



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE
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ENTERPRISE

0454/01

Paper 1

October/November 2015

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 **14** printed pages, **2** blank pages and **1** Insert.

Section A

Answer **all** the questions.

1 Cameron thought that he did not have the personal attributes or entrepreneurial skills to run his own enterprise.

(a) Identify and explain **two** personal attributes or entrepreneurial skills needed to run an enterprise.

1 Identify

Explain

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2 Identify

Explain

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.....[4]

(b) Explain how you have used **two** personal attributes or entrepreneurial skills to help in the running of **your enterprise project**.

1

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2

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.....[4]

[Total: 8]

2 Cameron aims to run the enterprise in an environmentally-friendly manner.

(a) Explain how changes in taste and fashion might create opportunities for enterprise to arise.

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..... [2]

(b) What is meant by the term *the social impact* of an enterprise?

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..... [2]

(c) Explain **two** ways in which operating in an environmentally-friendly manner could affect how C&A Designs is run.

1

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[Total: 10]

3 The partners knew that a partnership agreement would reduce the potential risks involved.

(a) What is meant by a *partnership*?

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..... [2]

(b) Identify and explain **two** disadvantages of operating an enterprise as a partnership.

1 Identify
Explain
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2 Identify
Explain
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..... [4]

4 Following the meeting with the bank manager, Cameron contacted the local recycling company to negotiate a suitable price for the plastic water bottles.

(a) Identify and explain **two** written documents that are used in the organisation of a formal meeting.

1 Identify

Explain

.....

.....

2 Identify

Explain

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.....[4]

(b) Explain how **one** of the documents you have identified in part (a) could help the meeting with the local bank manager to run effectively.

Name of document

Explanation

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.....[2]

5 The bank manager explained the importance of budgets and cash flow.

(a) What is meant by *budgets*?

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..... [2]

(b) Explain how it is possible for a profitable enterprise to go bankrupt due to negative cash flow.

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..... [2]

(c) Explain **two** reasons why an enterprise would need to keep accurate financial documents.

1

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..... [4]

[Total: 8]

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) Arjun decided to carry out some market research to identify potential customers.

Discuss the **two** most suitable methods of research that could have been used to identify potential customers for **your enterprise project**. [10]

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

(b) Arjun was keen to ensure that customers continued to return to the shop to buy more artwork.

Discuss possible ways that C&A Designs could ensure that customers continue to return to the shop. [15]

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Use the case study, your own enterprise experience and your knowledge of enterprise to answer Question 7(a).

7 (a) Cameron contacted the local recycling company to negotiate a suitable price for the plastic water bottles.

Analyse, using examples from **your enterprise project**, the importance of preparation and planning to the success of any negotiation. [10]

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