CAMBRIDGE
International Education

Cambridge IGCSE™

ENTERPRISE **0454/12**

Paper 1 Case Study **May/June 2025**

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 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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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 descriptions 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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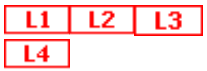
Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Correct point
	Development of point
	Incorrect point
	Level one/Level two/Level three/Level four
	Benefit of doubt
	Own figure rule
	Not answered question
	Repeat
	Indicates that the point has been notes, but no credit has been given
	Too vague

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Question	Answer	Marks	Guidance
1(a)	**State <u>two</u> risks involved in an enterprise.** 1 mark per risk Answers may include: • financial • economic • health and safety/environmental • human resources • production.	**2**	AO1 – 2
1(b)	**Explain how you decided if a risk was worth taking in <u>your enterprise project.</u>** Identification of a way [1] Application to own enterprise experience [+1] Answers may include: • completed research • comparing risk to reward • measuring the level of risk/practised the activity • assessing the likelihood of risk occurring • completing a risk analysis/found a mitigation • comparing opportunities with threats (SWOT)/completed financial documents. Example: We compared the risk of losing our invested funds to make the cupcakes [1] with the likely profit we could make if they sold [+1].	**2**	AO1 – 1 AO2 – 1

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Question	Answer	Marks	Guidance
1(c)	**Explain how an entrepreneur you have studied used <u>two</u> enterprise skills to become successful. Use an example to support each answer.** Each skill should be marked as follows Identification of a skill [1] Explanation showing understanding of the skill [+1] Application to an entrepreneur [1] Answers may include: • practical skills [1] meant the entrepreneur did not have to pay wages for others to do the task [+1] • leadership [1] helped to ensure the enterprise completed all the task required [+1] • innovation [1] helped the entrepreneur design a totally new product/created a USP [+1] • taking the initiative [1] meant they started a business [+1] • perseverance [1] they did not give up when they first had a problem [+1].	**6**	AO1 – 2 AO2 – 2 AO3 – 2

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Question	Answer	Marks	Guidance
2(a)	**Select the most appropriate word from the list below to complete each of the sentences about the enterprise process:** • **organised, monitored, evaluation, success.** **When implementing the plan, it is important that actions are……..to check progress. The final stage of the enterprise process is …** When implementing the plan, it is important that actions are **MONITORED** [1] to check progress. The final stage of the enterprise process is **EVALUATION** [1].	**2**	AO1 - 2
2(b)	**Explain <u>one</u> creative solution you identified for a problem in <u>your enterprise project</u>. Use an example to support your answer.** Identification of the problem [1] Explanation of how the solution helped [+1] Application to own enterprise [1] Answers will depend upon own enterprise situation but may include. • finding a new way of working • designing a new product or service • identifying an unusual method of finance • identifying a way to access materials/capital. Example: We could not afford to buy [1] the smoothie machine [1]. The owner agreed to lend it to us in return for free smoothies [+1].	**3**	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
2(c)	**Define the term *budget.*** Precise definition [2] Partial definition showing some understanding [1] Examples: Projections of future income and expenditure [2] Estimate of income and expenditure for a set period of time [2] Financial statement [1] of income and expenditure over time [1] A financial plan [1] for a future period [1] Limit on the money you can spend [1] Maximum amount a department/enterprise can spend [1] Amount of money for a task/activity [1]	**2**	AO1 – 2

