



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
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ENTERPRISE

0454/12

Paper 1

May/June 2016

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, 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.

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.

Section A

Answer **all** the questions.

1 The advisor told Ollie that his type of enterprise is called a social enterprise.

(a) Explain the term 'social enterprise'.

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

(b) State **two** other types of business organisation.

1

2[2]

(c) Explain **one** advantage and **one** disadvantage to **your enterprise project** of operating as your chosen type of business organisation.

Type of business organisation:

Advantage

.....
.....
.....
.....
.....

Disadvantage

.....
.....
.....
.....
.....
.....[6]

[Total: 10]

2 There are many different ways of being enterprising, which include:

- using technology for learning
- creating and developing
- making reasoned evaluations
- linking different kinds of learning.

(a) Explain how you have used **two** of these ways of being enterprising either at school or at home.

1

.....

.....

.....

2

.....

.....

..... [4]

(b) Ollie thought that new enterprises involved too much risk.

Explain the difference between a risk optimiser and a risk avoider.

.....

.....

.....

..... [2]

(c) Identify **two** methods that could be used to reduce risk.

1

.....

2

..... [2]

(d) Analyse the effectiveness of **one** method used in **your enterprise project** to reduce risk.

.....

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..... [4]

[Total: 12]

3 The advisor explained the importance of a business plan.

(a) Describe **two non-financial** pieces of information that would usually be included in a business plan.

1

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.....

.....

2

.....

.....

.....[4]

(b) Describe **two** reasons for an enterprise to draw up a business plan.

1

.....

.....

.....

2

.....

.....

.....[4]

[Total: 8]

4 (a) Explain the difference between the following terms:

(i) profit and loss

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

(ii) creditors and debtors

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

(iii) investment and savings.

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

(b) Explain the source of finance that would be **most** suitable for Ollie's Oils. Give reasons for your answer.

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

[Total: 10]

5 Before he could start the enterprise, Ollie would need to communicate with stakeholders in order to gain their agreement.

(a) Identify **two** possible stakeholders of an enterprise.

1

.....

2

..... [2]

(b) Identify and explain **two** methods of communication, other than email, that an enterprise can use to communicate with stakeholders.

1 Identify

Explain

.....

.....

2 Identify

Explain

.....

..... [4]

(c) Explain **one** problem Ollie could have faced when using emails to communicate with external stakeholders.

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..... [4]

[Total: 10]

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