CAMBRIDGE
International Education

Cambridge IGCSE™

ENTERPRISE **0454/12**

Paper 1 **October/November 2024**

MARK SCHEME

Maximum Mark: 100

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

© Cambridge University Press & Assessment 2024

PUBLISHED

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

© Cambridge University Press & Assessment 2024

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

© Cambridge University Press & Assessment 2024

PUBLISHED

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

© Cambridge University Press & Assessment 2024

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
1(a)	**Define the term *charity.*** Precise definition [2] partial definition showing some understanding. [1] Answers may include: • an organisation set up to provide help and raise money for those in need [2] • a not-for-profit organisation/does not aim for profit [1] • established with the aim of collecting money for a cause [1] • raise money by doing fund-raising activities/donations. [1] • for the benefit of people who are deprived/helps those in need.[1]	**2**	AO1–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
1(b)	**Explain <u>two</u> advantages of operating as a charity.** Each point should be marked as follows: Identification of an advantage [1] Explanation showing understanding [+1] Answers may include: • tax benefits are provided • (government) grants often available • employees are committed to the organisation/ attracts people to participate /job satisfaction • people willing to donate/fund. Example: Government grants are available [1] (which do not need to be repaid), lowering the costs of finance. [+1] Employees are committed to the organisation [1] therefore they work harder/volunteer for the organisation [+1]	**4**	AO1–4

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
1(c)	**Describe how Emma and Luca used <u>two</u> stages of the enterprise process. Use an example from the case study to support each answer.** Identification of a stage of the enterprise process [1] Application to case study enterprise [+1] Answers may include: • identified the problem or need [1] for new activities at the youth centre [+1] • explored creative solutions [1] by suggesting new activities [+1] • (action) plan [1] was created before they started the research [+1] • implementing the plan [1] they each did their activities as listed [+1] • monitoring progress [1] Addison realised he had not completed some of the tasks assigned to him [+1] • evaluating successes and failures. [1]	**4**	AO1–2 AO2–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
2(a)(i) 2(a)(ii)	**As an Enterprise student, Emma knew the importance of planning.** **(a) Select the most appropriate word from the list below to complete each of the sentences about planning.** • **action** • **marketing** • **business** • **negotiation** **(i) The …… plan provides evidence when applying for a bank loan.** **(ii) The…… plan identifies the key stages when trying to reach an agreement.** **Business** [1] plan provides evidence when applying for a bank loan. **Negotiation** [1] plan identifies the key stages when trying to reach an agreement.	**2**	AO1–2
2(b)	**State <u>two</u> column headings usually included in an action plan, other than those shown in Table 1.** Each correct title [1] Answers may include: • start date/ /timings • completion date/ end date • monitoring/outcome/updates/progress of task.	**2**	AO1–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
2(c)	**Explain <u>two</u> ways that planning helped the operation of <u>your enterprise project</u>. Use examples to support each answer.** Identification of a way planning helped [1] Explanation showing understanding [+1] Application to own enterprise project [1] Answers may include: • avoided overspending [1] by sticking to the budget [+1] • helped us to gain finance [1] by indicating we could pay back loans [+1] • ensured everyone knew tasks that needed to be done [1] so we did not forget key activities [+1] • helped us keep track of who was completing each task [1] so it was easier to monitor progress. [+1] • meant no one person was overworked [1] split tasks in a fair way [1] • helped time management /keeping tasks on track [1] • helped me speak confidently [1] because I had anticipated every question. [+1] Example: Know what to do and by when [1] so time management improved [+1]and the cupcakes were produced in time for the summer fair. [1]	**6**	AO1–2 AO2–2 AO3–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
3(a)	**Define the term *market research*.** Precise definition [2] Partial definition showing some understanding [1] Answers may include: • the process of collecting, collating and analysing data about customers, (competitors or the market) [2] • the process of collecting data on the buying habits of actual and potential customers [2] • collecting information about customers/the market. [1]	**2**	AO1
3(b)	**Explain one advantage of a survey as a method of research for Emma.** Identification of an advantage [1] Explanation showing application to the case study. [+1] Answers may include: • may be face-to-face so complicated questions can be explained [1] such as why they are asking about tennis and a film club [+1] • a quick method of research [1] as Emma could ask people to tick if they would like the tennis or film club activity [+1] • large numbers of people can be asked [1] by placing the surveys at the entrance to the youth centre [+1] • up to date [1] • information comes directly from the people asked [1] • specific information that the enterprise.[1]	**2**	AO1–1 AO2–1

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
3(c)	**Explain <u>one</u> reason why it is important for Emma to choose the correct method of research.** Identification of a reason [1] Explanation showing understanding [+1] Application to case study. [1] Answers may include: • avoid bias in/accurate method • collect the information she needs/large enough sample • cannot afford to complete extra research • results will be used to make decisions on price • she needs to know a market to target/helps her understand preferences. Example: An incorrect method means results could be biased [+1] and Emma will make poor decisions. [1] As a result the activities may not be popular/waste money. [+1] To collect a large enough sample [1] to make an accurate estimation of the number of people [+1] who want tennis lessons or a film club. [1]	**3**	AO1–1 AO2–1 AO3–1

