



**Cambridge International Examinations**  
Cambridge International General Certificate of Secondary Education

CANDIDATE  
NAME

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NUMBER

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**ENTERPRISE**

**0454/01**

Paper 1

**May/June 2014**

**1 hour 30 minutes**

Candidates answer on the Question Paper.

No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

**DO NOT WRITE IN ANY BARCODES.**

Answer **all** questions.

Each candidate should have received a copy of the case study prior to the examination.

A clean copy of the case study has been provided with this Question Paper.

The businesses described in this Question Paper are entirely fictitious.

**Your answers must be based on the case study and your own enterprise experience and knowledge.**

**Candidates who do not follow this instruction will be penalised.**

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **13** printed pages, **3** blank pages and **1** Insert.

Answer **all** the questions.

**Section A**

1 Wynton had really enjoyed his Enterprise lessons at school.

(a) What is meant by *Enterprise*?

.....  
.....  
.....  
..... [2]

(b) State **two** business objectives of an enterprise.

1 .....

.....

2 .....

..... [2]

(c) Explain **how** Wynton made sure that his bike servicing and repair enterprise:

(i) meets his own needs and wants

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(ii) meets the needs and wants of potential customers

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[6]

**[Total: 10]**

2 Wynton decided to organise his enterprise as a sole trader.

(a) Describe **two** features of a sole trader.

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2 .....  
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..... [4]

(b) Explain **two** disadvantages of setting up an enterprise as a sole trader.

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2 .....  
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..... [4]

[Total: 8]

3 Wynton was determined to succeed, even though he knew that there was a high risk that his proposed enterprise idea might fail.

(a) Explain **one** way in which the following entrepreneurial skills might help to make an enterprise successful:

(i) determination to succeed

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(ii) team-building

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[4]

(b) Some entrepreneurs are risk optimisers. State the **two** other approaches to dealing with risk.

1 .....

2 .....[2]

(c) Explain how **two** risks were dealt with in **your** enterprise project.

1 .....

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2 .....

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.....[6]  
**[Total: 12]**

4 Wynton knew from his Enterprise lessons that he should produce a business plan.

(a) Using examples, explain the difference between short-term planning and long-term planning.

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..... [4]

(b) Explain **two** ways that producing a business plan might have helped **your enterprise project** to be successful.

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2 .....

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..... [6]

[Total: 10]

5 Effective communication with stakeholders, both internal and external, is important for any enterprise.

(a) Define the following terms, giving an example of each:

- internal stakeholder

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- external stakeholder

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[2 x 2]

(b) Discuss the effectiveness of communication carried out during **your enterprise project**.

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[6]

[Total: 10]





**Section B**

Answer **all** the questions.

**Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 6(a).**

**6 (a)** Wynton thought it was important to plan the finances of his enterprise.

How important do you think it was to keep accurate financial records for **your enterprise project**? Discuss the reasons for your opinion. [10]

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Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 6(b).

- (b) Angela had cash flow difficulties when she started her market stall, although she had calculated that it would be a profitable enterprise.

Discuss the importance of cash flow to the success of Wynton's bike servicing and repair enterprise. [15]

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[Total: 25]

[Turn over







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**[Total: 25]**

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