Cambridge Assessment International Education

Cambridge IGCSE™

ENTERPRISE **0454/12**

Paper 1 **October/November 2024**

INSERT **1 hour 30 minutes**

9773530627-I

INSTRUCTIONS

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

DC (SL) 340690
© UCLES 2024

The youth centre charity

The background

Emma and Luca are friends. At school, Emma enjoys playing tennis and Luca is a member of the film club.

The teachers at their school encourage students to complete voluntary work in the local community. Emma and her friend Luca have chosen to complete this in a local youth centre.

The ideas

One day at school, Emma and Luca were talking about their voluntary work. Although they both enjoyed volunteering at the youth centre, they were surprised by the limited range of activities on offer. Luca had observed that some of the young people were unwilling to take part in the activities. Emma had an idea. She suggested they arrange a meeting with Addison, the centre manager, and ask permission to offer some new activities. Emma could offer tennis lessons and Luca could start a film club.

A few days later, Emma and Luca met with Addison and outlined their ideas. Addison was impressed that the friends had taken the initiative. However, he thought that neither activity would be possible. Addison explained that the youth centre operated as a charity. Although the 150 members each paid a weekly fee for attending some activities, the main source of finance was a government grant based on membership figures. The grant provided just enough funds to maintain the youth centre. The weekly fees were saved to pay for the end-of-year party. The youth centre did not have any funds to provide other activities.

Emma and Luca were disappointed, especially as they both believed that their activities would be popular. They asked Addison if they could offer the activities if they were able to obtain the funds needed. Addison agreed to consider these ideas.

The planning

The two friends met to decide what to do. From studying Enterprise, Emma knew the importance of planning and of market research. She produced an action plan shown in Table 1.

Table 1

Action Plan	
Research tasks	**Person responsible**
Identify if the activities would be popular	Emma
Tennis equipment costs	Emma
Film club equipment costs	Luca
Sources of finance	Luca

Luca agreed they should each complete their tasks and meet in one week.

© UCLES 2024

The research

Emma asked all the members of the youth centre to complete a short survey. The results showed 40% wanted tennis lessons and 60% a film club. Next, Emma researched the costs of the tennis equipment.

Luca asked the teacher in charge of his school's film club if he could borrow the projector and speakers each week. The teacher agreed. However, the teacher asked if Luca had considered all the operating costs for a film club. Luca would need to rent films and buy a licence to screen the films. Showing films to an audience without a licence would be illegal as each film is protected by copyright. The teacher showed Luca a website where he could find all the information he would need.

The meeting

Emma was unable to meet face to face with Luca to share their research. They decided instead to discuss this over the telephone. During the meeting, Luca completed the costs sheet, as shown in Table 2.

Table 2

<table>
<tr><th colspan="2">Tennis lessons activity</th><th colspan="2">Film club activity</th></tr>
<tr><th>Items</th><th>Cost US$</th><th>Items</th><th>Cost US$</th></tr>
<tr><td colspan="2">Fixed costs</td><td colspan="2">Fixed costs</td></tr>
<tr><td>10 tennis racquets</td><td>200</td><td>One-year licence to screen all films</td><td>200</td></tr>
<tr><td>20 tennis balls</td><td>10</td><td rowspan="2">26 films rented
(one film costs US$10)</td><td rowspan="2">X</td></tr>
<tr><td>2 nets with fixtures</td><td>60</td></tr>
<tr><td colspan="2">Variable costs</td><td colspan="2">Variable costs</td></tr>
<tr><td>None</td><td>0</td><td>Printing each film ticket</td><td>00.10</td></tr>
</table>

Note: Price for a tennis lesson or a film club ticket is US$1.

Emma and Luca decided that the film club was the better idea as the costs were lower. Emma suggested that if they charged the members a small fee to watch each film, they would be able to break even and maybe even make a profit. They both agreed that they should present this idea to Addison.

After the telephone call ended, Luca realised he had made a mistake. He had forgotten to calculate the total cost of renting the films. He would need to add this fixed cost to Table 2 before they met with Addison.

© UCLES 2024

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2024