Cambridge Assessment International Education

Cambridge IGCSE™

ENTERPRISE **0454/11**

Paper 1 Case Study **May/June 2022**

MARK SCHEME

Maximum Mark: 100

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2022 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **22** printed pages.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

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GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Question	Answer	Marks	Guidance
1(a)	**Describe <u>two</u> ways of being enterprising at school.** Each point should be marked as follows: Identification of a method [1] Explanation of a method [+1] Answers might include changes in: • using technology for learning • learning/working as part of a team • making reasoned evaluations • developing new skills and using them in different situations • problem-solving • thinking creatively • taking the initiative • organising activities.	**4**	**AO1**
1(b)	**Explain <u>two</u> stages of the enterprise process. Use examples from the case study to support each answer.** Identification of a stage [1] Explanation of the stage [+1] Application to case study [+1] Answers might include: • identifying the problem or need or want • exploring creative solutions • (action) planning • implementing (the plan) • monitoring progress • evaluation (of successes and failures). Example: Guilleary and her friends identified the need [1] for a new product or service [+1] to celebrate the end of their time at school. [+1]	**6**	**AO1–2** **AO2–2** **AO3–2**

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Question	Answer	Marks	Guidance
2(a)	**State <u>two</u> stages in the negotiation process.** Each correct point [1] Answers may include: • planning • conducting the negotiation • measuring success.	**2**	**AO1**
2(b)	**Explain <u>one</u> objective Mr. Garcia might have had in the negotiation.** Identification of an objective [1] Explanation applied to Mr Garcia [+1] General answers may include: • being ethical • covering costs/keeping to budget • following laws • profit • sales revenue. Answers specific to Mr Garcia may include: • reducing his workload [2] • covering costs of the yearbook [2] • following school rules • keeping students happy.	**2**	**AO1–1** **AO2–1**

Question	Answer	Marks	Guidance
2(c)	**Explain the possible effects of <u>two</u> aims on the activities of an enterprise.** Each point should be marked as follows: Identification of an aim for an enterprise [1] Explanation showing understanding of the impact [+1] Answers might include: • survival [1] so take few risks [+1] • lower costs [1] so they buy poor quality items [+1] • only buy from fair trade suppliers/be environmentally friendly [1] so costs are higher [+1] • ensure profit made [1] but high prices may discourage customers [+1] • growth [1] costs money/requires reinvestment so profits may fall [+1] • social objectives [1] so price must be kept low/free. [+1]	**4**	**AO1–2** **AO3–2**
2(d)	**State <u>two</u> ways a decrease in government taxes may affect an enterprise.** 1 mark per way Answers might include: • reduce costs of the enterprise • more profit available within the enterprise • customers spend more (disposable incomes risen) • reduce prices for products.	**2**	**AO1–2**

Question	Answer	Marks	Guidance
3(a)	**Define the term *risk*.** The chance of gaining or losing something [1] because of an action taken [+1] Action that could lead to reward or loss/where outcome unknown [2] Possibility that something could go wrong [1] A situation involving exposure to danger. [1]	**2**	**AO1**
3(b)	**Explain <u>one</u> risk involved in ordering the yearbooks from YB4U.** Identification of a risk from the case study [1] Explanation of the risk showing why this is a risk. [+1] Answers might include: • They may not sell (100) year books [1] so risk making a loss [+1] • 80% of 120 = 96 [1] so they risk having 4 unsold (loss of $24) [+] • Losing $600 [1] if the students don't buy the books [+1] • Books arriving late [1] so students do not have them when they leave school. [+1]	**2**	**AO2**

Question	Answer	Marks	Guidance
3(c)	**Describe <u>one</u> way to reduce the risk of buying the yearbooks from YB4U.** Identification of a way [1] Description of how this would work to reduce risk [+1] Application to case study. [1] Answers might include: • print the yearbooks themselves [2] • complete more market research [1] therefore know that students [1] will buy the yearbook [+1] • negotiate with the company to reduce price to $5 [1] therefore the target market can afford them [1] therefore you will gain sales [+1] • collect full amount [1] for the yearbook [1] before placing the order [+1] • order on a sale or return basis [1] so if yearbooks [1] do not sell they can claim their money back [+1] • collect deposits before ordering [1] the yearbooks [1] to contribute to the cost. [+1]	**3**	**AO1–1** **AO2–1** **AO3–1**

