Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ENTERPRISE **0454/13**

Paper 1 **May/June 2018**

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1 hour 30 minutes

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READ THESE INSTRUCTIONS FIRST

This Insert contains the case study for use when answering the questions.

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The Kersley Village Arts Project

The background

Students at Bilaal and Ritesh's school are expected to take part in activities that will help their local community. Bilaal and Ritesh have chosen to help in their local village, Kersley, at an arts project which makes handmade jewellery. The Kersley Village Arts Project is organised as a social enterprise.

The jewellery produced at the Kersley Village Arts Project is sold on a stall at local markets and the money earned is used to help provide for the needs of people in Kersley.

The idea

The Kersley Village Arts Project was successful, but Bilaal and Ritesh believed that it could be possible to increase the amount earned by making the jewellery available to more people. Bilaal and Ritesh thought that they had the necessary entrepreneurial skills to help the Kersley Village Arts Project to be even more successful.

Ritesh thought that a website to advertise and sell the handmade jewellery would increase demand. Customers from all over the world would be able to see the jewellery and place an order online. Bilaal agreed.

The research

Before explaining their idea to the organisers of the Kersley Village Arts Project, Bilaal and Ritesh decided to carry out some research. Ritesh found that handmade jewellery, similar to the items made by the Kersley Village Arts Project, was very fashionable with young people all over the world.

He also found that shopping online was becoming very popular. Fig. 1 shows some of the research that he found.

Extract from the secondary research

1 More than 75% of adults have shopped on a website in the last year.
2 65% of 25–34 year olds will shop on a website.
3 Customer satisfaction with shopping on websites is high at 83% overall.

Fig. 1

Bilaal and Ritesh knew that social enterprises were different to other business organisations and were sometimes given funding. Bilaal discovered that government grants were available to help enterprises to obtain and use new technology. The Kersley Village Arts Project could apply for one of these grants to help set up the website.

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The meeting

Bilaal and Ritesh arranged to meet with the lead members of the Kersley Village Arts Project, Samira and Janaak, to explain their idea. Unfortunately they did not send a notice of when the meeting would take place and Janaak forgot about it. The friends could only meet with Samira.

Samira was impressed with the boys' research. However, setting up a website would be a challenge that would take a lot of time and money. As a social enterprise, the Kersley Village Arts Project could not take any risks that would reduce the money available for the community.

Samira was also worried that they would be unable to produce enough handmade jewellery to satisfy the demand from a larger market. If the jewellery was not properly made, they could lose customers and the reputation of the Kersley Village Arts Project could be ruined. She was very proud of their reputation as a producer of high-quality jewellery. Customers are very satisfied with the product, and this is one of the reasons for a high level of customer retention.

If the jewellery was sold through a website, many laws would need to be followed. Samira explained that there are a number of laws relating to marketing and selling.

To gain a government grant, the Kersley Village Arts Project would need to produce a business plan for the website proposal. Samira asked Bilaal and Ritesh to collect some more information which she could include in the business plan.

Another meeting was arranged for two weeks' time. This would be a formal meeting to decide if the website should be developed.

The planning

Bilaal and Ritesh were disappointed with the result of this first meeting with Samira. They were determined to be fully prepared so that the next meeting would be more successful. Bilaal and Ritesh realised that Samira was right, they did not have enough information yet. They prepared to start on the next stage of their research.

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