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
3(d)	**Explain <u>one</u> action the youth centre charity could take to retain its existing customers.** Identification of an action [1] Explanation showing understanding [+1] Application to youth centre charity [1] Answers may include: • deal with complaints quickly • offer good customer service • provide new products/services • offer loyalty rewards/lower prices for returning members. Example: Offer new services [1] such as the film club [1] which will encourage young people to visit the youth club each week (to see new films). [+1]	**3**	AO1–1 AO2–1 AO3–1

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
4(a)	**Define the term *break even*.** Precise definition [2] Partial definition showing some understanding. [1] Answers may include: • the level of output/production where the total revenue equals total costs [2] • the enterprise (business) is making neither a profit nor a loss [2] • **total** revenue/sales equals **total** costs [2] • when revenue minus costs equals zero/when revenue equals costs [1] • income/revenue **covers** costs [1] • correct method to calculate. [1]	**2**	AO1
4(b)(i)	**Calculate X in Table 2.** US$10 multiplied by 26 films = US$260 [1]	**1**	AO2
4(b)(ii)	**Calculate, using Table 2 and your answer to (b)(i), the number of film club tickets Luca needs to sell to break even. Show your working.** Tickets per year = 512 [4] 511.11/511 [3] If the total is incorrect marks can be awarded as follows: • 460/(100-10) [3] **OR maximum of 2 marks for:** • Fixed cost 460 (200+ 260) [1] OFR applies • Contribution = 90c/(100-10 cents) [1] • FC/(P-VC) [1]	**4**	AO1–1 AO2–1 AO3–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
4(c)	**Explain whether Emma and Luca were correct that fixed costs would be lower for the film club activity.** • No fixed costs are more expensive for film club because Luca forgot to include the cost of renting films [3] **OR** • Film club fixed cost is 190 more expensive (excluding costs of tickets) [3] • calculation of difference in costs (OFR applies) Film Club 460 – 270 **OR** 190 [2] • total costs for tennis lessons US$ 270 **or** 200+10+60 [1] • total costs for Film club US$ 200+ 260 [1] OFR applies. • no because some costs were missed. [1]	**3**	AO1–1 AO2–2

Question	Answer	Marks	Guidance
5(a)	**State <u>two</u> external stakeholders in an enterprise.** 1 mark per correct stakeholder. Answers may include: • banks/financiers • competitors • customers • suppliers • government • (local) community.	**2**	AO1–2

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
5(b)	**Explain <u>one</u> advantage of communicating face-to-face with stakeholders. Use an example from <u>your enterprise project</u> to support your answer.** Identification of an advantage [1] Explanation showing understanding [+1] Application to own enterprise [1] Answers may include: • non-verbal communication can be observed • questions can be asked/solve doubts immediately • can be more persuasive/develop rapport developed • immediate feedback (see example below) • cost effective**.** Example: When I spoke to the customers as they tasted the cake samples [1] I could see from their faces if they liked the taste of the cakes [1] which allowed me to adjust the recipe. [+1]	**3**	AO1–1 AO2–1 AO3–1

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
5(c)	**Explain <u>one</u> disadvantage of communicating with stakeholders by email. Use an example from <u>your enterprise project</u> to support your answer.** Identification of a disadvantage. [1] Explanation showing understanding [+1] Application to own enterprise [1] Answers could include: • cannot see facial expressions/may be misinterpreted • could go to the wrong email address/spam folder • receiver may not pick up the email/delay in reading • may not have evidence of if the email was received. Example: I sent an email to the supplier for cupcake cases [1] but I wrote the email address incorrectly [1] therefore we did not receive our order in time to bake for our stall. [+1]	**3**	AO1–1 AO2–1 AO3–1

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
5(d)	**Explain how you used <u>one</u> document in a meeting as part of <u>your</u> <u>enterprise project.</u>** Identification of a document [1] Explanation showing how it was used in their enterprise. [+1] Answers may include: • agenda • minutes (of previous meeting) • notice of meeting • action plan • business plan • handouts/ slides of presentation/ financial documents. Example: We used a business plan [1] to prove to the principal that we could afford the US$ 50 loan. [+1]	**2**	AO1–1 AO2–1

© Cambridge University Press & Assessment 2024

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(a)</td><td>
Enterprising people have many attributes, characteristics and learned skills. These include:
• determination to succeed
• practical skills
• problem-solving
• taking the initiative.
Discuss how Emma used any <u>two</u> of these skills in the organisation of her ideas.

<table>
<tr><td>Level</td><td>Description</td><td>Mark</td></tr>
<tr><td>3</td><td>Good analysis consistently applied to the case study
Demonstrates good knowledge of concepts</td><td>8–10</td></tr>
<tr><td>2</td><td>Some analysis supported by good application to the case study
Demonstrates knowledge of concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study
Demonstrates knowledge of concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
Knowledge may include:
• Identification /description of any enterprise skill from syllabus topic 3.1 such as: time management, (self) confidence, resourcefulness, innovation, taking risks, taking responsibility, creativity and perseverance.