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Question	Answer	Marks	Guidance
3(d)	**Explain the effect of <u>one</u> legal obligation on <u>your enterprise project.</u>** **Use an example to support your answer** Identification of a legal obligation [1] Explanation showing why this is required [+1] Application to the candidate's enterprise. [1] Answers might include legal obligations covering: • employment/health and safety of employees • production/health and safety of employees/customers • marketing and selling • finance. Example For health and safety, we had to take a register of every student [1] at our cinema event [1] which delayed the start of the movie and reduced customer satisfaction. [1]	**3**	**AO1–1** **AO2–1** **AO3–1**

Question	Answer	Marks	Guidance
4(a)(i)	**Define the following terms:** ***(i) Focus group*** A group of (potential) customers discuss a product [2] collection of people from different backgrounds who are in the target market questioned about the enterprise [2] group discussion about the product/service. [1]	**2**	**AO1**
4(a)(ii)	**Define the following terms:** ***(i) Mystery shopper*** A person (employed) to pretend to be a customer to (visit a shop/business) assess the quality of the goods or services (and write a report) [2] Pretending to be a customer. [1]	**2**	**AO1**

Question	Answer	Marks	Guidance
4(b)	**Explain <u>two</u> methods of marketing communications that would be suitable to persuade students to buy yearbooks.** Each point should be marked as follows: Identification of a point of knowledge [1] Explanation showing understanding of how this operates [+1] Example showing application to the case study. [1] Answers might include: • posters • leaflets • online communication, social media/intranet • word of mouth • announcements Example: • Announcements [1] in school assemblies [1] would make sure every student would know about the yearbooks. [+1]	**6**	**AO1–2** **AO2–2** **AO3–2**

Question	Answer	Marks	Guidance
5(a)(i)	**Define the term *contribution*.** The amount of money used towards payment of fixed costs [2] Sales price per unit minus variable cost per unit [2] Payments towards something [1] Part of the calculation to work out break-even. [1]	**2**	**AO1**
5(a)(ii)	**Calculate the contribution for each yearbook if they are printed in school. Show your working.** 50c [2] OR $0.5 [2] Contribution = price minus variable cost [1] Or $5 Price or Variable cost $4.50. [1]	**2**	**AO2**
5(a)(iii)	**Calculate the breakeven output if the yearbooks are printed in school. Show your working.** 20 (yearbooks) [2] If answer is incorrect award 1 marks for either: Break even = Fixed cost / contribution [1] $10 / 50c or $10/($5-$4.50). [1]	**2**	**AO1–1** **AO2–1**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td colspan="4">Use the information in the case study and Table 5.1 to calculate the following amounts. Show your working where appropriate.

Forecast Income statement for yearbooks

<table>
<tr><td></td><td>$</td></tr>
<tr><td>Total sales revenue</td><td>A</td></tr>
<tr><td>Cost of sales</td><td>432</td></tr>
<tr><td>Gross profit</td><td>B</td></tr>
<tr><td>Less expenditure on advertising</td><td>10</td></tr>
<tr><td>Net Profit</td><td>C</td></tr>
</table>
</td></tr>
<tr><td>5(b)(i)</td><td>Amount A : $480 [2]

If answer incorrect award max 1 mark for any of the following:
Price in school £5 [1]
Number sold 96 [1]
Total revenue = Price times quantity sold. [1]</td><td rowspan="3">4</td><td rowspan="3">AO1–2
AO2–2</td></tr>
<tr><td>5(b)(ii)</td><td>Amount B: $48 [1] or OFR</td></tr>
<tr><td>5(b)(iii)</td><td>Amount C: $38 [1] or OFR</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(a)</td><td>
Guilleary and her friends found two potential sources of help and support:
• their teachers
• YB4U.

Analyse the suitability of these <u>two</u> sources of help and support when setting up the yearbook enterprise.

<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>3</td><td>Good analysis consistently applied to the case study

Demonstrates good knowledge of concepts</td><td>8–10</td></tr>
<tr><td>2</td><td>Some analysis supported by good application to the case study

Demonstrates knowledge of concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study

Demonstrates knowledge of concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>

Knowledge may include:
• identifying other sources of help and support
• the types of help that is generically offered.

