Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

5976253486

ENTERPRISE **0454/11**

Paper 1 **May/June 2023**

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 Chinmaya is intending to set up a business enterprise, but he has not considered which type of business organisation to choose.

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

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..... [2]

(b) Explain **two** potential stakeholders in **your enterprise project**.

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[4]

(c) Explain **one** benefit of an enterprise operating as a partnership.

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..... [2]

(d) Explain **one** disadvantage of an enterprise operating as a partnership.

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..... [2]

[Total: 10]

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2 After his conversation with Jiayi, Chinmaya decided to complete some market research.

(a) State **two** methods of primary research.

1 .....

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2 .....

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[2]

(b) Explain **two** advantages of using websites as a method of secondary research in **your enterprise project**.

1 .....

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[4]

(c) Explain **two** potential negative effects on an enterprise if it does not deal effectively with its customers' complaints.

1 .....

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2 .....

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[4]

[Total: 10]

3 Jiayi showed Chinmaya a possible layout for a business plan.

(a) State **two** items usually included in the human resources section of a business plan.

1 .....

2 .....
[2]

(b) Explain **one** way that producing a business plan would have helped Chinmaya's enterprise.

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(c) Explain **one** reason why a business plan may need to be updated.

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(d) Explain **one** non-financial document, other than a business plan, that could have helped Chinmaya in his enterprise.

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[Total: 10]

4 Chinmaya thought that it was illegal for the newspaper employee to use his photos without permission. Jiayi explained that this was not illegal, but was unethical.

(a) Explain the difference between *legal responsibilities* and *ethical considerations*.

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(b) Explain **one** reason why the employee at the local newspaper might have decided to behave unethically.

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(c) Explain **one** area of legislation that could affect Chinmaya's enterprise. Use an example from the case study to support your answer.

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(d) Explain **one** action Chinmaya could take that would have a positive impact on his local community.

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[Total: 10]

5 Chinmaya needs to consider the potential costs and revenue before deciding if the ecommerce enterprise is worthwhile.

(a) Calculate Chinmaya's revenue if he sells 10 photos.

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..... [2]

(b) Calculate the total number of photos Chinmaya will need to sell to break even. Show your working using the following headings.

Fixed costs:

[1]

Variable cost of each photo sold:

[2]

Contribution of each photo sold:

[1]

Break-even number of photos:

[1]

(c) Explain **one** way Chinmaya could reduce the break-even number of photos he needs to sell.

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..... [3]

[Total: 10]

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Section B

Answer **all** questions.

6 **(a)** Enterprising people have many attributes, characteristics and learned skills. These include:

- creativity
- motivation
- problem-solving
- resourcefulness.

Analyse how using **two** of these skills could help Chinmaya to be successful in his proposed new enterprise. Use examples from the case study to support your answer.

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(b) Chinmaya intends to use his website and social media to advertise his proposed enterprise.

Evaluate whether using only online communication and social media as methods of marketing is the best decision for Chinmaya's proposed enterprise. You should consider other methods of marketing communication in your answer.

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7 Now consider **your enterprise project**.

(a) Analyse **two** actions that you could have taken which would have improved the success of the presentation given as part of **your enterprise project**. Use examples to support your answer.

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(b) The enterprise process involves the following 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 how important **three** of these stages were to the success of **your enterprise project**. Use examples to support your answer.

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