Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

6389999384

ENTERPRISE **0454/12**

Paper 1 **October/November 2020**

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. Blank pages are indicated.

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Section A

Answer **all** questions.

1 Seth enjoyed finding creative solutions to the problems he experienced.

(a) State **two** problems a new enterprise may experience.

1 .....

2 ..... [2]

(b) Describe **one** method that you used to develop a creative solution to a problem in **your enterprise project**.

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..... [2]

(c) Describe **one** method that could be used to monitor progress during the operation of an enterprise.

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..... [2]

(d) Explain **one** way in which each of the following enterprise skills might be used in an enterprise:

(i) prioritisation/time management

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..... [2]

(ii) perseverance.

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..... [2]

[Total: 10]

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2 Seth's school enterprise project had almost failed due to a cash flow deficit.

(a) Define the term *deficit*.

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..... [2]

(b) Explain how break-even is calculated.

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..... [2]

(c) Explain **one** advantage and **one** disadvantage to Seth's group of borrowing from family and friends during their school enterprise project.

Advantage .....

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Disadvantage .....

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..... [6]

[Total: 10]

3 Seth completed some market research.

(a) Explain **one** reason why any enterprise would complete market research.

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..... [2]

(b) Identify the method of market research Seth completed.

..... [1]

(c) Explain **one** problem with the market research that Seth completed.

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..... [2]

(d) Analyse the usefulness of **one** method of market research used in **your enterprise project**.

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..... [3]

[Total: 8]

4 **(a)** State **two** objectives of an enterprise.

1 .....

2 ..... [2]

(b) Explain **two** reasons why Seth's computer servicing and repair enterprise was likely to be successful. Use an example from the case study to support each part of your answer.

1 .....

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2 .....

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..... [4]

(c) Describe **two** examples of verbal communication and **one** example of non-verbal communication used in **your enterprise project**.

Example of verbal communication 1 .....

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Example of verbal communication 2 .....

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Example of non-verbal communication .....

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..... [6]

[Total: 12]

5 As a new entrepreneur, Seth needed help and support but he did not know who to ask.

(a) Explain **two** sources of help and support for an enterprise.

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2 .....

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..... [4]

(b) Explain **two** ways that you made sure that you met legal obligations in **your enterprise project**. Use examples to support your answer.

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2 .....

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..... [6]

[Total: 10]

Section B

Answer **all** questions.

6 **(a)** Seth intended to operate his computer servicing and repair enterprise as a sole trader in the short term, but would consider changing this in the long term.

Discuss **two** reasons why Seth might need to change his business organisation in the long term. Use examples to support your answer. [10]

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(b) Seth needed to make sure that people in the local area knew that his computer servicing and repair enterprise existed. He considered:

- leaflets
- social media
- word of mouth.

Evaluate the method of marketing that would be **most** suitable for Seth's enterprise. Justify your choice, including why you rejected the other marketing methods. [15]

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[Total: 25]

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7 Now consider **your enterprise project**.

(a) Seth wanted to avoid the risk of debt.

Discuss how your attitude to risk affected the operation of **your enterprise project**. Use examples to support your answer. [10]

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(b) Seth planned some aspects of his new enterprise but he did not complete any formal documents such as:

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

Evaluate the usefulness of **two** of these documents to **your enterprise project**. [15]

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