Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

9834204064

ENTERPRISE **0454/13**

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 Marissa used several enterprise skills when she was organising the reusable drinking bottle enterprise.

(a) Explain what is meant by the following enterprise skills:

(i) *problem-solving* .....

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(ii) *creativity*. .....

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(b) Explain how each of the following stakeholders could affect Marissa's proposed enterprise:

(i) customers .....

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..... [3]

(ii) the recycling company manager. .....

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[Total: 10]

2 All enterprises involve some level of risk.

(a) Explain the effect of:

(i) **one** health and safety risk in an enterprise

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..... [2]

(ii) **one** production risk in an enterprise.

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(b) Explain how Marissa could have used market research to reduce the risks in her enterprise. Use an example from the case study to support your answer.

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(c) Explain **one** reason why Marissa might decide **not** to start the reusable drinking bottle enterprise. Use an example from the case study to support your answer.

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[Total: 10]

3 Marissa's enterprise was ethical and it would have a positive impact on the local community.

(a) Define the term *ethics*.

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(b) Explain **one** positive impact that an enterprise might have on a local community. Use an example from any enterprise you are aware of to support your answer.

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(c) Explain **one** negative impact that an enterprise might have on a community. Use an example from any enterprise you are aware of to support your answer.

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(d) Describe **one** way in which laws and regulations could affect the marketing of an enterprise.

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[Total: 10]

4 Marissa used different methods of communication.

(a) Describe **one** informal method of communication that Marissa used.

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(b) Explain **one** reason why a presentation was a suitable method of communication with the school students.

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(c) Justify a suitable method of marketing communication that Marissa could use to encourage sales of the reusable drinking bottles to:

(i) customers from a local fitness centre .....

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(ii) international customers. .....

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[Total: 10]

5 **(a)** State **one** example of a variable cost for an enterprise.

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(b) Explain **one** reason why an enterprise would need a business plan.

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(c) Explain **two** reasons why a business plan may need to be updated.

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(d) Describe **one** document Marissa could have used in her meetings.

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[Total: 10]

Section B

Answer **all** questions.

6 **(a)** Marissa's friends said the most important factors for them would be the final design and the price of a reusable drinking bottle.

Analyse **two** methods of market research that Marissa could use to find out what other potential customers would want from a reusable drinking bottle. [10]

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(b) The recycling company manager would not risk investing this amount of money unless he was convinced that he could sell enough bottles to cover the cost.

Evaluate whether the recycling company manager should invest in the new machine. Use a break-even calculation to support your answer. [15]

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[Total: 25]

Now consider your enterprise project.

7 **(a)** Planning is an important part of the negotiation process. It includes:

- setting objectives
- choosing evidence to use
- selecting the benefits of the proposal
- selecting the weaknesses of the proposal
- considering arguments and counter-arguments.

Discuss the importance of any **two** of the above stages to the success of a negotiation you were involved in during **your enterprise project**. [10]

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(b) Start-up funding could be obtained from:

- banks
- family and friends
- personal savings
- selling shares.

Evaluate the positive and negative effects of **two** sources of finance you used, or could have used, in **your enterprise project**. You may include the sources of finance listed above in your answer. [15]

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