Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

4647512629

ENTERPRISE **0454/13**

Paper 1 **May/June 2020**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [ ].
- You should have received a copy of the case study before the examination. A copy of the case study is provided with this question paper as an insert.

This document has **16** pages. Blank pages are indicated.

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Section A

Answer **all** questions.

1 Glenn and Dean were intending to set up a business enterprise.

(a) Explain the difference between a *business enterprise* and a *social enterprise*.

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..... [2]

(b) Explain **one** way the aim of an enterprise could influence its activities.

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..... [2]

(c) Explain how you used, or could have used, the following entrepreneurial skills in **your enterprise project**. Use an example to support each answer.

(i) taking initiative

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..... [3]

(ii) problem-solving

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..... [3]

[Total: 10]

2 Glenn and Dean have very different attitudes towards the opening of a new salon.

(a) Explain **two** reasons why the needs or wants for a product or service might change.

1 .....

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2 .....

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..... [4]

(b) Explain Glenn and Dean's attitudes to risk. Use an example from the case study to support each part of your answer.

Glenn .....

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Dean .....

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..... [6]

[Total: 10]

3 The bank manager suggested that Glenn and Dean should consider potential sources of finance that could be used if revenue is lower than expected.

(a) Explain the difference between a *bank overdraft* and a *bank loan*.

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..... [2]

(b) **(i)** Define the term *fixed costs*, using **one** example from the case study.

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..... [2]

(ii) Define the term *variable costs*, using **one** example from the case study.

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(c) Explain **two** reasons from the case study why accurate financial records would be important for Glenn and Dean's new enterprise.

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[Total: 10]

4 Glenn completed all sections of the business plan before his meeting with the bank manager.

(a) State **four** sections that are usually included in a business plan.

1 .....

2 .....

3 .....

4 ..... [4]

(b) Describe **one** source of help and support when setting up an enterprise, other than a bank.

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(c) State **two** reasons why an enterprise might need to update its business plan in the future. Use an example from your enterprise project or the case study to support each part of your answer.

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..... [4]

[Total: 10]

5 The bank manager was aware of Dean's body language and other non-verbal signals.

(a) Explain how non-verbal communication can affect face-to-face conversations, using an example from **your enterprise project**.

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(b) Explain **two** factors that made written communications effective when communicating during **your enterprise project**. Use examples to support your answer.

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[Total: 10]

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Section B

Answer **all** questions.

6 (a) One option for Glenn would be to persuade Dean to join him as a partner in the new salon.

Discuss whether setting up as a sole trader or as a partnership would be the **most** appropriate business organisation for the new salon enterprise. Use examples to support your answer.
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(b) Glenn is confident that he will be able to retain many of his existing customers and also retain some of the new salon's customers.

Evaluate the likely importance of retaining current customers to the success of the new salon enterprise. Use examples to support your answer. [15]

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[Total: 25]

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7 Now consider your enterprise project.

(a) Analyse the effectiveness of a presentation that you were involved in during **your enterprise project**. Use examples to support your answer. [10]

(b) The enterprise process involves six stages:

1. identifying the problem or need or want
2. exploring creative solutions
3. action planning
4. implementing the plan
5. monitoring progress
6. evaluation of successes and failures.

Evaluate the importance of **three** of these stages to the overall success of **your enterprise project**. Use examples to support your answer. [15]

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