

# ENTERPRISE

Paper 0454/01  
Case Study

## Key Messages

This examination requires candidates to apply the concepts, skills and terminology that they have learnt to familiar and unfamiliar enterprise problems. It is a data based paper. Candidates who used the information provided in the pre-issued case study and made an attempt to interpret that information scored highly.

It is important to remind candidates that they must carefully read questions to identify whom they are writing their response about. Frequently candidates wrote their comments based upon their general knowledge when the question specified that it is the effect on the business identified in the case study or their own enterprise that should be discussed. It is vital that candidates read the stem of the question and identify the correct focus for their answer if they are to maximise marks in future exams. In preparation for the examination candidates should be encouraged to apply the issues raised by the case study to their own experience within enterprise, in order to explain and make effective judgments relating to the issues identified.

In **Section A** questions candidates need to provide clear definitions and short explanations applied to the operation of an enterprise.

In **Section B** questions candidates can improve upon discussion by examining both the positive and negative aspects before reaching a conclusion. To gain the maximum marks in this section of the paper candidates must apply their answers to the enterprise identified in the stem of the question, which will be either that in the case study or their own enterprise.

## General Comments

There were many chances within the paper for candidates to apply their own experience of running an enterprise and to make evaluative judgments. Strong candidates, whose quality of work was very impressive, took such opportunities.

There was unfortunately evidence this session that candidates are using the pre-issued case study to effectively analyse and apply concepts. This improved application of theory was evident in the answers produced within **section B**. Some candidates did not read questions carefully enough. Such candidates often did not apply their responses to the organisation identified in the question. Consequently the focus of the answer was often misplaced and application marks could not be awarded.

Candidates were familiar with the terminology and concepts used in Enterprise and scored highly in questions such as 4(a) and 5(a) that required the recall of information. Candidates can improve on their application of the theory learnt to different situations. This was particularly evident within 3(c).

There are some considerations that might be helpful in enabling candidates to achieve the best marks in future exam sessions:

- Use relevant examples, from either the case study material or your own experience where ever possible.
- Pay careful attention to the command words and marks within questions. These provide an indication of the focus required.
- Use the information in the case study and your own enterprise experience to develop explanations in **Section B** questions

- Within **section B** questions attempt to look at both the positive and negative aspects of the subject before reaching a conclusion.

### **Comments on Specific Questions**

#### **Section A**

##### **Question 1**

- (a) Many candidates were aware of the concept of social enterprise and were able to identify a feature. Only the more able gave two relevant features.
- (b) This question required candidates to apply their knowledge of the benefits of different organisation structures to their own enterprise and explain in detail the suitability of the organisation type chosen. Candidates were clearly aware of the benefits and costs of the different organisation types and were able to apply the features identified to their own enterprise. The best answers provided an evaluative judgement, although this was not required by the question. A small number identified the types of business organisation but did not develop the explanation to show why it was beneficial, or not, to the enterprise.

##### **Question 2**

- (a) A generally well-answered question. The majority of candidates were able to effectively and precisely define the term and offer an example from their own enterprise experience.
- (b) Candidates were aware of the acronym and were able to identify the meaning of most of the letters. A common error was to mistake manageable for measurable and sensible for specific.
- (c) This question differentiated well between candidates of different abilities. The most able candidates explained what the negotiation concerned, identified the research and planning that they completed before the negotiation and then explained how this helped them to be successful. An alternative approach taken by some was to explain how poor planning had resulted in the failure of a negotiation. This approach was equally acceptable.

##### **Question 3**

- (a) This was generally a well-answered part of the question. A common error made by a significant minority was to identify that this involves cash rather than money flows. Such answers were limited to one mark.
- (b) Stronger responses identified a reason why financial records must be kept by an enterprise, explained why this was necessary, and the effect on the enterprise if such records were not kept accurately.
- (c) This was one of the more challenging questions on the paper for many candidates. A number of candidates struggled to use the case study material effectively to show that they could apply the theory of cash flow to this enterprise organisation. Only the most able identified that the social enterprise nature of this organisation, combined with the annual grant, would mean that organising cash flow would be very important if the enterprise were to survive. A number of candidates repeated their answers to part a or b of this question. Such answers could not score.

##### **Question 4**

- (a) This area of the syllabus was clearly understood with many candidates giving two relevant examples.
- (b) This question was not clearly understood by many candidates. Candidates were able to show knowledge of the appropriate forms of language that should be used to communicate within enterprise situations. The majority of candidates therefore gained one mark for knowledge. The most successful answers identified a specific stakeholder, outlined the appropriate form of language and then explained the issues that may arise if the language used was not appropriate in that situation.

### Question 5

- (a) These terms were generally well understood with many candidates giving clear and precise definitions. A common error made was to describe one of each of the paired terms rather than to explain the difference between the two.
- (b) This question differentiated well between candidates. The strongest answers to this section of the question gave a clear explanation the marketing methods and their purpose. Such answers then explained how the marketing methods used helped the enterprise to achieve their objectives. Weaker responses explained how the marketing method was organised and did not link this to any measure of success.
- (c) This question was well answered by candidates.

### Section B

Questions in this section of the paper require application to either the candidate's own enterprise or the one outlined in the case study in order to score highly. A number of candidates did not apply their answer to the enterprise specified in the stem of the question and therefore could not be awarded marks above band 1.

