

ENTERPRISE

Paper 0454/01
Case Study

Key Messages

This examination requires candidates to apply the concepts, skills and terminology that they have learnt to familiar and unfamiliar enterprise problems. It is a data-based paper focused around a pre-issued case study. In preparation for the examination candidates should be encouraged to apply the issues raised by the case study to their own enterprise project experience, in order to explain and make effective judgments relating to the issues identified.

It is important to remind candidates that they must carefully read questions to identify the focus for the answer. Frequently candidates write their comments based upon their general knowledge when the question specifies that it is the effect on the business identified in the case study or their own enterprise that should be discussed. It is vital that candidates read the stem of the question and identify the correct focus for their answer if they are to maximise marks.

In **Section A** questions, candidates need to provide clear definitions and short explanations applied to the operation of an enterprise.

In **Section B** questions, candidates can improve upon discussion by examining both the positive and negative aspects before reaching a conclusion. To gain the maximum marks in this section of the paper, candidates must apply their answers to the enterprise identified in the stem of the question, which will be either that in the case study or their own enterprise project.

General Comments

Many Centres and candidates had clearly prepared well for the examination and strong knowledge of the concepts outlined in the syllabus was shown throughout the paper. There were many chances within the paper for candidates to use their own experience of running an enterprise and to make evaluative judgments, especially in **Section B** questions. Strong candidates took such opportunities. Many candidates answered questions without reference to the case study material or their own enterprise. Responses need to be applied to access higher level marks.

There was strong evidence that some candidates did not read questions carefully enough. Consequently the focus of the answer was often misplaced and application marks could not be awarded.

Candidates can improve on their understanding of why enterprises produce documentation, especially business plans and financial documents. Answers to **Questions 4(b), 6(a) and 6(b)** showed that candidates would benefit from further clarity as to the use of such documentation by enterprises.

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Provide precise definitions.
- Use the case study material prior to the examination to identify issues and actions taken by the enterprise outlined. Attempts should be made to apply such issues to the candidate's own enterprise experience.
- Pay careful attention to the wording of questions, particularly the focus required for any application.
- Within **Section B** questions, attempt to look at both the positive and negative aspects of the subject wherever possible before reaching a conclusion.

Comments on Specific Questions

Section A

Question 1

- (a) Many candidates were aware of the concept of Enterprise. Candidates needed to expand their answers beyond general business descriptions in order to gain full marks.
- (b) Candidates were clearly aware of a number of objectives of an enterprise.
- (c) The strongest answers identified the needs of either Wynton in part (i) or his potential customers in part (ii), explained the actions that the entrepreneur took to fulfil that need and how the actions met the needs identified. Many candidates gained marks in each part. The strongest candidates were able to give examples of actions taken by the entrepreneur.

Question 2

- (a) A generally well-answered question. The majority of candidates were aware of two features of a sole trader organisation. A significant number identified a feature without explanation, or discussed the advantages of this type of organisation rather than the features which distinguish it from other business structures.
- (b) Candidates would benefit from more preparation in this aspect of the syllabus to increase the confidence of their answers. The majority of successful candidates identified unlimited liability and lack of available funds. Only the most able candidates attempted to explain why these were disadvantages.

Question 3

- (a) Candidates were aware of the terms but needed to explain how having such skills would help an entrepreneur to succeed. A common error was to explain the importance of having a number of people available to delegate tasks to, rather than the skill of team-building.
- (b) This question was not well answered, few candidates were able to identify the correct response.
- (c) The strongest candidates identified a potential risk in their enterprise, explained the action they took to reduce that risk and the impact that their action had. Many successful candidates explained how the risks of low sales or health and safety were dealt with. Candidates needed to focus on the risk element of the question rather than simply describe situations faced during their enterprise experience.

Question 4

- (a) A large number of candidates struggled to give precise definitions of these terms. Short-term planning involving a short period of time being a common response, but these candidates were often able to gain limited marks by including relevant examples.
- (b) Candidates were aware of the elements that should be included within a business plan but only the most able could explain how this document would assist their own enterprise. The most successful provided practical examples as to how completing an element of the plan had helped their enterprise. A common answer given by successful candidates was that preparing the budgets in advance helped the enterprise to gain the necessary finance, because it showed investors that the enterprise could be profitable.

Question 5

- (a) Many candidates would benefit from a clearer understanding of these terms, in order to give clear and precise definitions. Many candidates were only able to gain marks by providing relevant examples of both internal and external stakeholders.
- (b) The strongest answers to this section of the question clearly identified a communication method, explained how that method was used within their own enterprise and then evaluated the success, or not, of the method. Candidates needed to apply their discussion to communications used within their own enterprise project, rather than discuss the effectiveness of communication methods in general terms.

Section B

Questions in this section of the paper require application to the enterprise specified in the question, in order to score highly. A number of candidates did not apply their answer to the enterprise identified in the stem of the question and therefore could not be awarded marks above Band 1. Candidates achieved higher marks in **Question 6(a)**, which required application to their own enterprise experience. **Questions 6(b)** and **7(b)** each required candidates to explain and evaluate the importance/use of specific documents identified in the case study material for the enterprise outlined. The most successful candidates were very familiar with the concepts identified.

