Cambridge IGCSE®

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

ENTERPRISE **0454/01**

Paper 1 **For examination from 2020**

SPECIMEN PAPER **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 **12** pages. Blank pages are indicated.

Section A

Answer **all** questions.

1   **(a)** Describe the term 'enterprise'.

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.... [2]

(b) Explain **two** of the six stages in the enterprise process. Use examples from **your enterprise project** to support your answer.

1: ....

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2: ....

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.... [6]

[Total: 8]

2 A PEST analysis helps to identify the risks of an enterprise.

(a) Identify what each of the letters in PEST stands for.

P: ....

E: ....

S: ....

T: .... [3]

(b) Explain how you managed **two** risks during **your enterprise project**, and include the outcome of your actions.

Risk 1: ....

....

Action: ....

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Outcome: ....

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Risk 2: ....

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Action: ....

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Outcome: ....

.... [6]

[Total: 9]

3 Aiyana knew that she needed to plan carefully and to use appropriate language in her negotiation.

(a) Define the term 'negotiation'.

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.... [2]

(b) Identify **three** points that should be considered when planning a negotiation.

1: ....

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2: ....

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3: ....

.... [3]

(c) Aiyana negotiated formally with her family for the fruit.

Explain why the language in a negotiation should be different from language used with friends. Use an example from **either** The Fruit Drinks Enterprise **or** your enterprise project to support your answer.

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.... [6]

[Total: 11]

4 Ezequiel produced a budget for the fruit drinks.

   (a) Define the financial terms:

   (i) 'contribution'

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   .... [2]

   (ii) 'break-even'

   ....

   .... [2]

   (iii) 'deficit'

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   .... [2]

   (b) Explain **two** possible effects on **The Fruit Drinks Enterprise** of not keeping accurate financial records.

   1: ....

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   2: ....

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   .... [6]

[Total: 12]

5 The friends had not thought about their marketing communications.

(a) Explain **two** ways that marketing communications benefited **your enterprise project** and/or its customers.

1: ....

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2: ....

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.... [4]

(b) Explain **one** advantage and **one** disadvantage for **The Fruit Drinks Enterprise** of advertising using social media.

Advantage: ....

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Disadvantage: ....

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.... [6]

[Total: 10]

Section B

Answer **all** questions.

6 **(a)** Aiyana's family were willing to offer trade credit.

Discuss the advantages and disadvantages to **Aiyana's family** of offering trade credit to the new enterprise.

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.... [10]

(b) The three friends, Aiyana, Ezequiel and Harley, used many enterprise skills to ensure the success of their enterprise.

Evaluate the importance of the enterprise skills shown by the three friends to the success of **The Fruit Drinks Enterprise**.

You should consider a maximum of three skills in your answer.

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[Total: 25]

7 Now consider your enterprise project.

(a) Discuss the successes and failures of **your enterprise project** in meeting the needs and wants of your customers.

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(b) Evaluate the effectiveness of the different methods of market research that were or could have been used to ensure the success of **your enterprise project**.

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[Total: 25]