

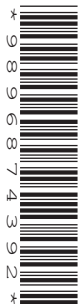
CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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ENTERPRISE

Paper 1

0454/11

May/June 2017

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.

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 **12** printed pages, **4** blank pages and **1** Insert.

2 Saburo and Barak were going to negotiate to sell their sauces nationally.

(a) What is meant by *negotiation*?

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

(b) Identify **two** steps involved in the negotiation process.

1.....
.....
2.....
..... [2]

(c) Explain **two** factors that contributed to the success of the negotiations you were involved in as part of **your enterprise project**.

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

[Total: 10]

3 The business advisor explained the different sources of finance.

(a) What is the difference between the following terms?

(i) *overdrafts and mortgages*

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

(ii) *losses and cash flow deficit*

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

(iii) *creditor and debtor*

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

(b) Explain **one** advantage and **one** disadvantage of using profits for reinvestment as a source of finance for an enterprise.

Advantage

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

Disadvantage

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

[Total: 10]

5 To make good decisions, an enterprise will need clear objectives and planning.

(a) Identify **two** business objectives for an enterprise.

1.....
.....
2.....
..... [2]

(b) List **two** pieces of financial information that are normally included in a business plan.

1.....
2..... [2]

(c) (i) Identify **two** decisions made in **your enterprise project**.

1.....
.....
2.....
..... [2]

(ii) Explain the impact each decision had on **your enterprise project**.

1.....
.....
.....
.....
2.....
.....
.....
..... [4]

[Total: 10]

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