Phrases which demonstrate some analysis may include:
YB4U professionally produces the yearbooks which reduces the amount of work the friends would need to do.
</td><td>10</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

Question	Answer	Marks	Guidance
6(a)	**Phrases which demonstrate good analysis will the impact of this support to the friends. These may include:** YB4U professionally produces the yearbooks which reduces the work for the friends meaning they can focus on marketing the yearbooks to increase sales. As the products are professionally produced, they are more likely to sell.		

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(b)</td><td>
Guilleary and her friends identified <u>two</u> ways to produce their yearbook:

design and print the yearbooks at school
order the yearbooks from a company.

Evaluate which would be the better way for the yearbook enterprise. You should consider the benefits and costs of each way in your answer.
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present

Good analysis applied consistently to the case study

Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr>
<tr><td>3</td><td>Good analysis applied consistently to the case study is leading to evaluation

Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr>
<tr><td>2</td><td>Some application to the case study supported by some analysis

Demonstrates knowledge of relevant concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study

Demonstrates some knowledge of relevant concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
</td><td>15</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

Question	Answer	Marks	Guidance
6(b)	**Knowledge may include:** • the benefits or costs of professional printing • the benefits or costs of printing in school. **Phrases which demonstrate some analysis will explain why this is a benefit or cost to this enterprise and may include:** Printing at school will cost $4.50 per booklet which is $1.50 less than professionally printing them. **Phrases which demonstrate good analysis will show why this is a point to consider and may include:** Printing at school will cost $4.50 per booklet which is $1.50 less than professionally printing them. This may encourage more students to buy the yearbook which means they are more likely to cover their costs (break-even). **Evaluation maybe shown by a two-sided approach considering the negative aspects of each choice such as:** Although printing at school will be considerably cheaper the quality of the yearbooks may not be good enough to persuade students to purchase them.		

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(a)</td><td>
The language used in communications will be different depending upon the purpose and whether the communication is formal or informal. Communications could include:

emails to suppliers
formal reports
marketing communications
meetings with friends.

Analyse how the language was different when you used, or could have used, <u>two</u> of the above communications in your enterprise project. Use examples to support your answer.
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>3</td><td>Good analysis consistently applied to their own enterprise experience

Demonstrates good knowledge of concepts</td><td>8–10</td></tr>
<tr><td>2</td><td>Some analysis supported by good application to their own enterprise experience

Demonstrates knowledge of concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to their own enterprise experience

Demonstrates knowledge of concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
Knowledge may include:

explanations of formal and informal communication
identification of which of the bullet point list are formal or informal communications
types of language differences such as slang.

</td><td>10</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

Question	Answer	Marks	Guidance
7(a)	**Phrases which demonstrate some analysis explain the differences in context, this may include examples such as:** Emailing my suppliers was a formal method so I needed to use correct and polite language for example… **Phrases which demonstrate good analysis will why this language was necessary, the impact. These may include:** Emailing my suppliers was a formal method so I needed to use correct and polite language for example…. This helped them to see me as an entrepreneur not a student and to take my order seriously.		

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(b)</td><td>
The success of a meeting or a presentation can be evaluated in different ways. These include:

the quality of preparation and research
whether communication was clear
keeping to the topic and time allowed
deciding if objectives were achieved.

Evaluate the success of a meeting <u>or</u> a presentation you were involved in during <u>your enterprise project.</u> You may consider the above ways in your evaluation.
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present

Good analysis applied consistently to their enterprise

Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr>
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Question	Answer	Marks	Guidance
7(b)	**Knowledge may include:** • understanding of the features of a meeting or presentation • knowledge of other methods which can be used to judge success. **Phrases which demonstrate some analysis will explain how the meeting/presentation was successful, for example:** The purpose of our presentation was to convince the bank manager that she should lend us the money to start the enterprise and she did. Our objective was achieved. **Phrases which demonstrate good analysis will show why the meeting/presentation was successful in their situation. For example:** The purpose of our presentation was to convince the bank manager that she should lend us the money to start the enterprise. We provided detailed forecasts of our projected income and costs which led to her providing the loan. So our objective was achieved and she lent us the money. **Evaluation maybe shown by a two-sided approach considering the successes and failings of their meeting or presentation. For example:** Although we achieved our objective overall, we did not get the total amount we had requested for the loan. This was because the bank manager thought our research was not detailed enough to prove our profitability.		

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