

ENTERPRISE

Paper 0454/11
Case Study

Key Messages

This examination requires candidates to apply the concepts, skills and terminology that they have learnt, and practiced during their enterprise experience, to familiar and unfamiliar enterprise problems as outlined in the case study material. Many candidates were unable to demonstrate in explicit detail the use and effectiveness of their own enterprise experience.

The most successful candidates had clearly experienced all aspects of the syllabus through direct application to their own enterprise experience. Such candidates were able to provide detailed examples to support their answers. Centres should be advised that a lack of practical experience has a detrimental effect on the quality of response produced by the candidate and therefore their overall mark.

The pre-released case study identifies a number of entrepreneurial terms and issues. Candidates who examine the case study and applied the issues raised to evaluate their own enterprise experience were prepared for the application required in many questions.

General Comments

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 are advised throughout **Section B** questions that they should use their own enterprise experience and knowledge to answer these questions. The stem of the question then specifies whether the candidate should build their answer using examples from their own enterprise experience or the enterprise outlined in the case study. The strongest answers focus completely upon the specified enterprise rather than using examples from a variety of different enterprises.

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

- Use the case study material prior to the examination to clarify terminology, identify issues and actions taken by the enterprise outlined. Attempts should be made to apply such issues to the candidates' own enterprise experience.
- Pay careful attention to the wording of questions, particularly the focus required for any application.
- Within **Section B** questions, candidates would benefit from guidance and further practice in structuring answers to illustrate evaluation.

Comments on Specific Questions

Section A

Question 1

- (a) (i) Candidates had good knowledge of this concept and offered a variety of relevant examples. A small number of candidates offered commercials as an answer. On its own this was insufficient, as the candidate could have been referring to television or radio commercials, each of which were valid answers.

- (ii) Candidates were clearly aware of the advantages and disadvantages of each of the methods they had chosen. A small number of candidates did not read the question carefully and offered only one advantage and disadvantage rather than the required two of each.
- (b) Candidates clearly understood the concept.
- (c) This aspect was not well understood. A number of candidates described a partnership, franchise, or occasionally, a computer network.

Question 2

- (a) A generally well-answered question. The majority of candidates were aware of the content as outlined in topic 4.1 of the syllabus. A number of candidates stated 'a need' and 'a rise in demand in the market'; these points are not sufficiently different and so could not be credited as separate points.
- (b) Candidates were not as confident in this aspect of the syllabus. Only the most able candidates were aware of the ways as outlined in topic 1.2 of the syllabus. A number of candidates described working from home rather than ways of being enterprising.
- (c) The strongest answers identified an entrepreneur by name, identified a skill and then gave a relevant example to show how this skill had affected the operation of their enterprise. Where the entrepreneur was not identified it was difficult for the Examiner to see how the skill had been used. Such answers gained limited marks.

Question 3

- (a) Candidates were aware of the terms and provided relevant examples but struggled to explain precisely the difference between the two. A mistake made by many candidates was to identify primary research as research collected 'on your own'. A small number of candidates described the advantages and disadvantages of each type of research. This was not required and gained no credit.
- (b)(i) This question gave candidates the opportunity to use an example from their own enterprise experience. Most candidates were able to explain how this research was used to assist their enterprise and gave very detailed examples based around surveys and interviews.
- (ii) Candidates were not familiar with the variety of methods of secondary research available. It was clear that many candidates had not made effective use of secondary research within their enterprise experience. A large number of answers correctly identified the Internet as a secondary source but only the strongest candidates could give an example of how this source was used to help their own enterprise.

Question 4

- (a) Although the methods suggested to deal with complaints were identified, candidates struggled to elaborate. A large number of answers provided a list of methods of recompense to customers, rather than identifiably different actions as outlined in the mark scheme.
- (b) The strongest answers used the case study to identify a piece of evidence to explain why customer retention was of particular importance to this new small enterprise. The case study identified a number of such points that candidates could utilise. Weaker answers explained why falling sales is a problem for enterprises and the effect on profit, but did not illustrate any connection to customer retention. Such answers gained limited marks.

Question 5

- (a) The term was clearly understood and many candidates gave clear and precise definitions. The majority of candidates struggled to explain why cash flow is important to an enterprise. A very small number of candidates confused cash with profit.

- (b) The strongest answers to this section of the question clearly explained problems candidates had experienced in their enterprise experience as a result of their own poor record keeping. Such answers showed that the candidates had a clear idea of the purpose of each of the financial documents. It was clear that a large number of candidates were unaware of the purpose of financial documentation.

