Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

1367467082

ENTERPRISE **0454/12**

Paper 1 **October/November 2021**

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 Kwame did not set any formal aims for his proposed new enterprise.

(a) Complete the following sentences by inserting **one** word in each space.

(i) Aims are what enterprises want to achieve in the ..... term.

(ii) Objectives are what enterprises want to achieve in the ..... term. [2]

(b) Explain **two** suitable aims or objectives that Kwame might have for his proposed new enterprise.

1 Aim/objective .....

Explanation .....

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2 Aim/objective .....

Explanation .....

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..... [4]

(c) State **four** enterprise skills.

1 .....

2 .....

3 .....

4 ..... [4]

[Total: 10]

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2 Kwame thought there was demand for his home repair enterprise, but he needed to reduce the risks.

(a) Explain **two** reasons why demand for a product or service may change.

1 .....

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2 .....

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..... [4]

(b) **(i)** Identify **one** risk of Kwame's proposed new enterprise.

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..... [1]

(ii) Explain **one** likely impact on Kwame's proposed new enterprise of the risk identified in part **(i)**.

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..... [2]

(c) Explain **one** method that could be used to reduce the risks in Kwame's enterprise.

Method .....

Explanation .....

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..... [3]

[Total: 10]

3 Kwame completed some finance planning before his meeting with Zane.

(a) Explain **one** reason why it is important to plan before a meeting.

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..... [2]

(b) Identify **two** weaknesses in Kwame's planning.

1 .....

2 ..... [2]

(c) Explain how **one** document could have been used to improve Kwame's meeting with Zane.

Meeting document .....

Explanation .....

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..... [3]

(d) Explain **one** method of communication, other than a meeting, that Kwame could have used to persuade Zane to invest in the enterprise.

Method of communication .....

Explanation .....

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..... [3]

[Total: 10]

4 **(a)** Define the following terms:

(i) *fixed costs*

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..... [2]

(ii) *debt*.

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..... [2]

(b) Explain **two** suitable sources of start-up funding for Kwame's proposed new enterprise, other than personal savings.

1 Source .....

Explanation .....

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2 Source .....

Explanation .....

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..... [6]

[Total: 10]

5 Zane suggested they complete a business plan.

(a) State **two** sections normally included in a business plan.

1 .....

2 ..... [2]

(b) Explain **one** reason why a business plan is necessary for an enterprise.

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..... [2]

(c) Calculate the number of hours Kwame would need to work to break even. Show your working.

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..... [4]

(d) Explain **one** example of a cost that could have been included in Fig. 1.

Example of cost .....

Explanation .....

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..... [2]

[Total: 10]

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Section B

Answer **all** questions.

6 **(a)** There are many methods that can be used to measure customer satisfaction. These include:

- feedback questionnaires
- number of complaints
- number of sales.

Analyse how Kwame and Zane could have used **two** of these to measure customer satisfaction in their home repair enterprise. [10]

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(b) Kwame had intended to operate his enterprise as a sole trader. He considered asking Zane if he would join him as a partner.

Evaluate the advantages and disadvantages to Kwame of operating as a sole trader. Support your answer with examples from the case study. [15]

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[Total: 25]

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7 Now consider **your enterprise project**.

(a) Examples of stakeholders include customers, employees, suppliers, lenders, the local business community and local government.

Analyse how any **two** of these stakeholders affected the operation of **your enterprise project**. [10]

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(b) The success of an enterprise can be evaluated in many ways. These include:

- achieving sales
- producing a quality good or service
- profit
- repeat custom.

Evaluate the success of **your enterprise project** using **two** of the ways listed above. [15]

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[Total: 25]

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