Cambridge Assessment International Education

# Cambridge IGCSE™

**ENTERPRISE** **0454/12**

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.



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**[Turn over**

## 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:<br><br>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:<br><br>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) | **State <u>two</u> reasons why needs or wants for a product may change.**<br><br>Each correct reason [1]<br><br>Answers might include changes in:<br>• taste and fashion<br>• the size of the population<br>• the structure of the population<br>• income<br>• relative price changes<br>• inflation levels<br>• weather change. | **2** | **AO1** |
| 1(b) | **Explain <u>one</u> way you identified the needs or wants of customers in <u>your enterprise project.</u>**<br><br>Identification of a method [1]<br>Application to own enterprise project [+1]<br><br>Answers might include:<br>• questionnaire/survey<br>• observation<br>• focus group<br>• competitor analysis<br>• suggested by someone.<br><br>Example:<br>Questionnaire was given to students at school [1] to see if they would buy our model cars. [+1] | **2** | **AO1–1**<br>**AO2–1** |

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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 1(c) | **Explain how Mr Barney used <u>two</u> entrepreneurial skills. Use examples from the case study to support each skill.**<br><br>Each point should be awarded as follows:<br><br>Identification of an entrepreneurial skill [1]<br>Explanation showing understanding of the skill [+1]<br>Application to case study. [1]<br><br>Answers might include:<br>• problem-solving – fresh food was expensive<br>• innovation/creative – he developed the idea of a kitchen garden<br>• team-building – asking other schools to become involved<br>• taking initiative – to solve the food issue.<br><br>Example:<br>Problem-solving [1] Barney identified a problem getting fresh food [1] and he developed the kitchen garden idea. [+1] | **6** | **AO1–2**<br>**AO2–2**<br>**AO3–2** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 2(a) | **State <u>two</u> items usually included in a business plan.**<br><br>Each correct point [1]<br><br>Answers may include:<br>• preliminary information<br>• marketing<br>• operations/production<br>• finance<br>• human resources<br>• summary. | **2** | **AO1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 2(b) | **State <u>two</u> items usually included in an action plan, other than monitoring.**<br><br>Each correct point [1]<br><br>Answers may include:<br>• tasks<br>• person responsible<br>• completion date/time frame<br>• changes made. | **2** | **AO1** |
| 2(c) | **Explain <u>one</u> way an action plan helped in <u>your enterprise project</u>. Use an example to support your answer.**<br><br>Identification of a purpose for an action plan [1]<br>Explanation showing how the plan could help [+1]<br>Example from own project. [1]<br><br>Answers will depend upon the candidate's enterprise project but might include:<br>• understand what needs to be done<br>• ensured all actions completed on time<br>• keeps the project on track/help meet objectives<br>• determine the resources required<br>• acted as a checklist/monitor progress<br>• by allocating responsibilities.<br><br>Example:<br>Kept us on track [1] when making the cakes [1] because we knew when tasks needed to be completed. [+1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 2(d) | **Explain <u>one</u> method you used to monitor the action plan used in your enterprise project. Use an example to support your answer.**<br><br>Identification of a way to monitor an action plan [1]<br>Explanation showing how this operated [+1]<br>Example from own project. [1]<br><br>Answers will depend upon the candidate's enterprise project but might include:<br>• checklists<br>• budgets<br>• output figures<br>• reports/feedback in meetings.<br><br>Example:<br>We created a checklist [1] which we completed as tasks were done [+1] This listed tasks like buying the flour and baking the cupcakes. [1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 3(a)(i) | **Identify <u>one</u> primary method of research Mr. Barney used.**<br><br>• interview (head cook)<br>• observation (of school grounds)<br>• focus group (of teachers). | **1** | **AO2** |
| 3(a)(ii) | **State <u>one</u> other primary method of research.**<br><br>Answers might include:<br>• questionnaire<br>• survey<br>• test marketing<br>• consumer panels. | **1** | **AO1** |

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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 3(b) | **A factor an enterprise could consider before choosing a method of market research would be the suitability of the method.**<br><br>**Explain <u>two</u> other factors an enterprise may consider before choosing their method of market research.**<br><br>Each factor should be marked as follows:<br>Identification of a factor [1]<br>Explanation of why an enterprise should consider it. [+1]<br><br>Answers might include:<br>• availability<br>• cost<br>• suitability for the enterprise<br>• suitability for the target market<br>• degree of accuracy/reliability<br>• type of information required.<br><br>Example:<br>Suitability for the enterprise [1] a small enterprise may find internet research suitable because it offers a wide range of information. [+1] | **4** | **AO1** |