Section B

Questions in this section of the paper require application to be focussed on the enterprise specified in each question stem, 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 gained limited marks. **Question 6** required applications to MM newsletter and **Question 7** to the candidate's own enterprise experience. The most successful candidates in this section were clearly familiar with the case study material.

Question 6

- (a) The vast majority of candidates were able to demonstrate knowledge of a business plan; many struggled to apply this knowledge to MM Newsletter as an enterprise. The most successful candidates identified a problem within the case study such as the printer breakdown, or the need for a bank loan, and explained how the plan would have helped in these situations. A large number of candidates mistakenly only described the use of a plan in their own enterprise experience. Answers that did not focus on the case study enterprise gained limited marks.
- (b) A number of candidates were able to demonstrate good knowledge of partnerships, sole traders and limited companies. The strongest candidates identified problems within the case study, such as Mia's arranging a loan without Mzengi's approval, and used these to justify why a partnership was a benefit or risk for the partners. An alternative organisational structure was then analysed. The instruction to evaluate was missed by many candidates.

Question 7

- (a) This was a topic area that was not fully understood by many candidates. Candidates demonstrated little knowledge of the negotiation process. A number of candidates confused their presentation, which formed part of Task 2 of the coursework, with their negotiation completed as part of Task 3. Such candidates were only able to explain stage one of the negotiation process, planning. It is suggested that Centres ensure that this topic area is covered thoroughly.
- (b) Methods of communication are clearly well understood by the majority of candidates. Candidates frequently provided detailed lists of the various methods of communication or the differences between internal and external communications. Such answers gained limited marks. The stronger candidates provided examples of the methods used within their enterprise experience. Even the most able struggled to focus on the question set and explain the effectiveness, or not, of the communications they used within their own enterprise experience. Evaluation was seen in very few answers.

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Paper 0454/12
Case Study

Key Messages

This examination requires candidates to apply the concepts, skills and terminology that they have learnt, and practiced during their enterprise experience, to familiar and unfamiliar enterprise problems as outlined in the case study material. Many candidates were unable to demonstrate in explicit detail the use and effectiveness of their own enterprise experience. There was some evidence that candidates had not completed all of the aspects of the enterprise experience as required for the coursework elements of the syllabus. Centres should be advised that a lack of practical experience has a detrimental effect on the quality of response produced by the candidate and therefore their overall mark.

The pre-released case study identifies a number of entrepreneurial terms and issues. Candidates who examine the case study and apply the issues raised to evaluate their own enterprise experience will be prepared for the application required in many questions.

General Comments

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 are advised throughout **Section B** questions that they should use their own enterprise experience and knowledge to answer these questions. The stem of the question then specifies whether the candidate should build their answer using examples from their own enterprise experience or the enterprise outlined in the case study. The strongest answers focus completely upon the enterprise specified rather than giving examples from a variety of different enterprises.

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

- Use the case study material prior to the examination to clarify terminology, 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, candidates would benefit from guidance and further practice in structuring answers to illustrate evaluation.

Comments on Specific Questions

Section A

Question 1

- (a) (i) Candidates had good knowledge of this concept and many obtained at least one of the two marks available. Weaker answers focussed solely on general ideas such as 'success' and 'becoming famous'.
- (ii) Generally well answered, 'competition' and 'raising finance' were frequent responses.

- (b) The strongest answers identified a risk, explained the actions that the candidate took in their own enterprise and explained the effect that this action had upon the identified risk. Weaker answers identified general problems that had occurred rather than potential risks. A small number of candidates did not read the question carefully and offered only one example rather than the required two.

Question 2

- (a) A generally well-answered question. A small number of candidates gave 'profit' which was an excluded answer as it was stated in the question stem.
- (b) Candidates were not as confident in this definition. Only the most able candidates were aware of the precise meaning of the term. A very small number of candidates correctly identified profit as total revenue minus total costs.
- (c) A large number of candidates were aware of the meaning of this term. Only the strongest candidates were able to explain the positive or negative effects that being ethical might have on an enterprise. Weaker answers confused ethics with legislation or good customer service. It is suggested that Centres ensure that this area of the syllabus is covered thoroughly.

Question 3

- (a) Both parts (i) and (ii) were generally well-answered.
- (b) The question gave candidates the opportunity to use an example from their own enterprise experience, or research, to illustrate the purpose of business plans. The vast majority of candidates demonstrated knowledge of business plans but were not able to explain the usefulness of this type of planning to a new enterprise.

