

# ENTERPRISE

---

<p>Paper 0454/11 Case Study</p>
-------------------------------------

## Key messages

Many candidates and centres had clearly prepared well for the examination by working through the case study. The main issue, especially with **Section B** questions, is that some candidates answered the questions generically and therefore did not apply their responses to the enterprise required. Candidates should be reminded to take careful note of the command words in each question. A question that requires an explanation related to a named business can only gain full marks if applied to that business. Candidates who do not do this will not be able to access mark bands 2 to 4.

Within **Section B** questions candidates must focus their answers upon application to the enterprise stated in the question. **Questions 6(a) and (b)** will require answers that focus application on the enterprise stated in the case study. Whilst **Questions 7(a) and (b)** will require application to the candidates' own enterprise experience. No credit can be given for application to the wrong enterprise.

## General comments

There were some instances of candidates not competing the paper, or of not attempting some of the questions. This was particularly true of **Questions 1(a)(ii), 3(b), 4(c)(ii) and 5(c)**.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Ensure that candidates are aware of all aspects of the syllabus.
- Use the case study material to identify key concepts that candidates will be expected to apply during the examination.
- Pay careful attention to the wording of questions particularly the focus required for any application.
- Within longer mark questions candidates would benefit from guidance and further practice in structuring answers to illustrate AO2 and AO3 skills.

## Comments on specific questions

### **Section A**

#### **Question 1**

- (a) (i) Candidates had a good knowledge of these terms and many obtained both of the marks available. A common mistake made by some candidates was to define profit as the difference between incomes and outcomes which may be considered as referring to cash flow.
- (ii) Candidates were less clear in their understanding of these terms. A significant number of candidates did not attempt this question or were unable to define overheads.
- (iii) The explanations for each of these terms were often clear and precise.
- (b) A number of candidates appeared to be confused by this question. Candidates either gained two marks or zero.
- (c) Many candidates gained full marks for this question. A number of candidates ignored the instruction in the question and listed tasks. Such answers could not be credited.

## Question 2

- (a) Candidates clearly understood this term with the vast majority gaining one of the two marks available.
- (b) This question was well answered by the majority of candidates.
- (c) (i)(ii) Generally, this question was not well answered. The strongest responses stated an advantage and a disadvantage but did not apply this knowledge to the enterprise project. A mark of 4 was therefore common. It will be important for centres to review the published mark scheme to see examples of how the mark scheme is broken down for this type of question.

## Question 3

- (a) Many candidates scored highly on this question. A number of candidates did not develop their points sufficiently to gain the second mark available for both the advantage and disadvantage. A small number of candidates confused research with advertising.
- (b) Some candidates appeared to be not comfortable in their understanding of this question. The strongest answers identified a potential method then explained how this method could be used by the farm stay enterprise in the case study. Weaker answers showed understanding of methods to ensure customer satisfaction which were not appropriate to this organisation.

## Question 4

- (a) Candidates either gained both marks available or zero for this question.
- (b) Strong answers to this question showed a clear understanding of the phrase and an appropriate example. The most common answer being the impact upon the environment. An error made by a number of candidates was to discuss financial rather than social impacts.
- (c) (i) Although there were a small number of strong responses to this question a number of candidates did not attempt the question. Stronger answers focused upon the competitive advantage gained by ethical enterprises. Even the strongest answers did not effectively apply the points raised to the enterprise in the case study.
  - (ii) Candidates found this to be one of the most challenging on the examination paper. The best answers identified problems highlighted in the case study, such as the higher cost of being ethical, and explained why this was a problem. The majority of candidates struggled to apply their knowledge to the case study. A mark of 1 was common.

## Question 5

- (a) The majority of candidates were able to gain both marks available for this question.
- (b) Candidates appeared to be less comfortable with this question. A number of candidates explained the benefits to a firm, rather than the customer as directed in the question, and therefore could not be rewarded. As with **Question 3a** it was clear that some candidates did not understand the difference between market research and marketing.
- (c) The focus of this question was upon the marketing communications that would be suitable for a small local farm stay. Candidates who appreciated this gained all of the marks available. A common error made by a number of candidates was to confuse communicating with potential customers with general communication methods. Such candidates often wrote about verbal and written communication.

## Section B

### Question 6

- (a) To effectively answer this question, it was important that candidates had clear knowledge and understanding of the Valley View Farm Stay case study to enable them to apply their answers to this question. There were a range of answers, but the majority of answers fell into Levels 1 and 2. Such answers showed some knowledge of laws and regulations and tried to apply those laws to a farm stay enterprise. The best answers analysed and showed how laws and regulations would impact, both positively and negatively, upon the case study enterprise.
- (b) As with **part (a)** the most successful answers to this question showed how the sources of finance chosen would be appropriate for this enterprise considering both negative and positive aspects. Many candidates showed strong knowledge of the methods of finance identified but did not apply that knowledge to the case study. Theoretical answers without application to the case study could only score marks within Level 1.

