



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

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ENTERPRISE

0454/01

Paper 1

For Examination from 2011

SPECIMEN PAPER

1 hour 30 minutes

Candidates answer on the Question Paper

Additional Materials: Case Study

READ THESE INSTRUCTIONS FIRST

Write your name, Centre number and candidate number 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 **11** printed pages, **1** blank page and **1** Insert.



Section A

Answer **all** the questions.

For
Examiner's
Use

Natasha has decided that the time is right to set up her own business.

- 1 (a) Identify **one** factor that created the opportunity for Natasha and Karanveer's enterprise to exist.

.....
..... [1]

- (b) Natasha is creative and has the motivation needed to run her own business, while Karanveer has team-building skills.

State **two** skills, apart from motivation, team building and creativity, that are needed to be entrepreneurial.

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..... [2]

- (c) Discuss how **one** individual that you have studied has shown entrepreneurial skills.

Name of individual

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..... [4]

2 Natasha and Karanveer have chosen to set up a partnership but the Bank Manager has suggested that they also consider the possibility of setting up as a limited liability company.

(a) Explain what is meant by a *partnership*.

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..... [2]

(b) Explain what is meant by a *limited company*.

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..... [2]

(c) Discuss whether a partnership or a limited liability company would be most suitable for Natasha and Karanveer.

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..... [6]

3 (a) Identify and explain **one** reason why is it important to produce a business plan when starting an enterprise.

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..... [3]

(b) The Bank Manager tells Natasha and Karanveer to include a statement of their business objectives, a PESTEL analysis and relevant budgets in their business plan.

Identify **two other** important pieces of information which should be included in a business plan.

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..... [2]

(c) Discuss how useful a business plan about **your enterprise project** would be.

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..... [4]

4 (a) What is meant by the following terms?

(i) sales revenue

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..... [1]

(ii) cash flow

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..... [1]

(iii) net profit

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..... [1]

(iv) investment

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..... [1]

(b) Explain **one** problem which may be caused by not keeping accurate financial records of an enterprise's activities.

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..... [4]

- (c) Natasha and Karanveer needed finance to pay for premises, to employ staff and to buy equipment such as sewing machines and stock.

For
Examiner's
Use

Discuss how **your enterprise project** raised the finance that it needed to operate.

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[6]

5 Natasha wants to ensure that the business operates legally.

(a) Identify **one** way in which the following people are affected by laws concerning production, marketing or selling:

(i) employers

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..... [2]

(ii) employees

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..... [2]

(iii) consumers.

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..... [2]

(b) Explain **two** ways in which the law affected **your enterprise project**.

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..... [4]

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