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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 3(c) | **Explain <u>two</u> ways Mr Barney would know if the producer co-operative had been a success.**<br><br>Each point should be marked as follows:<br>Identification of a way of judging success [1]<br>Explanation showing why suitable for this enterprise [+1].<br><br>Answers might include:<br>• the number of schools that join the co-operative [2]<br>• costs kept lower [1] than transporting the fruit and vegetables [+1]<br>• quantity/output/variety produced. [1]<br><br>Example: Quantity produced [1] as the head cook needed a variety of vegetables. [+1] | **4** | **AO1–2**<br>**AO2–2** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 4(a) | **Describe <u>one</u> document used in the organisation of a formal meeting.**<br><br>Identification of a document [1]<br>Explanation showing understanding of the document. [+1]<br><br>Answers might include:<br>• Notice of meeting [1] ensures everyone knows where and when the meeting is [+1]<br>• Agenda [1] ensures all topics required are covered [+1]<br>• Minutes [1] list the actions discussed in the meeting. [+1] | **2** | **AO1** |

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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 4(b) | **Explain <u>one</u> stage in the negotiation process.**<br><br>Identification of a stage in the negotiation process [1]<br>Explanation showing understanding of the stage. [+1]<br><br>Answers may include:<br>• planning<br>• conducting the negotiation<br>• measuring success.<br><br>Example:<br>Planning [1] involves choosing objectives for the negotiation. [+1] | **2** | **AO1** |
| 4(c) | **Explain <u>one</u> way that Mr Barney's producer co-operative will benefit his school. Use an example from the case study to support your answer.**<br><br>Identification of a benefit [1]<br>Explanation showing understanding of why it is a benefit [+1]<br>Example showing application to the case study. [1]<br><br>Answers might include:<br>• reduced costs [1] since they no longer need to pay delivery charge/ transport items long distances [2]<br>• ensures varied supply [1] of fruit and vegetables [+1] because each co-operative member supplies food [1]<br>• improved variety of food [1] for students [+1]<br>• reduced complaints [1] from students about the canteen food [+1]<br>• another activity [1] for students to complete [+1]<br>• improved(school)l budget.<br><br>Example:<br>Improved school budget [1] because there is less cost in transporting [+1] the fruit and vegetables to the school. [1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 4(d) | **Explain <u>one</u> possible risk in Mr Barney's producer co-operative idea. Use an example from the case study to support your answer.**<br><br>Each point should be marked as follows:<br>Identification of a risk [1]<br>Explanation showing understanding of why it is a risk [+1]<br>Example showing application to the case study. [1]<br><br>Answers might include:<br>• costs rising<br>• crops failing/waste of crops<br>• not being able to start the enterprise<br>• teachers not becoming involved<br>• lack of staff (student involvement).<br><br>Example:<br>• The principals do not give permission to join the co-operative [2] therefore there are very few members of the co-operative [+1]<br>• Not being able to start [1] because the principal does not give permission [1] so there is not possibility of growing the crops. [+1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 5(a) | **Define the term *fixed costs*, using <u>one</u> example from the case study.**<br><br>Fixed costs do not vary with output/sales/production [1]<br>Example from case study: (farming) equipment. [1] | **2** | **AO1–1**<br>**AO2–1** |
| 5(b) | **Define the term *variable costs*, using <u>one</u> example from <u>your enterprise project.</u>**<br><br>Variable costs alter (directly) with output/sales/production [1]<br>Example from own enterprise project. [1] | **2** | **AO1–1**<br>**AO2–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 5(c) | **Explain <u>one</u> source of finance that would be suitable for Mr Barney's producer co-operative.**<br><br>Identification of a source of finance [1]<br>Explanation of a suitable method [+1]<br>Applied to case study. [1]<br><br>Answers may include:<br>• personal savings<br>• family and friends/principal/the school<br>• (bank) loan/overdraft<br>• grants<br>• crowdfunding.<br><br>Example:<br>Grant from local government [1] as he is a social enterprise which earns no money [1] this would not need to be repaid. [+1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 5(d) | **Explain <u>one</u> way Mr Barney could ensure his producer co-operative was ethical.**<br><br>Identification of what is being ethical [1]<br>Explanation of a method [+1]<br>Applied to case study. [1]<br><br>Methods may include:<br>• using fair trade products<br>• organic farming<br>• donating money to charity<br>• paying fair price to suppliers<br>• paying a fair wage to workers<br>• donating products.<br><br>Example:<br>He could pay workers a fair wage [1] so students/workers are not exploited [+1] Currently the students are unpaid volunteers.[1] | **3** | **AO1–1**<br>**AO2–1**<br>**AO3–1** |