### Question 7

- (a) The most successful answers used detailed practical examples to show why budgets were important to the success of their own enterprise projects. Thorough explanations allowed such candidates to gain marks within Level 3. Very few candidates were able to evaluate by showing the negative aspects of budgeting. It was unfortunate that a sizeable number of candidates did not specifically state the details of their enterprise. Such candidates often gave detailed explanations of budgets showing strong knowledge but little application. These candidates gained a mark within Level 1.
- (b) The vast majority of candidates showed sound knowledge of ways to reduce risks such as through research. It was unfortunate that this knowledge was often not applied to their own enterprise. Answers were therefore often limited to marks within Level 1. The strongest answers showed how the chosen methods could have operated to reduce the risks they faced.

# ENTERPRISE

---

**Paper 0454/12**  
**Case Study**

## Key messages

Many candidates and centres had clearly prepared well for the examination by working through the case study. The main issue, especially with **Section B** questions, is that some candidates answered the questions generically and therefore did not apply their responses to the enterprise required. Candidates should be reminded to take careful note of the command words in each question. A question that requires an explanation related to a named business can only gain full marks if applied to that business. Candidates who do not do this will not be able to access mark bands 2 to 4.

Within **Section B** questions candidates must focus their answers upon application to the enterprise stated in the question. **Questions 6(a) and (b)** will require answers that focus application on the enterprise stated in the case study. Whilst **Questions 7(a) and (b)** will require application to the candidates' own enterprise experience. No credit can be given for application to the wrong enterprise.

## General comments

There were some instances of candidates not competing the paper, or of not attempting some of the questions. This was particularly true of **Questions 1c, 2c, 4c(ii) and 4c(iii)**.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Ensure that candidates are aware of all aspects of the syllabus.
- Use the case study material to identify key concepts that candidates will be expected to apply during the examination.
- Pay careful attention to the wording of questions particularly the focus required for any application.
- Within longer mark questions candidates would benefit from guidance and further practice in structuring answers to illustrate AO2 and AO3 skills.

## Comments on specific questions

### **Section A**

#### **Question 1**

- (a) Candidates had a good knowledge of this concept and many obtained both of the marks available.
- (b) This question was well answered by many candidates. A small number of candidates did not gain marks by including pieces of information that would be included in a business plan, but not in the description of enterprise section.
- (c) This question required candidates to apply their knowledge of enterprise problems to the case study material. The strongest answers identified a problem outlined in the case study and then explained why this was a problem for Dillon. The most frequent correct answers identified the lack of detailed research or awareness of marketing. Such candidates then developed their answers to show the negative impact that this would have on his enterprise. A number of candidates had difficulty in developing their explanations of the identified general problem.

## Question 2

- (a) Candidates clearly understood this term with the vast majority gaining one of the two marks available. A small number of candidates confused market research with marketing.
- (b) The strongest candidates gave detailed explanations which fully explained the advantage and disadvantage identified. Weaker answers listed a number of relevant points which were not developed.
- (c) Generally, this question was not well answered. The strongest candidates were able to state the methods of research they had used and how this had helped in their enterprise experience. Many candidates identified a method of research but did not apply this to their work. It will be important for centres to review the published mark scheme to see examples of how the mark scheme is broken down for this type of question.

## Question 3

- (a) Many candidates scored highly on this question. The question required candidates to identify situations where a negotiation would be required. A small number of candidates did not read this question carefully; such candidates often explained the purpose of a negotiation and gained no reward.
- (b) Candidates were comfortable in their understanding of this question. Such candidates were able to give questions from **section 5.2** of the syllabus, the most common answers being 'Are my objectives SMART.'
- (c) (i) The majority of candidates were able to identify a disadvantage of a loan but struggled to develop their explanation in order to gain full marks.
  - (ii) This question was generally well answered. Candidates were required to identify a source 'other than a loan', a number of candidates did not gain marks by stating friends and family which could be an example of a loan.