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Question	Answer	Marks	Guidance
2(d)	**Explain <u>one</u> disadvantage to the visitor centre of operating as a not-for-profit organisation.** Identification of a disadvantage of a not profit [1] Explanation showing understanding [+1] Application to case study enterprise [1] Answers may include: • lack of finance/reliant on grants/struggle with the budget • may be inefficient/struggle to make a surplus • may need donations/charity • relies on volunteers/unpaid staff • lack of motivation from the manager. Example: The visitor centre relied upon a grant for finance [1] this meant they had limited money [1] to invest in their new projects [+1]. Limited funds [1] from guided tours [1] therefore they cannot afford expensive changes [+1]	**3**	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
3(a)	**State <u>two</u> advantages of using secondary market research.** One mark per correct advantage Answers may include: • low cost /cost efficient • readily available/ not time-consuming/easy to access • often a very large sample used/large range • may be government statistics/done by professionals	**2**	AO1– 2
3(b)	**Justify <u>one</u> method of primary market research that could be used by the visitor centre.** Identification of a method of research [1] Explanation showing how this would be used [+1] Application to case study/ visitors [1] Answers may include: • survey • questionnaire • interview • focus group. Example: Focus group [1] representing the variety of visitors to the tourist centre [1] giving in depth information from potential customers [+1].	**3**	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
3(c)	**Explain <u>one</u> reason a government would want to see the financial records of an enterprise.** Identification of a reason [1] Explanation showing understanding [+1] Answers may include: • for tax purposes • to check the enterprise was operating legally • in case of legal disputes between owners • to check if the grant is being used effectively/should be increased • to decide if extra help/funds/subsidies can be given. Example: For tax purposes [1] to check the earnings/correct amount of tax was being paid [+1].	**2**	AO1 – 2
3(d)	**Explain <u>one</u> way the visitor centre could be affected by changes in government policy. Use an example from the case study to support your answer.** Identification of a change in government policy [1] Explanation showing the effect [+1] Application to visitor centre [1] Answers may include: • changes in availability of grants/subsidies • changes in taxation • changes in law/regulations or practical examples. Example: The government may increase grants [1] therefore allowing access to more funds [+1] which they could use for the vending machines [1].	**3**	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
4(a)	**Define the term *leasing*.** Precise definition [2] Partial definition showing some understanding [1] Examples: Paying a regular fee to use an asset but never owning it [2] Paying to use a product/land for a given amount of time [2] Renting an item but the item remains owned by the leasing company [2] Renting an item/land [1] Using an item you never own [1]	**2**	AO1 – 2
4(b)	**Using Table 1, calculate the total fixed costs of leasing a vending machine for 5 years. Show your working.** ($) 4800 [3] If answer is incorrect marks may be awarded for: Total fixed cost for one year =$ 80 per month × 12 = 960 per year [2] Total months = 12 × 5 years =60 months **OR** 80(5 × 12) [1]	**3**	AO1 – 1 AO2 – 1 AO3 – 1 80 × 5 = 0 48 000 =2 marks if method correct
4(c)	**Using Table 1, calculate the contribution for each item sold in the vending machine if the average price is $1.20** 0.7 **OR** 70 [2] If answer is incorrect marks may be awarded for: Contribution = Price minus variable cost [1] **or** 1.20 – 0.50c [1]	**2**	AO1 – 1 AO2 – 1

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Question	Answer	Marks	Guidance
4(d)	**Justify whether buying the vending machine would be the better option for the visitor centre.** Identification of a benefit or disadvantage of buying/ leasing [1] Application to tourist centre/vending machine [1] Justified decision on the best option [+1] Answers may include: • short term leasing better/long term buying better • machine will be an asset of the enterprise • cost is $4100 lower than leasing over 5 years • cost is high in the first year ($620 not $960) • insurance is not included in the cost/repairs are responsibility of the owner if no insurance • demand is unknown. Example: The cost including insurance for 5 years will be $4100 [1] which is ($700) less than the cost of leasing for the same period [1] therefore buying is best [1]	**3**	AO1 – 1 AO2 – 1 AO3 – 1 Calculation that purchasing for 5 years including insurance is $4100 [1] Leasing for 4 years = $3840

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Question	Answer	Marks	Guidance
5(a)	**State <u>two</u> examples of formal communication.** Each correct method [1] Answers may include: • business report or named example of one • meetings • letters/newsletters • (business) emails • job applications/interviews • contracts.	**2**	AO1 – 2
5(b)	**Explain <u>one</u> reason why the language used in formal communication should be different from the language used in informal communication.** Identification of a reason [1] Explanation showing understanding [+1] Answers may include: • to show respect/politeness to the person • to be taken seriously/trusted/give good impression • the message will be clearly understood. Example: The message must be clearly understood by everyone [1] which it may not be if informal slang words are used. [+1] Allow the reverse argument for example: Slang in informal communication [1] may cause miscommunication [+1]	**2**	AO1 – 2

