



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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ENTERPRISE

0454/01

Paper 1

May/June 2012

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.

This document consists of **12** printed pages and **1** Insert.



Section A

Answer **all** the questions.

For
Examiner's
Use

1 Skills are important for the success of an entrepreneur.

(a) What is meant by the term *enterprise*?

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..... [2]

(b) (i) State **three** skills which are needed to be entrepreneurial.

1
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2
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3
..... [3]

(ii) Explain how using **one** of these skills might have helped **you** to have become a more successful entrepreneur in **your enterprise project**.

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..... [4]

[Total: 9]

2 Khia decided to run KLG Badges as a sole trader.

(a) Describe **two** possible advantages and **two** possible disadvantages of organising an enterprise as a sole trader.

Advantage 1

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Advantage 2

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Disadvantage 1

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Disadvantage 2

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[8]

(b) Explain **two** suitable objectives for KLG Badges in its first year.

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2

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[4]

[Total: 12]

3 We are told that Khia understood the difference between fixed and variable costs.

For
Examiner's
Use

(a) Identifying examples from the case study, explain what is meant by fixed and variable costs.

Fixed costs
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Variable costs
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..... [4]

(b) Explain why it was important for **your enterprise project** to keep and maintain accurate financial records.

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..... [6]

[Total: 10]

4 Khia used leaflets and the telephone to communicate with organisations.

(a) Identify **three** other methods of communication a small enterprise might use to communicate with customers.

1

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3

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[3]

(b) Explain why it will be important for Khia to keep her existing customers.

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..... [6]

[Total: 9]

5 Khia knew that there were sources of support available for new enterprises.

- (a) Explain, using an example of each, how formal and informal sources of support can help a new enterprise.

Formal support

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Informal support

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..... [4]

- (b) Discuss the effectiveness of the sources of support used in **your enterprise project**.

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..... [6]

[Total: 10]

Section B

Answer **all** the questions.

*For
Examiner's
Use*

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

- 6 (a)** Khia has decided to buy a new computer and printer. She is considering applying for a loan or an overdraft or a government grant.

Recommend which **one** of these three sources of finance she should apply for. Explain why you did not recommend the other two sources of finance. [10]

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