## Question 4

- (a) Candidates either gained both marks available or zero for this question.
- (b) Strong answers to this question showed a clear understanding of both elements of the phrase. Many candidates were able to explain the expenditure aspect but struggled to explain the meaning of capital goods. A mark of one was therefore common for this question.
- (c) (i) (ii) Although there were a small number of strong responses to this question a number of candidates did not attempt the questions in this section. The calculation for **part (i)** was often better answered than **part (ii)**. Very few candidates were able to accurately calculate total variable costs.
  - (iii) Candidates found this to be one of the most challenging on the examination paper. This question was frequently not attempted. The best responses identified problems highlighted in the case study, such as missing out essential costs or that information was estimated. These responses then explained why the lack of this information would create a problem for Dillon in the operation of his enterprise.

## Question 5

- (a) The majority of candidates were able to identify both an advantage and a disadvantage of operating as a sole trader. Only the strongest responses fully developed the points identified to explain why they were an advantage or disadvantage.
- (b) Candidates were less comfortable with this question. A small number of candidates confused market research with marketing. It was important for candidates to focus on the case study and the word 'attract' in answering this question. The candidates who did not do so were only able to score the two marks available for knowledge. As with **Question 2(c)**, centres should take note of the examples in the mark scheme which illustrate how the marks for this question were awarded.

## Section B

### Question 6

- (a) To effectively answer this question, it was important that candidates had clear knowledge and understanding of 'Dillon's ice cream cart' case study to enable them to apply their answers to this question. There were a range of answers, but the majority of answers fell into Levels 1, 2 and the bottom end of Level 3. Such answers showed some knowledge and application of the suitability of the two options cited in the question. The best answers analysed and showed how knowing these options would impact, both positively and negatively, upon the case study enterprise.
- (b) As with **part (a)** the most successful answers to this question applied laws related to the three areas outlined to the small food retailer identified in the case study. Theoretical answers without application to the case study could only score marks within Level 1.

### Question 7

- (a) The most successful candidates used detailed practical examples to show how the meetings they were involved with could have been improved. Thorough explanations allowed such candidates to gain marks within Level 3. Very few candidates were able to evaluate by showing the negative aspects of such considerations. The most frequently explained problems being the time taken to plan meetings effectively which delayed the start of the enterprise. It was unfortunate that a sizeable number of candidates did not specifically state the details of the meeting they were discussing. Such candidates often gave detailed explanations of administrative procedures showing strong knowledge but little application. These candidates gained a mark within Level 1.
- (b) The vast majority of candidates showed sound knowledge of business organisation, such as partnerships. It was unfortunate that this knowledge was often not applied to their own enterprise. Answers were therefore often limited to marks within Level 1. The strongest answers showed how the advantages and disadvantages of a partnership, or other organisation, could be applied to their own enterprise.

# ENTERPRISE

---

**Paper 0454/13**  
**Case Study**

## Key messages

Many candidates and centres had clearly prepared well for the examination by working through the case study. The main issue, especially with **Section B** questions, is that some candidates answered the questions generically and therefore did not apply their responses to the enterprise required. Candidates should be reminded to take careful note of the command words in each question. A question that requires an explanation related to a named business can only gain full marks if applied to that business. Candidates who do not do this will not be able to access mark bands 2 to 4.

Within **Section B** questions candidates must focus their answers upon application to the enterprise stated in the question. **Questions 6(a) and (b)** will require answers that focus application on the enterprise stated in the case study. Whilst **Questions 7(a) and (b)** will require application to the candidates' own enterprise experience. No credit can be given for application to the wrong enterprise.

## General comments

There were some instances of candidates not competing the paper, or of not attempting some of the questions. This was particularly true of **Questions 1(a)(ii), 3(b), 4(c)(ii) and 5(c)**.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Ensure that candidates are aware of all aspects of the syllabus.
- Use the case study material to identify key concepts that candidates will be expected to apply during the examination.
- Pay careful attention to the wording of questions particularly the focus required for any application.
- Within longer mark questions candidates would benefit from guidance and further practice in structuring answers to illustrate AO2 and AO3 skills.

## Comments on specific questions

### **Section A**

#### **Question 1**

- (a) (i) Candidates had a good knowledge of these terms and many obtained both of the marks available. A common mistake made by some candidates was to define profit as the difference between incomes and outcomes which may be considered as referring to cash flow.
- (ii) Candidates were less clear in their understanding of these terms. A significant number of candidates did not attempt this question or were unable to define overheads.
- (iii) The explanations for each of these terms were often clear and precise.
- (b) A number of candidates appeared to be confused by this question. Candidates either gained two marks or zero.
- (c) Many candidates gained full marks for this question. A number of candidates ignored the instruction in the question and listed tasks. Such answers could not be credited.



## Question 2

- (a) Candidates clearly understood this term with the vast majority gaining one of the two marks available.
- (b) This question was well answered by the majority of candidates.
- (c) (i)(ii) Generally, this question was not well answered. The strongest responses stated an advantage and a disadvantage but did not apply this knowledge to the enterprise project. A mark of 4 was therefore common. It will be important for centres to review the published mark scheme to see examples of how the mark scheme is broken down for this type of question.

