Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2409820766

ENTERPRISE **0454/11**

Paper 1 **October/November 2022**

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 **(a)** Define the term *stakeholder*.

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..... [2]

(b) Explain how **two** stakeholders may be affected if the clothing factory closed.

Stakeholder 1 .....

Explanation .....

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Stakeholder 2 .....

Explanation .....

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[6]

(c) Explain **one** risk involved in the V&R t-shirt enterprise.

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..... [2]

[Total: 10]

2 Virgil explained that although making copies of the players' shirts may be a good idea, it was both illegal and unethical.

(a) Define the following terms. Use an example to support each answer.

(i) *legal obligations* .....

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..... [2]

(ii) *ethical considerations* .....

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(b) Explain **one** reason why laws and regulations are needed in production. Use an example to support your answer.

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(c) Explain **one** impact on **your enterprise project** of keeping to laws and regulations. Use an example to support your answer.

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[Total: 10]

3 Rinsola presented the financial information as a cost budget.

(a) State **two** financial records an enterprise should keep, other than a cost budget.

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[2]

(b) Calculate the variable cost for **one** t-shirt if a total of 500 t-shirts are produced. Show your working.

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(c) Calculate the number of t-shirts that would need to be sold each year to break-even, if each t-shirt was sold at a price of US$6. Show your working.

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(d) Explain the effect on break-even output each year if the price charged for each t-shirt was increased to US$8.

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[Total: 10]

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4 Virgil and Rinsola inherited a clothing factory and they are finding it difficult to make a profit.

(a) Explain **one** advantage of operating as a business partnership.

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(b) Explain **one** disadvantage of operating as a business partnership.

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..... [2]

(c) Explain how **two** sources of help and support could assist Rinsola and Virgil in their t-shirt enterprise.

Source 1 .....

Explanation .....

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Source 2 .....

Explanation .....

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[Total: 10]

5 Virgil agreed with Rinsola that a business plan would be helpful.

(a) State **two** items usually included in the operations (production) section of a business plan.

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[2]

(b) Explain **one** way a business plan could be useful to an enterprise.

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(c) Explain **two** actions Virgil and Rinsola could take to encourage clothing retailers to place future orders of t-shirts. Use examples to support each answer.

Action 1 .....

Explanation .....

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Action 2 .....

Explanation .....

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[6]

[Total: 10]

Section B

Answer **all** questions.

6 **(a)** Opportunities for enterprise arise in different ways including taking advantage of the:

- availability of grants and subsidies
- changes in taste and fashion
- opportunities offered by globalisation.

Discuss how Virgil and Rinsola could use **two** of the opportunities above to develop their t-shirt enterprise.

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(b) Evaluate **two** methods of marketing communication that clothing retailers could use to persuade customers to purchase their t-shirts.

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[Total: 25]

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Now consider **your enterprise project**.

7 **(a)** Enterprises use different types of planning. These include:

- action plan
- plan for a negotiation
- planning of market research.

Analyse the effectiveness of any **one** of the above types of planning completed during **your enterprise project**.

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(b) Enterprises have different business aims and objectives, each of which will affect how the enterprise operates. These include:

- being ethical
- gaining customers
- making profits
- providing a good or service to a community.

Evaluate how **two** aims or objectives affected the operation of **your enterprise project**.

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