Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CANDIDATE NUMBER | | | | |

4822228377 33

ENTERPRISE **0454/12**

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 **12** pages.

© UCLES 2023

Section A

Answer **all** questions.

1 Finn is an enterprising person with entrepreneurial skills.

(a) State **two** sources of help and support for enterprises.

1 .....

.....

2 .....

.....
[2]

(b) Identify **two** actions from the case study that show Finn is enterprising.

1 .....

.....

2 .....

.....
[2]

(c) **(i)** Explain **one** reason why being a sole trader is a disadvantage for Finn. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]

(ii) Explain **one** other type of business organisation that may be suitable for Finn's enterprise. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]

[Total: 10]

© UCLES 2023

2 Finn did not complete any market research before starting his campervan conversion enterprise. He did not consider the importance of customer satisfaction to his enterprise.

(a) State **one** method of primary research.

..... [1]

(b) Explain **two** advantages to an enterprise of using primary research.

1 .....

.....

.....

.....

2 .....

.....

.....

.....

[4]

(c) State **two** ways entrepreneurs can make sure that their customers are satisfied.

1 .....

.....

2 .....

.....

[2]

(d) Explain **one** reason why customer satisfaction may be important for Finn's enterprise. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]

[Total: 10]

3 The bank manager explained that enterprises need to keep financial records for many reasons.

(a) Explain **two** reasons why an enterprise needs to keep financial records.

1 .....

.....

.....

.....

2 .....

.....

.....

.....

[4]

(b) Prepare Finn's cash flow forecast using information from the case study to complete **(i)**, **(ii)**, **(iii)** and **(iv)** in Table 1. Show your working.

Table 1

Cash flow forecast for one van conversion	
	US$
Cash inflow:	
Sales revenue	**(i)** [1]
Cash outflow:	
Raw materials	**(ii)** [1]
Wages for 80 hours	**(iii)** [2]
Fuel for transport	20
Net cash flow	**(iv)** [1]

(c) Suggest **one** action an entrepreneur could take to improve net cashflow.

..... [1]

[Total: 10]

© UCLES 2023

4 Legal obligations and ethical considerations are important for many enterprises.

(a) Explain **one** reason why governments set laws and regulations for enterprises.

.....

.....

.....

..... [2]

(b) Explain **one** way Finn may have broken a law or a regulation.

.....

.....

.....

..... [2]

(c) Explain **one** negative impact on Finn's campervan conversion enterprise as a result of him breaking a law or a regulation.

.....

.....

.....

.....

.....

..... [3]

(d) Explain **one** reason why Finn may ignore ethical considerations in his campervan conversion enterprise. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]

[Total: 10]

5 The bank manager explained to Finn that enterprises usually produce financial and non-financial documents.

(a) State **two** ways a bank can assist enterprises.

1 .....

2 .....
[2]

(b) Explain how **one** source of help and support, other than a bank, was used in **your enterprise project**.

.....

.....

.....

.....

.....

..... [3]

(c) **(i)** Explain **one** aim that you had in **your enterprise project**.

.....

.....

.....

..... [2]

(ii) Explain how **one** non-financial document helped you to achieve your aim in **your enterprise project**.

Non-financial document .....

.....

.....

.....

.....

..... [3]

[Total: 10]

Section B

Answer **all** questions.

6 **(a)** Analyse how Finn used **two** enterprise skills in his campervan conversion enterprise. Use examples from the case study to support your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [10]

(b) After his meeting with the bank manager, Finn was not sure if he should continue with his enterprise.

Evaluate whether the risks of continuing the campervan conversion enterprise are greater than the rewards. Use examples from the case study to support your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[15]

[Total: 25]

Now consider **your enterprise project**.

7 (a) Successful negotiations must be carefully planned. This includes:

- setting the objectives
- researching and choosing the evidence to use
- preparing arguments and counter-arguments
- setting the correct tone for the meeting.

Analyse the importance of any **two** of these stages in ensuring the success of a negotiation you were involved in as part of **your enterprise project**. Use examples to support your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [10]

(b) Opportunities for enterprise can be created as a result of changes in:

- income
- laws and regulations
- needs or wants
- taste and fashion.

Evaluate **two** reasons which were the most important in creating opportunities for **your enterprise project**. You may use the opportunities listed above, or other reasons, in your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.... [15]

[Total: 25]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.