Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2071295969

ENTERPRISE **0454/13**

Paper 1 **May/June 2021**

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. Any blank pages are indicated.

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Section A

Answer **all** questions.

1 There are different stakeholders in Millie's boat trip enterprise.

(a) Define the term *stakeholder*.

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..... [2]

(b) Explain why each of the following are stakeholders in Millie's enterprise:

(i) the local boat owners

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..... [2]

(ii) the people on her sightseeing boat trips.

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..... [2]

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(c) Describe **two** reasons why laws or regulations are needed to protect Millie's stakeholders.

1 .....

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2 .....

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..... [4]

[Total: 10]

2 Kyle said that changes in government policy could have an effect on the success of an enterprise, and that effect may be positive or negative.

(a) Identify **two** ways that an entrepreneur can measure the success of their enterprise.

1 .....

2 ..... [2]

(b) Explain **one** reason why it is important that an entrepreneur monitors the progress of their enterprise.

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..... [2]

(c) **(i)** Explain **one** positive effect government policy might have on Millie's boat trip enterprise. Use an example to support your answer.

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..... [3]

(ii) Explain **one** negative effect government policy might have on Millie's boat trip enterprise. Use an example to support your answer.

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..... [3]

[Total: 10]

3 **(a)** Define the terms:

(i) *income*

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..... [2]

(ii) *expenditure*.

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(b) **(i)** Using Table 1, calculate Millie's fuel costs if she operates 80 boat trips in her first year.

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..... [2]

(ii) Using Table 1, calculate Millie's total revenue if she operates 80 boat trips in her first year.

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..... [2]

(c) Describe the possible impact on total profit if the cost of insurance increased to US$275.

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..... [2]

[Total: 10]

4 Keisha suggested Millie consider crowdfunding, a government grant or trade credit as sources of finance.

(a) Identify **two** sources of finance, other than crowdfunding, a government grant or trade credit.

1 .....

2 ..... [2]

(b) Define the term *crowdfunding*.

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..... [2]

(c) Explain **one** advantage and **one** disadvantage to Millie of using trade credit to finance the costs in Table 1.

Advantage .....

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Disadvantage .....

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..... [6]

[Total: 10]

5 **(a)** Explain how Millie used **two** enterprise skills.

1 .....

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2 .....

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..... [4]

(b) Explain **one** advantage and **one** disadvantage to Kyle of operating in a partnership with Millie.

Advantage .....

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Disadvantage .....

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..... [6]

[Total: 10]

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Section B

Answer **all** questions.

6 **(a)** Millie thought that a business plan was not needed for her boat trip enterprise.

Analyse the importance of a business plan to Millie's boat trip enterprise. [10]

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(b) Millie was given help and support by:
- Kyle and the other boat owners
- her friend Keisha.

Evaluate the usefulness of each of these sources of help and support to Millie's enterprise.
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[Total: 25]

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7 Now consider your enterprise project.

(a) Analyse **one** positive impact and **one** negative impact that the operation of **your enterprise project** had, or could have had, on your local community. [10]

(b) There are factors an entrepreneur could consider when choosing methods of marketing communication. The factors include:

- cost of method
- method used by competitors
- suitability of method for reaching the potential target market.

Evaluate which **two** of these factors were, or could have been, **most** important when choosing the methods of marketing communications for **your enterprise project**. Justify your choice, including why you rejected the other factor. [15]

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[Total: 25]

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