## Question 3

- (a) Many candidates scored highly on this question. A number of candidates did not develop their points sufficiently to gain the second mark available for both the advantage and disadvantage. A small number of candidates confused research with advertising.
- (b) Some candidates appeared to be not comfortable in their understanding of this question. The strongest answers identified a potential method then explained how this method could be used by the farm stay enterprise in the case study. Weaker answers showed understanding of methods to ensure customer satisfaction which were not appropriate to this organisation.

## Question 4

- (a) Candidates either gained both marks available or zero for this question.
- (b) Strong answers to this question showed a clear understanding of the phrase and an appropriate example. The most common answer being the impact upon the environment. An error made by a number of candidates was to discuss financial rather than social impacts.
- (c) (i) Although there were a small number of strong responses to this question a number of candidates did not attempt the question. Stronger answers focused upon the competitive advantage gained by ethical enterprises. Even the strongest answers did not effectively apply the points raised to the enterprise in the case study.
  - (ii) Candidates found this to be one of the most challenging on the examination paper. The best answers identified problems highlighted in the case study, such as the higher cost of being ethical, and explained why this was a problem. The majority of candidates struggled to apply their knowledge to the case study. A mark of 1 was common.

## Question 5

- (a) The majority of candidates were able to gain both marks available for this question.
- (b) Candidates appeared to be less comfortable with this question. A number of candidates explained the benefits to a firm, rather than the customer as directed in the question, and therefore could not be rewarded. As with **Question 3a** it was clear that some candidates did not understand the difference between market research and marketing.
- (c) The focus of this question was upon the marketing communications that would be suitable for a small local farm stay. Candidates who appreciated this gained all of the marks available. A common error made by a number of candidates was to confuse communicating with potential customers with general communication methods. Such candidates often wrote about verbal and written communication.



## Section B

### Question 6

- (a) To effectively answer this question, it was important that candidates had clear knowledge and understanding of the Valley View Farm Stay case study to enable them to apply their answers to this question. There were a range of answers, but the majority of answers fell into Levels 1 and 2. Such answers showed some knowledge of laws and regulations and tried to apply those laws to a farm stay enterprise. The best answers analysed and showed how laws and regulations would impact, both positively and negatively, upon the case study enterprise.
- (b) As with **part (a)** the most successful answers to this question showed how the sources of finance chosen would be appropriate for this enterprise considering both negative and positive aspects. Many candidates showed strong knowledge of the methods of finance identified but did not apply that knowledge to the case study. Theoretical answers without application to the case study could only score marks within Level 1.

### Question 7

- (a) The most successful answers used detailed practical examples to show why budgets were important to the success of their own enterprise projects. Thorough explanations allowed such candidates to gain marks within Level 3. Very few candidates were able to evaluate by showing the negative aspects of budgeting. It was unfortunate that a sizeable number of candidates did not specifically state the details of their enterprise. Such candidates often gave detailed explanations of budgets showing strong knowledge but little application. These candidates gained a mark within Level 1.
- (b) The vast majority of candidates showed sound knowledge of ways to reduce risks such as through research. It was unfortunate that this knowledge was often not applied to their own enterprise. Answers were therefore often limited to marks within Level 1. The strongest answers showed how the chosen methods could have operated to reduce the risks they faced.

# ENTERPRISE

---

Paper 0454/02  
Coursework

## Key messages

- Candidates should provide relevant evidence of **all** the required activities for each task in order to access the full range of marks.
- Activities requiring demonstration of practical enterprising skills were done well.
- Activities which required candidates to show analysis and evaluation skills (AO3) should contain more detailed explanation and supporting evidence.
- Whilst candidates can undertake group projects, all reports and documents submitted must be the individual work of the candidate.
- Assessors are advised to annotate the coursework using notes linked to the assessment criteria. This helps to show how and why a particular mark is being awarded.

## General comments

Candidates selected appropriate and interesting projects. In this session, choices included glass painting and other craft activities, photography services to growing vegetables to sell as well as a wide selection of food and drink stalls. Such creativity and initiative should be encouraged.

Analysis and evaluation (AO3) continue to be an issue. These marks were awarded generously. For example, a list of advantages and disadvantages or a table without any accompanying explanation is not analysis. Points must be developed to show how or why such issues need to be considered when deciding on, planning or carrying out their project. For candidates to access the higher mark bands, they must show depth to their analysis (and evaluation) throughout the task.

