Cambridge IGCSE

Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2064875602

ENTERPRISE **0454/13**

Paper 1 **October/November 2018**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

Each candidate should have received a copy of the case study prior to the examination.
A clean copy of the case study has been provided with this Question Paper.

Your answers must be based on the case study and your own enterprise experience and knowledge.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **13** printed pages, **3** blank pages and **1** Insert.

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CAMBRIDGE International Examinations

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Section A

Answer **all** the questions.

1 Tixy worked with Social Enterprise S to help overcome the problems associated with financing his project.

(a) Explain the term:

(i) *a social enterprise*

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.....[2]

(ii) *Fairtrade.*

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.....[2]

(b) State **two** types of business organisation, other than a social enterprise.

1 .....

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2 .....

.....[2]

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(c) Explain how you solved **two** problems when operating **your enterprise project**.

1 .....

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2 .....

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.....[6]

[Total: 12]

2 Tixy wanted to give every household access to cheap and reliable lighting, but other stakeholders might have different objectives.

(a) Explain the term *satisficing*.

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.....[2]

(b) Explain the difference between *internal stakeholders* and *external stakeholders*.

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.....[2]

(c) Explain how Tixy met the needs or wants of **two** stakeholders in the Lighting Project.

Stakeholder 1 .....

Explanation .....

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Stakeholder 2 .....

Explanation .....

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.....[6]

[Total: 10]

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3 Tixy was responsible for some research.

(a) State **two** methods used to research potential customers.

1 .....

2 .....[2]

(b) Explain **one** disadvantage of carrying out market research.

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.....[2]

(c) Explain **two** reasons why it is important for the Lighting Project to continue to attract new customers for the solar-powered lamps.

1 .....

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2 .....

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.....[6]

[Total: 10]

4 The profits made would be reinvested into making more lamps.

(a) Explain the difference between *investment* and *saving*.

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.....[2]

(b) State **one** way of investing money and **one** way of saving money.

Investing .....

Saving .....[2]

(c) The language Tixy used when persuading volunteers he knew well to take part in the training was different to the language he used when negotiating with suppliers.

Explain why the language Tixy used would be different. Use examples to support your answer.

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.....[6]

[Total: 10]

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5 A plan was developed with support from Social Enterprise S.

(a) State **two** sources of help and support for an enterprise, other than a social enterprise.

1 .....

2 .....[2]

(b) State **two** financial pieces of information usually included in a business plan.

1 .....

2 .....[2]

(c) Explain **one** reason why each of the following is important to an enterprise:

(i) financial records

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.....[2]

(ii) updating the business plan.

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.....[2]

[Total: 8]

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Section B

Answer **all** the questions.

You may use the case study, your own enterprise experience and your knowledge of enterprise where appropriate to answer the following questions.

6 (a) Starting a new enterprise always involves risk.

Discuss the various risks involved in attempting to make the Lighting Project a success. [10]

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(b) The Lighting Project was funded by:
- donations made to Social Enterprise S
- profits made from the sale of lamps.

Evaluate the suitability of the above sources of finance, compared to a loan, for the Lighting Project. [15]

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7 **(a)** Cash flow is one element of financial planning for enterprises.

Discuss the importance of cash flow to the success of **your enterprise project**. [10]

(b) Tixy used his negotiating skills when he bought the materials. The negotiation process involves a number of parts, including the following:

- preparation
- establishing a negotiating environment
- negotiating your position
- reaching agreement.

Evaluate which **two** parts of the negotiation process listed above were **most** important to the success of any negotiations within **your enterprise project**. [15]

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