Question 6

- (a) The strongest candidates identified the financial records that were kept by their enterprise and then provided a clear analysis of the reasons for their importance. This was often presented through an explanation of how the records would be used in the enterprise or the issues that would arise if such records were inaccurate. A number of candidates provided detailed descriptions of financial records such as the cash flow forecast, for limited marks, rather than explain the importance of accuracy for their own enterprise.
- (b) This area of the syllabus was well understood by many candidates. Many candidates applied their knowledge of cash flow to the operation of this new enterprise. The strongest candidates identified problems with cash flow as identified in the case study, for example that cash would be required to purchase the necessary spare parts. Such answers then explained how a lack of cash could harm the new enterprise's ability to operate. Other candidates displayed knowledge of the concept but did not apply that knowledge to the case study material. A number of candidates confused cash flow with either break even or profit.

Question 7

- (a) This was a topic area that was not well understood by many candidates. The question required candidates to link the stages of the model of negotiation, as identified in the case study, to a specific example of a negotiation that they had experienced. The strongest candidates used the negotiation that they had completed as part of their enterprise project as an example for their answer. Such candidates were able to give specific examples of the preparation that they had undertaken, explain how this had informed their discussion and led to a successful outcome. Other candidates identified an example of negotiation but made no further reference to that negotiation, and gained limited marks.
- (b) Marketing is a topic area that is well understood by the majority of candidates. Candidates frequently provided detailed lists of the advantages and disadvantages of each of the marketing methods identified in the stem of the question. A small but significant number identified and explained a variety of other methods of marketing which were not relevant to this question. Marks could have been improved had the candidates made more effective use of the case study material to apply their answer to the issues faced by Wynton's enterprise.

ENTERPRISE

Paper 0454/02
Coursework

Key messages

- To score top marks, candidates must provide relevant evidence of all activities for each task
- Activities requiring demonstration of practical enterprising skills were done well
- Activities which required candidates to show analysis and evaluation skills (AO3) needed to contain more explanation and supporting evidence
- Whilst candidates can undertake group projects, all the reports and documents submitted must be each candidate's own work and not a collaborative effort.

General comments

Candidates carry out their own enterprise project either on their own or as a member of a group. Candidates are required to complete four tasks, each of which requires candidates to provide a range of material as evidence. Specific details of course requirements are clearly stated in the syllabus. Candidates need to ensure they provide evidence for all elements of each task, or this will limit the potential number of marks that they can score.

Candidates were well advised in their choice of suitable projects. Most candidates are able to use appropriate enterprising techniques to gather the evidence required for each task. It is important to highlight that whilst candidates can undertake group projects, all the reports, presentations and documents they produce must be each candidate's own work and not a collaborative effort. Any work produced jointly by candidates cannot be credited.

Overall, many Centres awarded analysis and evaluation generously. A simple bullet point list or table, without any accompanying explanation, is not sufficient as analysis. For candidates to access the higher mark bands they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

For Task 1, candidates were required to submit a formal report. Most candidates did use the correct format. For the report, better performing candidates were able to communicate the process and outcome of their investigations when choosing their project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. There was good evidence of higher order skills of analysis and evaluation within the better reports. Others needed to develop more detailed explanations to say why they had chosen one option over other possible alternatives, rather than just stating their choice.

For Task 2, candidates were required to present evidence of business planning. All candidates were required to produce an Action Plan, and evidence of either financial planning or marketing communication. Some candidates omitted evidence for at least one element of this task. Others included evidence of both options, which was unnecessary. It should be noted that the presentation must relate to their chosen option.

Many good responses identified and explained relevant issues that they had to address as part of their planning and the reasons behind their decisions. Others needed to develop more detailed explanations in order to achieve high marks. For example, candidates could explain why certain tasks in the Action Plan were given to a specific individual, how monitoring would be undertaken and reasons behind the choice of their marketing communications or financial options. All candidates need to provide detailed explanations for all parts of the task, in order to show a 'very good ability to analyse information'.

For Task 3, candidates were required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. Not all candidates provided evidence of both elements. Better candidates were well prepared to carry out this practical task.

For Task 4, candidates were required to produce a formal report. It was pleasing to see that most used an appropriate layout. In terms of content, candidates do not need to comment on all four areas. If marketing communications is selected, they should focus on this aspect alone rather than discuss general marketing issues such as market research or pricing. As candidates are only required to submit a 1000 word report, having a clear focus is essential. Candidates are being rewarded for the depth of their analysis and evaluation. If candidates cover all areas they will not be able to discuss and validate their findings in sufficient detail to gain the higher level marks.

A number of candidates focused on what they did, rather than analyse and make judgements about the effectiveness of their chosen areas. A brief list of what was done does not show the analytical skills required by this task. Better candidates did attempt to consider the implications of points identified, which should be encouraged. The majority of candidates were able to make simple conclusions and recommendations about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions, which they need to do to merit a higher mark.

Generally the level of annotation on the work was limited. It would assist the external moderation process if the Centres pinpoint where candidates have demonstrated the relevant assessment criteria. For example writing AO1, AO2 and AO3 or comments such as 'good analysis' at appropriate points in the work would be helpful.

It is very important that all coursework is submitted on time, to ensure the moderation process is not unduly delayed.