Candidates must provide all the required materials to access the full range of marks. **Section 4** of the syllabus and **section 1** of Coursework Handbook provide clear guidance about this. Failing to provide these materials will restrict the mark band candidates can access.

Some candidates included additional materials including posters on entrepreneurs, business plans and risk assessments. These were unnecessary, as no marks are awarded for these documents.

While group projects are allowed and encouraged, all documents produced must be the individual work of the candidate. Any work produced jointly by candidates cannot be awarded. This includes the action plan, examples of marketing communication and the income and expenditure budget.

Presentation and administration of the work was generally good. Please note the sample must include the highest and lowest marks. Where there is more than one teacher, internal moderation is required to ensure consistency of marks within the centre. Any marks changed should be clearly indicated on all documentation. The marks submitted to Cambridge International are those on the MS1, so if changes are made, it is essential that these are transferred to the MS1.

All coursework should be annotated to indicate where the candidate has demonstrated the relevant assessment criteria. For example, writing 'AO1', 'AO2' and 'AO3' or comments such as 'good/excellent analysis' at appropriate points in the work. This would help both the centre and Moderator understand how and why certain marks were awarded.

## Comments on specific tasks

### Task 1

The majority of candidates used the correct report format for this task.

Most candidates attempted to identify entrepreneurial skills, but some found evaluating their own skills in terms of what might be useful for the project more challenging. Please note candidates are not required to comment on the skills of other team members.

The main part of the task involved identifying a suitable project. A number of candidates focused only on their chosen option and simply stated reasons why other ideas had been rejected, without discussing the merits of these alternatives.

Better performing responses presented data in a meaningful way and then attempted to draw valid conclusions from the evidence obtained. Only the strongest responses used evidence gathered to say why they had chosen one option over other possible alternatives, for example, by quoting the results of market research to support decisions made. Weaker responses listed points but were not able to show why such points needed to be considered. Others included market research data but often this was included separately in the appendix and was not directly referred to in the report.

### Task 2

Most candidates did attempt to complete both parts of **task 2**. The majority of candidates submitted an action plan. Candidates continue to find the concept of monitoring challenging. Most candidates described what each stage involved rather than indicate how they would check to know if the activity had been completed or not. Others simply stated who would check.

For the second part, there was an equal mix of candidates selecting each option. A significant number of candidates omitted evidence for at least one element of this task. Typical omissions were the witness statement (which must be signed by the teacher or equivalent person) or two examples of different types of marketing communication, individually produced by the candidate. A small number of candidates attempted both options which is unnecessary.

Only the strongest responses included detailed explanations to support their final choices. Weaker responses stated general advantages and disadvantages of possible methods and did not apply the theory to their chosen project. Candidates should not rely on the slides to complete this part of the task. Slides cannot provide the level of detailed discussion and justification of their final choice to merit the higher marks.

The final part of the task is a presentation outlining their proposals for finance or marketing communications. A common error was to confuse the presentation with the negotiation, which forms part of **task 3**. The presentation is an opportunity to demonstrate enterprise and communication skills. Instead of outlining skills used, most witness statements focused on summarising the content covered in the presentation.

### Task 3

The planning for negotiation was generally well attempted. The best responses included good evidence of information that would be used to support their negotiation as well as stating clear outcomes. A number of candidates did not provide evidence of planning to negotiate.

Only the strongest responses identified the specific enterprise skills they had used to carry out the various activities the individual had used when implementing their project. Instead of naming individual skills, most candidates simply described what they did.

### Task 4

The majority of marks for this task were awarded generously. **Task 4** is the most challenging task as only AO3 (analysis and evaluation) skills are assessed. Stronger responses did attempt to discuss key issues to help decide how successful their enterprise had been. The best responses used phrases such as 'therefore', 'so' or 'this means'. These connective words can help candidates develop their observations to show the consequences or significance of points made. However, most responses simply described the actions taken or repeated decisions made in **task 2** rather than the impact of these decisions. Such work cannot gain more than Level 2 marks.

Many candidates were able to make simple conclusions and recommendations about the success of their project. However, only a few candidates were able to use evidence collected to support their conclusions. Evidence could include customer feedback, the actual costs or an income statement. Any evidence used should be clearly referenced and used to support the point being made. Some submitted photographs, permission letters, receipts and screenshots but it was not clear why these materials had been included.

Nearly all candidates used an appropriate report format including a title, introduction, findings for the two areas, conclusions and recommendations. A number of candidates discussed more than two areas and others discussed different aspects of marketing as well as marketing communication. This additional content was unnecessary. As candidates are required to submit only a 1000-word report, having a clear focus is essential.

