the planning of an enterprise.

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- [2]

[Total: 8]

2 Johnny used his entrepreneurial skills to deal with the challenges faced in his enterprise.

(a) Explain **two** challenges faced by enterprises.

1

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2

.....[4]

(b) Explain how Johnny used the following entrepreneurial skills in the operation of his enterprise:

(i) time management

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.....[3]

(ii) problem solving.

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.....[3]

[Total: 10]

3 Johnny attended a meeting with the local business network.

(a) Explain the term *business network*.

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..... [2]

(b) State **two** sources of support for enterprises, other than business networks.

1

2 [2]

(c) Identify **two** decisions made in **your enterprise project** and explain the impact each had on the operation of the enterprise.

1 Identify

Explain

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2 Identify

Explain

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..... [6]

[Total: 10]

4 Johnny researched the costs of his enterprise so that he could draw up a budget.

(a) Explain the following terms:

(i) *fixed costs*

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.....[2]

(ii) *variable costs.*

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.....[2]

(b) Explain **one** difference between the budgets of smaller and larger enterprises, using an example from an enterprise you have studied to support your answer.

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.....[3]

(c) Explain **one** problem that could be avoided by preparing a budget.

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.....[3]

[Total: 10]

5 Johnny attended a formal business meeting.

(a) Explain what is meant by *an agenda*.

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.....[2]

(b) Explain why it is important to prepare an agenda.

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.....[2]

(c) Explain what is meant by *retaining existing customers*.

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.....[2]

(d) Explain **two** methods of communication that Johnny could use with his potential customers.

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.....[6]

[Total: 12]

(b) Johnny needed to finance the new equipment and the rent for his new workshop. He considered using:

- a bank loan
- his own savings
- his family's savings
- inviting a partner to invest in the enterprise.

Evaluate which **two** of these sources of finance he should use. Justify why you rejected the other sources of finance. [15]

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- 7 (a) Johnny knew that giving up his job in the hotel kitchen would be a risk and he tried to minimise that risk.

Discuss how effectively you dealt with the risks within **your enterprise project**. [10]

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[Total: 25]

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