### Question 6

- (a) To score highly on this question the candidate was required to use their knowledge of an entrepreneur to show how the skills of enterprise have been used. Candidates had clearly covered this topic area in their studies and all were able to provide an example of an entrepreneur and list some relevant skills. The most able candidates identified two or three entrepreneurial skills and provided detailed explanations to show how the skills identified had assisted the named entrepreneur to be successful. A significant minority of candidates identified an entrepreneur and then outlined a long list of skills, each skill being described with an example. Candidates who did not attempt to explain how the skill had been helpful could not gain level three marks.
- (b) Candidates clearly understand the importance of a Business Plan and many outlined the required contents of such a plan. Such answers were awarded marks in Level 2. Only the most able candidates were able to use the case study material to explain why a plan was of particular importance to the enterprise described in the case study. Such candidates identified aspects of the plan that would assist such a new social enterprise. The most common answers focused on the need to carefully research the intended market in order to provide the correct market, or the likely need for finance in the future.

### Question 7

- (a) This was a topic area that was clearly well understood by candidates. The question required candidates to identify at least two risks that they had faced within their own enterprise explain why these were risks and evaluate the importance of these to the overall operation of their enterprise. The strongest responses explained how the identified risk would affect their enterprise negatively. They then explained how they worked to minimise the risk and provided an overall evaluation of the level of risk they faced.
- (b) In this question, it was clear that some candidates had thoroughly examined the case study before the examination and had considered both the benefits and costs of the method of financing identified. These candidates provided a thorough two-sided analysis of the annual grant and compared this to other sources of finance that could be used by the Makasa Community Project. The analysis was followed by a reasoned conclusion as to the most effective form of finance in this situation.

# ENTERPRISE

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**Paper 0454/02**  
**Coursework**

## Key Messages

- To score top marks, candidates must provide evidence of all activities for each task.
- Activities requiring demonstration of practical enterprising skills were done well.
- Activities which required candidates to show analysis and evaluation skills (AO3) generally needed to contain more explanation and supporting evidence

## General comments

This module is the coursework component for this examination, through which candidates have the opportunity to carry out their own enterprise project either on their own or as a member of a group. Candidates are required to complete four main tasks, each of which requires candidates to provide a range of material as evidence. These are designed to assess a range of assessment objectives and skills associated with enterprising activities. Coursework projects are initially assessed by Centre staff, and are then submitted for external moderation by CIE.

Candidates seem well advised in their choice of suitable projects. Many candidates are able to use appropriate enterprising techniques to gather the evidence required for each task. Candidates need to ensure they provide evidence for all elements of each task, or this will limit the potential number of marks that they can score. It is therefore important that both Centres and candidates are familiar with the course requirements as specified in the syllabus. It is also important to highlight that whilst candidates can undertake group projects, all the reports, presentations and documents they produce must be each candidates own work and not a collaborative effort. Any work produced jointly by candidates cannot be credited.

Centres need to be aware of the specific requirements for AO3 - a simple list or table, without any accompanying explanation of points does not constitute analysis. For candidates to access the higher mark bands, they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

For task 1, candidates were required to submit both a written report, and either a wall chart or information leaflet. Some candidates only submitted a report. Others produced evidence of a leaflet or wall chart but did not include them with their submission. It is important that all relevant materials are submitted on time to ensure the moderation process is not unduly delayed.

It was pleasing to see that many candidates chose a local entrepreneur, if they selected to produce a wall chart. For the report, better performing candidates were able to communicate the process and outcome of their investigations into choosing a suitable project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. There was good evidence of higher order skills of analysis and evaluation within the better reports. Others needed to develop more detailed explanations to say why they had chosen one option over other possible alternatives, rather than just stating their choice.

For task 2, candidates were required to present evidence of business planning. All candidates were required to produce an Action Plan, risk assessment and either evidence of financial planning or marketing communication. Some candidates omitted evidence for at least one element of this task.

Many good responses contained detailed explanations to show possible risks, and the reasons behind their decisions. Others needed to develop more detailed explanations in order to achieve high marks. For example, candidates could explain why the risks identified were issues for their project, why certain tasks in the Action Plan were given to a specific individual, and reasons behind the choice of their marketing or

financial options. All candidates need to provide detailed explanations for all parts of the task, in order to show a 'very good ability to analyse information'.

For task 3, candidates were required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. Candidates were well prepared to carry out this practical task. Most candidates seemed to enjoy the opportunity to practise their negotiation skills.

It is worth emphasising the need for Centres, when using a witness statement as evidence of negotiation, that it should be signed by an appropriate person and include detailed comments to support the mark awarded. This would greatly assist the Moderator in determining how well the skills of enterprise were applied.

For task 4, candidates were required to produce a formal report. It was pleasing to see that most of the written reports did adhere closely to the guidelines from the syllabus regarding good practice for report generation. It should be noted that candidates do not need to comment on all four areas. Candidates are only required to submit a 1000 word report, so it is important to have a clear focus as candidates are rewarded for the depth of their analysis and evaluation. In order to access the higher mark bands they must include judgements that clearly relate to their particular activity, and be supported by a wide range of evidence. Clear recommendations based on the successfulness of the chosen topics are required. If candidates discuss all areas they will not be able to discuss and validate their findings in sufficient detail to gain the higher level marks.

A number of candidates focused on what they did, rather than make judgements about the effectiveness of their chosen areas. A brief list of what was done does not show the analytical skills required by this task. Better candidates did attempt to analyse and evaluate whether chosen aspects were successful, which should be encouraged. The majority of candidates were able to make simple conclusions about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions which they need to do to merit a high mark.

Generally the level of annotation on the work was limited. It would assist the external moderation process if the Centres pinpoint where candidates have demonstrated the relevant assessment criteria. For example writing AO1, AO2 and AO3 or comments such as good analysis at appropriate points in the work would be helpful.