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(a)</td><td>
Mr Barney had a meeting with teachers from local schools to explain the producer co-operative idea.<br><br>
Analyse <u>two</u> other suitable methods of communication Mr Barney could have used to encourage teachers to become involved in the producer co-operative.<br><br>
<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<br><br>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<br><br>Demonstrates knowledge of concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study<br><br>Demonstrates knowledge of concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
<br>
Knowledge may include:<br>
• Methods of communication<br>
• Advantages and disadvantages of the method.<br><br>
Phrases which demonstrate some analysis may include:<br>
Using a presentation would allow Mr Barney to include detailed information on how the co-operative would work.
</td><td>10</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 6(a) | **Phrases which demonstrate good analysis will include the impact of this support to the friends. These may include:**<br>Using a presentation would allow Mr Barney to include detailed information on how the co-operative would work. This would be suitable for the teachers as they could show a copy to their principals to help persuade them to join the co-operative. | | |

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(b)</td><td>
Mr Barney has two options:<br>
• operate a fruit and vegetable enterprise only in his own school<br>
• organise a producer co-operative of local schools.<br><br>
Evaluate which would be the better option. You should consider the benefits and disadvantages of each option in your answer [15]<br><br>
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present<br><br>Good analysis applied consistently to the case study<br><br>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<br><br>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<br><br>Demonstrates knowledge of relevant concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study<br><br>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>
<br>
Knowledge may include:<br>
• the benefits/cost of operating alone<br>
• the benefits/costs of being a member of a co-operative.
</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) | **Phrases which demonstrate some analysis may include:**<br>Mr Barney would not need to gain agreement from other teachers before making decisions if he remained working only in his school.<br><br>**Phrases which demonstrate good analysis will show why this is a point to consider and may include:**<br>In his own school Mr Barney lacks the land to grow a variety of crops so he may meet the needs of the school kitchen and therefore they would still need to pay to have food delivered.<br><br>**Evaluation maybe shown by a two-sided approach considering the benefit and negative aspects of each choice.** | | |

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(a)</td><td>
Analyse how you decided if risks were worth taking in <u>your enterprise project</u>. 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<br><br>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<br><br>Demonstrates knowledge of concepts</td><td>4–7</td></tr>
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</table>
Knowledge may include:<br>
• Identification of risks they faced.<br><br>
Methods of analysing risks could include:<br>
• research to identify potential demand<br>
• analysis of other enterprises/SWOT/PEST/risk assessment<br>
• calculating revenue versus costs<br>
• calculating potential loss if invest finance<br>
• identifying mitigation techniques.<br><br>
Phrases which demonstrate some analysis may include:<br>
The risk was not a large one as we mitigated it by having people sign a document to state they had no allergies.
</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 good analysis may include**:<br>The risk was not a large one as we mitigated it by having people sign a document to state they had no allergies. Without this document we would not have taken the risk as we could be sued. | | |

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(b)</td><td>
Effective presentations require careful planning and delivery before and during the event.<br><br>
Evaluate the effectiveness of the planning and delivery of the presentation you completed as part of <u>your enterprise project.</u> Use examples to support your answer.
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present<br><br>Good analysis applied consistently to their enterprise<br><br>Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr>
<tr><td>3</td><td>Good analysis applied consistently to their enterprise is leading to evaluation<br><br>Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr>
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| Question | Answer | Marks | Guidance |
|---|---|---|---|
| 7(b) | **Knowledge may include:**<br>• description of planning or delivery<br>• amount of information presented<br>• ability to answer questions from audience<br>• communication is clear/audience understanding<br>• presentation completed within time limit<br>• involvement of members of the group.<br><br>**Phrases which demonstrate some analysis will explain how the planning or delivery helped for example:**<br>We practised our presentation which meant we were confident in our delivery.<br><br>**Phrases which demonstrate good analysis will show why the planning and delivery were effective. For example:**<br>We practised our presentation and included information we had researched which showed the likely success of our cupcake enterprise. This meant the financier was persuaded to lend us the money.<br><br>**Evaluation may be shown by a two-sided approach considering the successes and failings of their planning and delivery in context.** | | |

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