Question 4

- (a) A large number of candidates were not able to identify more than one appropriate source.
- (b) Candidates lacked knowledge of this subject area and many were not able to offer appropriate institutions.
- (c) Although there were a number of very strong responses to this question, a number of candidates gave very general answers with no reference to their own enterprise experience. Such answers gained limited marks. The strongest candidates identified a method of informal and formal support, explained how they had used that support within their enterprise experience and then explained the overall impact of the support given. There was some confusion amongst candidates as to what constituted formal or informal support.

Question 5

- (a) The terms were generally understood by candidates.
- (b) The strongest answers to this question clearly explained the benefits to an enterprise of using the owners' savings rather than an alternative source of finance. A number of candidates did not focus their answers on the question set. Such candidates described general points about saving rather than explaining its benefits as a source of finance.
- (c) The strongest candidates identified an issue from the case study material, such as the need to establish this new enterprise, and then explained how marketing would assist this. A small number of candidates misinterpreted the question, explaining why arranging or organising is important for enterprises, rather than focussing on the marketing aspect.

Section B

Questions in this section of the paper require application to be focussed on the enterprise specified in each question stem, in order to score highly. A number of candidates did not apply their answer to the enterprise identified and gained limited marks. **Question 6(a)** allowed application to any enterprise the candidate had studied, including the case study enterprise. **Question 6(b)** required application to the case study enterprise, Kirsty's Designs, and **Question 7** to the candidate's own enterprise experience. The most successful candidates in this section were clearly familiar with the case study material and had attempted to apply the concepts identified within it to their own enterprise experience.

Question 6

- (a) It was clear that a number of candidates had made good use of the case study material before the examination to research legislation that could affect an enterprise such as Kirsty's Designs. Such candidates identified a regulation or law from two of the identified areas and gave an appropriate example to illustrate how this could affect the enterprise both positively and negatively. Weaker answers simply identified laws such as minimum age or health and safety legislation without application. A small number of candidates copied large amounts of material from the case study. The material copied was not used in any way and therefore gained no reward.
- (b) A number of candidates were able to demonstrate good knowledge of the variety of sources of finance open to a new enterprise. The strongest candidates identified aspects of the case study, such as Kirsty's business plan, to justify why a source of finance would be available or suitable. Weaker answers discussed inappropriate sources of finance for a small enterprise purchasing a computer, sources such as mortgages and venture capitalists. Some candidates gave 'own savings' as a source despite the instruction in the question to find an additional source.

Question 7

- (a) This was a topic area that was not fully understood by many candidates. Generally candidates demonstrated little knowledge of the processes involved in organising a successful meeting. The most successful candidates could clearly explain the use of documentation within one of their own enterprise meetings and how such documents assisted the process. It was clear that a number of candidates had no experience of using agendas and minutes within their own enterprise meetings.
- (b) Methods of marketing were clearly well understood by the majority of candidates. Candidates frequently provided detailed lists of the various methods of marketing they had attempted to use in their own enterprise experience. Candidates' answers would have been improved if they had explained the effectiveness of two of these methods in detail. This is one aspect of the syllabus that might have been attempted within Task 4 of the coursework. The strongest candidates explained the problems associated with their chosen methods such as posters being destroyed by rain or word of mouth being very time-consuming. Such candidates then suggested an alternative form of marketing that might have been more appropriate in their own situation. The best candidates were able to provide detailed answers and it was clear that they had engaged in a great deal of marketing throughout their enterprise experience.

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Paper 0454/13
Case Study

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The most successful candidates had clearly experienced all aspects of the syllabus through direct application to their own enterprise experience. Such candidates were able to provide detailed examples to support their answers. Centres should be advised that a lack of practical experience has a detrimental effect on the quality of response produced by the candidate and therefore their overall mark.

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Comments on Specific Questions

Section A

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- (ii) Candidates were clearly aware of the advantages and disadvantages of each of the methods they had chosen. A small number of candidates did not read the question carefully and offered only one advantage and disadvantage rather than the required two of each.
- (b) Candidates clearly understood the concept.
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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.
- Candidates must complete all tasks and sub-tasks in order to access the higher mark bands.
- **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

In this component of the exam, 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 candidates' 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 does not constitute 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. It was pleasing to see that 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. A number of candidates included a wall chart or leaflet which are not required as part of the 2015 syllabus.

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. A number of presentations related to their actual negotiations to obtain funding, which did not meet the descriptor for **Task 2**. Many candidates continue to include a Risk Assessment and Business Plan as part of their evidence, which are unnecessary.

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 high 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 delayed.