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ENTERPRISE **0454/11**

Paper 1 **May/June 2025**

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.

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[Turn over

Section A

Answer **all** questions.

1 Fern relies upon word-of-mouth marketing.

(a) Select **one** word to complete each of the sentences below.

Market ..... is collecting information about customers.

Word-of-mouth is a method of marketing ..... .

[2]

(b) Explain **one** benefit of marketing for each of the following:

(i) Potential customers .....

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..... [2]

(ii) Owners of an enterprise. .....

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..... [2]

(c) Explain **one** advantage and **one** disadvantage to Fern of using word of mouth marketing. Use an example from the case study to support each answer.

Advantage .....

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Disadvantage .....

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[4]

[Total: 10]

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2 Fern wanted to use some of the skills she had learnt in her enterprise lessons.

(a) State **two** characteristics of a person who has enterprise capability.

1 .....

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2 .....

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[2]

(b) Identify **two** examples from the case study that show Fern used enterprise skills.

1 .....

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2 .....

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[2]

(c) Explain any **two** of the six stages in the enterprise process. Use an example from the case study to support each answer.

1 .....

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[6]

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3 **(a)** Explain **one** way an enterprise may be affected by an increase in taxation.

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..... [2]

(b) Describe **one** objective you wanted to achieve in **your enterprise project**.

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(c) Explain how **one** action you took reduced a risk in **your enterprise project**.

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(d) Explain how technology was, or could have been, beneficial to **your enterprise project**.

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4 Fern was considering renting a stall in a rail station to sell her flowers. She has limited finance and therefore must consider costs carefully (Table 1).

(a) Using Table 1, calculate the contribution of each bouquet of flowers. Show your working.

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Contribution of each bouquet of flowers ($) ..... [2]

(b) Calculate the number of bouquets of flowers Fern would need to sell to break even at the **rail station**. Show your working.

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Break-even quantity..... [3]

(c) State **one** financial record an enterprise would usually produce.

..... [1]

(d) Explain **two** problems an enterprise may have if accurate financial records are not kept.

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5 Fern attended a local business network meeting. She was given the agenda and the minutes.

(a) Define the term *business network*.

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..... [2]

(b) Explain **one** purpose of the minutes of a meeting.

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..... [2]

(c) **(i)** Explain **one** advantage to Fern of operating as a sole trader. Use an example from the case study to support your answer.

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(ii) Explain **one** disadvantage to Fern of operating as a sole trader. Use an example from the case study to support your answer.

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Section B

Answer **all** questions.

6 **(a)** When purchasing flowers from the farmer, Fern could use trade credit.

Analyse the advantages and disadvantages of trade credit to:

- Fern

or

- the farmer.

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(b) Fern is considering the future of Fern's Flowers. She has three options:

Option 1: increase her marketing and continue working from home
Option 2: rent a stall in the rail station
Option 3: buy a franchise from a national company.

Evaluate which **one** of these options would be most suitable for the future success of Fern's enterprise. Justify your choice, explaining why you rejected **one** other option.

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Now consider **your enterprise project**.

7 **(a)** Entrepreneurs are encouraged to produce documents when organising a new enterprise, including:

- an action plan
- a business plan
- a cash flow forecast.

Analyse how any **two** of these documents assisted the operation of **your enterprise project**. Use examples to support your answer.

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(b) Entrepreneurs consider a variety of factors when assessing the effectiveness of the methods of market research they use. These can include:

- accuracy of the results
- cost of the research
- suitability for the target market
- time taken to complete.

Evaluate, using the factors listed above, the effectiveness of the methods of market research used in **your enterprise project**.

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