Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

5638580935

ENTERPRISE **0454/11**

Paper 1 **May/June 2024**

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 Lin and Rachel were enterprising when they set up and developed their ecommerce fashion store.

(a) State **two** stages of the enterprise process.

1 .....

2 .....
[2]

(b) Explain the difference between a need and a want.

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..... [2]

(c) Explain **one** reason why an entrepreneur needs to adapt to the changing wants for a product.

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..... [2]

(d) Explain how you used **two** enterprise skills in **your enterprise project**. Use an example to support each answer.

Enterprise skill 1 .....

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Enterprise skill 2 .....

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[4]

[Total: 10]

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2 Lin and Rachel have very different attitudes towards risk, but they both agree on the need to comply with regulations.

(a) Select the most appropriate word from the list below to complete each of the sentences about laws and regulations.

- patent
- judge
- government
- logo

Laws and regulations are established by a .....

If an entrepreneur develops a new product, it can be protected with a .....

[2]

(b) **(i)** Explain Lin's attitude to risk. Use an example from the case study to support your answer.

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..... [3]

(ii) Explain Rachel's attitude to risk. Use an example from the case study to support your answer.

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(c) Explain **one** possible impact on an enterprise if potential risks are ignored.

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[Total: 10]

3 Lin and Rachel negotiated a loan from their parents to raise the finance needed to buy clothes to sell online.

(a) Define the term *loan*.

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..... [2]

(b) Explain **one** disadvantage to Lin and Rachel of using a loan from their parents to raise finance.

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(c) Explain how any **two** stages of the negotiation process helped, or could have helped, the negotiation in **your enterprise project**. Use an example to support each answer.

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2 .....

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[6]

[Total: 10]

4 Lin and Rachel needed funding to buy clothes to sell online.

(a) Explain **one** reason, other than buying raw materials, why finance was required in **your enterprise project**.

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..... [2]

(b) **(i)** Calculate, using Table 1, the total cost for one year of Option 2 (producing their own range of clothes). Show your working.

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Amount US$ per year ..... [3]

(ii) Calculate the amount of interest paid on a loan for the amount in **(b)(i)** if the interest rate is 10% a year.

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Amount of interest ..... [3]

(c) Explain **one** reason why financial records are kept by an enterprise.

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[Total: 10]

5 Rachel started her research by analysing customer comments and complaints. Lin relied on an interview with a fashion designer and the internet for her research.

(a) State **two** disadvantages of interviews as a method of research.

1 .....

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2 .....

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[2]

(b) Explain **one** reason why it is important that an ecommerce enterprise deals with complaints quickly.

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(c) Justify **one** suitable method of marketing communication for an ecommerce enterprise.

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..... [3]

(d) Explain **one** source of help and support suitable for Lin and Rachel's ecommerce enterprise, other than an enterprise consultant.

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..... [2]

[Total: 10]

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[Turn over

Section B

Answer **all** questions.

6 **(a)** If Lin and Rachel decide to choose option 2, they would need to comply with laws or regulations in the areas of:

- employment
- production
- marketing and selling.

Analyse the possible effects of any **two** laws or regulations on this ecommerce enterprise.

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(b) Lin and Rachel were considering two enterprise options:

- adding a clothing alterations service to their website
- producing their own range of clothes.

Evaluate which option you believe would be most suitable for Lin and Rachel. You should consider the benefits and disadvantages of both options in your answer.

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7 Now consider **your enterprise project**.

(a) PEST is a way to identify the risks involved in an enterprise.

Analyse the effect of any **two** factors of PEST on the operation or success of **your enterprise project**. Use examples to support your answer.

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(b) Enterprises use many types of communication. These can include:

- non-verbal communication such as body language
- verbal communication
- written communication.

Evaluate **two** types of communication used with stakeholders in your enterprise project. Justify which type was most effective.

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