



# Cambridge IGCSE™

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**ENTERPRISE**

**0454/11**

Paper 1

**May/June 2022**

**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 **16** pages. Any blank pages are indicated.

**Section A**

Answer **all** questions.

1 Guilleary was enterprising at school and she used some of the six stages of the enterprise process.

(a) Describe **two** ways of being enterprising at school.

1 .....

.....

.....

.....

2 .....

.....

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.....

[4]

(b) Explain **two** stages of the enterprise process. Use examples from the case study to support each answer.

Stage 1 .....

.....

.....

.....

.....

.....

Stage 2 .....

.....

.....

.....

.....

.....

[6]

[Total: 10]

2 Guilleary and her friends will negotiate with Mr Garcia in the future.

(a) State **two** stages in the negotiation process.

1 .....

2 .....

[2]

(b) Explain **one** objective Mr Garcia might have had in the negotiation.

.....

.....

.....

..... [2]

(c) Explain the possible effects of **two** aims on the activities of an enterprise.

Aim 1 .....

.....

.....

.....

Aim 2 .....

.....

.....

.....

[4]

(d) State **two** ways a decrease in government taxes may affect an enterprise.

1 .....

.....

2 .....

.....

[2]

[Total: 10]

3 Andreas thought that ordering the yearbooks from YB4U may be a risk.

(a) Define the term *risk*.

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

(b) Explain **one** risk involved in ordering the yearbooks from YB4U.

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

(c) Describe **one** way to reduce the risk of buying the yearbooks from YB4U.

.....  
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.....  
.....  
.....  
..... [3]

(d) Explain the effect of **one** legal obligation on **your enterprise project**. Use an example to support your answer.

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.....  
.....  
.....  
..... [3]

[Total: 10]

4 (a) Define the following terms:

(i) *Focus group* .....  
.....  
.....  
..... [2]

(ii) *Mystery shopper* .....  
.....  
..... [2]

(b) Explain **two** methods of marketing communications that would be suitable to persuade students to buy yearbooks.

Method 1 .....  
Explanation .....  
.....  
.....  
..... [3]

Method 2 .....  
Explanation .....  
.....  
.....  
..... [3]

[Total: 10]

5 The friends researched the price that students were willing to pay and the costs of producing each yearbook in Fig. 1.

(a) (i) Define the term *contribution*.

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

(ii) Calculate the contribution for each yearbook if they are printed in school. Show your working.

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

(iii) Calculate the break-even output if the yearbooks are printed in school. Show your working.

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

- (b) Table 5.1 shows the forecast income statement for the yearbook enterprise if the books were printed in the school and 96 students purchased them.

**Forecast Income Statement for Yearbooks**

	<b>US\$</b>
Total sales revenue	<b>A</b>
Cost of sales	432
<b>Gross profit</b>	<b>B</b>
Less expenditure on advertising	10
<b>Net Profit</b>	<b>C</b>

**Table 5.1**

Use the information in the case study and Table 5.1 to calculate the following amounts. Show your working where appropriate.

- (i) Amount **A**.

.....

.....

.....

..... [2]

- (ii) Amount **B**.

.....

..... [1]

- (iii) Amount **C**.

.....

..... [1]

[Total: 10]

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- (b) Guilleary and her friends identified two ways to produce their yearbook:
  - design and print the yearbooks at school
  - order the yearbooks from a company.

Evaluate which would be the better way for the yearbook enterprise. You should consider the benefits and costs of each way in your answer.

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