Phrases which demonstrate some analysis may include:
Emma did not give up she showed a determination to succeed when Addison rejected her idea/ lists of the activities completed.
</td><td>10</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
6(a)	**Phrases which demonstrate good analysis will explain the impact of these skills. These may include**: Emma did not give up as she showed a determination to succeed when Addison rejected her idea. She organised further research to prove that the tennis lessons and film clubs could be funded.		

© Cambridge University Press & Assessment 2024

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>6(b)</td><td>If Luca and Emma organise either tennis lessons or the film club, they will need to produce marketing communications. The methods they choose will need to be appropriate to inform existing members and attract new members to the youth centre.
Possible methods could include:
• local cinema advertisements
• posters
• social media
• sponsorship of a sports team.
Evaluate which <u>two</u> of these methods would be most appropriate for the youth centre charity. Justify your choice.
<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present
Good analysis applied consistently to the case study. Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr>
<tr><td>3</td><td>Good analysis applied consistently to the case study is leading to evaluation.
Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr>
<tr><td>2</td><td>Some application to the case study supported by some analysis
Demonstrates knowledge of relevant concepts.</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to the case study
Demonstrates some knowledge of relevant concepts.</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table></td><td>15</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
6(b)	**Knowledge may include:** • description of the methods listed or alternative methods • listing types of social media/ sponsorship. **Phrases which demonstrate some analysis may include:** • explanation of the costs /benefits of the methods • posters in the youth centre would attract the attention of the intended audience which is local youth. **Phrases which demonstrate good analysis will show why this is a point to consider and may include:** Posters in the youth centre would attract the attention of the intended audience and therefore members would sign up for the new activities. **Evaluation maybe shown by a two-sided approach considering the benefit and negative aspects of each choice:** Posters maybe destroyed by the weather if placed outside therefore the centre would not gain any new members. [L3] However if the posters are placed inside the youth centre the target audience would find out about the new activities and may sign up. [L4]		

© Cambridge University Press & Assessment 2024

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(a)</td><td>
Enterprises have different objectives, each of which will affect how the enterprise operates.

These include:
• having a positive cash flow
• achieving growth
• maximising sales revenue
• ensuring survival.

Analyse how <u>two</u> objectives affected, or could have affected, the operation of <u>your enterprise project.</u>

<table>
<tr><th>Level</th><th>Description</th><th>Mark</th></tr>
<tr><td>3</td><td>Good analysis consistently applied to their own enterprise experience.
Demonstrates good knowledge of concepts</td><td>8–10</td></tr>
<tr><td>2</td><td>Some analysis supported by good application to their own enterprise experience.
Demonstrates knowledge of concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to their own enterprise experience.
Demonstrates knowledge of concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
Knowledge may include:
• explanation of the meaning of the objectives
• identification of another objective
• calculation methods for revenue or cashflow.
</td><td>10</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
7(a)	**Phrases which demonstrate some analysis may include:** • Maximising sales revenue was important in our candle enterprise, so we needed to attract more customers. We therefore used a lot of advertising. • By achieving positive cashflow in our candle enterprise we had the resources to buy more raw materials. **Phrases which demonstrate good analysis will the impact of this action on the enterprise. These may include**: Maximising sales revenue was important in our candle enterprise, so we needed to attract more customers. We therefore used a lot of advertising. This increased our costs and therefore increased cash outflow and reduced profits.		

© Cambridge University Press & Assessment 2024

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>7(b)</td><td>
Evaluate how <u>two</u> laws or regulations affected, or could have affected, <u>your enterprise project</u>. Use examples to support your answer.
<table>
<tr><td>Level</td><td>Description</td><td>Mark</td></tr>
<tr><td>4</td><td>Clear reasoned evaluation is present
Good analysis applied consistently to their enterprise
Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr>
<tr><td>3</td><td>Good analysis applied consistently to their enterprise is leading to evaluation
Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr>
<tr><td>2</td><td>Some application to their enterprise supported by some analysis
Demonstrates knowledge of relevant concepts</td><td>4–7</td></tr>
<tr><td>1</td><td>Limited application to their enterprise
Demonstrates some knowledge of relevant concepts</td><td>1–3</td></tr>
<tr><td>0</td><td>No creditable response</td><td>0</td></tr>
</table>
Knowledge may include:
• identification/description of laws or regulations.

Phrases which demonstrate some analysis may include:
Health and safety regulations meant I had to purchase plastic gloves to use when making the sandwiches.
</td><td>15</td><td>The grade descriptions describe performance at the top of the band.</td></tr>
</table>

© Cambridge University Press & Assessment 2024

Question	Answer	Marks	Guidance
7(b)	**Phrases which demonstrate good analysis will show why this is a point to consider and may include:** Health and safety regulations meant I had to purchase plastic gloves to use when making the sandwiches. This increased my costs and meant that my profit margin per sandwich was much lower. **Evaluation maybe shown by a two-sided approach considering the benefit and negative aspects of each choice:** School regulations said we had to have a low price for cupcakes [L2] this meant the profit per cupcake was low. [L3] However we sold more cupcakes because they were low-priced therefore total profit was higher than expected. [L4]		

© Cambridge University Press & Assessment 2024