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Question	Answer	Marks	Guidance
5(c)	**Explain <u>one</u> way that the visitor centre could be affected by health and safety regulations. Use an example from the case study to support your answer.** Identification of an effect [1] Explanation showing effect on the visitor centre [+1] Application to case study [1] Answers may include: • increased costs • takes time to meet the regulations • license may be needed • If not met • visitors may be injured/sue • government support may be lost/may be closed • visitors may stop coming. Example: The visitor centre would have higher costs [1] to meet the requirements to open a children's play area/food area [1] which they cannot afford [+1].	**3**	AO1 – 1 AO2 – 2

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Question	Answer	Marks	Guidance
5(d)	**Explain <u>one</u> way the visitor centre can have a positive impact on society. Use an example from the case study to support your answer.** Identification of a way [1] Explanation showing understanding of how this benefits society [+1] Application to case study [1] Answers may include: • supporting community activities • providing free activities (walks) for the community • providing free advice • improves physical and mental wellbeing • reduces anti-social behaviour. Example: The visitor centre could support community activities [1] by allowing meetings in the centre [1] without charge [1].	**3**	AO1 – 1 AO2 – 1 AO3 – 1

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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>Abdool and Bibi thought that they should produce:
• an action plan
• a business plan.

Analyse how <u>both</u> of these documents would be useful to the visitor centre manager.

<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>
</td><td>10</td><td>Note: Examiner guidance for level 2 – maximum 6 marks for good analysis with limited application.

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

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Question	Answer	Marks	Guidance
6(a)	**Knowledge may include:** • action plan or business plan content/purpose • business plan allows entrepreneurs to judge likely profitability/success. **Phrases which demonstrate some analysis may include:** Business plan may help the centre achieve its aims/apply for finance for the new children's activities. Business plan may help the visitor centre manager to decide between the two different projects. Action plans would help avoid delays setting up the new ideas. **Phrases which demonstrate good analysis will the impact of the document on the enterprise. These may include:** Action plans would help avoid delays setting up the new ideas therefore allowing the leisure centre to start making revenue quicker.		

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(b)</td><td>
The visitor centre will need to make visitors aware of the new activities. The centre manager is considering:

posters
social media
sponsorship.

Evaluate the method of marketing communication that would be most suitable for the visitors centre's new activities. Justify your choice, including why you rejected the other <u>two</u> marketing methods.
<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>
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</td><td>15</td><td>Note: Examiner guidance for level 2 – maximum 6 marks for good analysis with limited application.

Both analysis and evaluation are covered by AO3.

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

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Question	Answer	Marks	Guidance
6(b)	**Knowledge may include:** • Costs and benefits of methods of listed • Identification of other marketing communications. **Phrases which demonstrate some analysis may include:** As they are a social enterprise the methods must be low cost. **Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include:** As a social enterprise the methods must be low cost and reach their target audience. Posters do both and will leave more money to be invested into the new changes. **Evaluation may be shown by a two-sided approach considering the negative aspects of each method.**		

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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>
Students can be enterprising at home and at school. This may be through:

developing new skills and using them in different situations
organising activities
using technology for learning.

Analyse how you used <u>two</u> of these ways of being enterprising during the operation 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>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.
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The grade descriptions describe performance at the top of the band.</td></tr>
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Question	Answer	Marks	Guidance
7(a)	**Knowledge may include:** • understanding of each of the ways of being enterprising • Identifies other ways of being enterprising. **Phrases which demonstrate some analysis may include:** Developing new skills – we learned how to use a camera to take effective pictures for sale. We learnt how to problem solve and I solved the problem of melting ice cream by finding a suitable place to store it. **Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include:** Developing new skills – we learnt how to use a camera to take effective pictures for sale. We sold more pictures because they were skilfully taken.		

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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 can be evaluated in many ways. These include:
• achieving the objective
• ensuring everyone had an opportunity to speak
• keeping to time
• quality of documents.
Evaluate the effectiveness of a meeting you were involved in 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
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:** • formal documents required in a meeting • descriptions of the bullet points in the question • how meetings are managed /organised by the chair. **Phrases which demonstrate some analysis may include:** Having a clear set of minutes for the meeting meant that even those who could not attend understood what was agreed. **Phrases which demonstrate good analysis will the impact of the actions on the success of the meeting. These may include:** Having a clear set of minutes for the meeting meant that even those who could not attend understood what was agreed. This meant that we did not need to have an extra meeting and our jewellery enterprise could start on time **Evaluation may be shown by a two-sided approach considering the success and weaknesses of their meeting.**		

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