



Cambridge IGCSE™

ENTERPRISE

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Paper 1

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INSERT

1 hour 30 minutes

INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.



This document has **4** pages. Any blank pages are indicated.

The student study area

The background

Tomi is in his first year of IGCSE studies. As part of his design and technology course, the teacher set the class a challenge. The challenge was to design a new student study area. The class produced a range of different study area designs. Tomi's design was voted the best by the class.

Although the teacher was impressed by the designs, it was explained to the class that providing a student study area was not possible. The students were disappointed and asked for the reason. The teacher said that the main reason was due to limited school finances.

Tomi told his enterprise teacher, Mrs Lee, about the study area design challenge. Mrs Lee could see the benefits of the idea. She thought this was an opportunity for her class to use their enterprise skills and negotiate with the school principal to convert a room.

The project

During the next enterprise lesson, Mrs Lee explained the idea to the class. They would research the study area idea and prove that they could raise the money to fund the room conversion. Mrs Lee said they would have three weeks to complete this work. She explained that the next enterprise lesson would be organised as a formal meeting. Mrs Lee asked Tomi to be the chairperson for the meeting and to email an agenda to each student.

The meeting

Tomi, as chairperson, wanted to make sure that everybody participated in the meeting. The class was divided into three teams, and an action plan to organise the tasks was produced. Mrs Lee wanted the work to be completed before the next enterprise lesson. Table 1 shows the action plan.

Table 1

Action Plan	
Task	Team responsible
Research, including students' needs and wants for the room	A
Identify a suitable room	A
Research costs	B
Research sources of finance	B
Produce the business plan	C

At the end of the meeting, Tomi was convinced it had been a success.

The research

Tomi was in Team B. The team decided to interview the school caretaker to identify the costs for the project.

Next, Team B considered possible sources of finance. They thought of asking for a bank loan, crowdfunding from parents or holding a fundraising event. Their research on a bank's website showed that there was a fixed interest rate of 5% each year charged on loans. Tomi used this information to produce the cost budget shown in Table 2.

Table 2

Cost budget	
Item	Cost \$
Chairs	600
Materials to make small tables and a cupboard	100
Paint	25
Workers' wages	150
Total	875
Loan interest 5% each year	

Some Team B members thought that crowdfunding would be the best method. Tomi disagreed. He believed that a fundraising event would be more suitable.

Team B then asked Mrs Lee for a list of parents' email addresses so they could start the crowdfunding. Mrs Lee explained that data protection laws meant email addresses could not be shared with students. Also, the principal liked to personally control any emails sent to parents.

The next enterprise lesson

The three teams were allocated 10 minutes each to share their results. Very quickly, Tomi realised the meeting had not been such a success. The teams had not fully completed the tasks and Tomi blamed the other students.

- Team A had located a suitable room for conversion. They knew they needed chairs, but they did not know what else to put in the room. They were waiting for questionnaires from students to be returned.
- Team B had based their research only on Tomi's design. They thought this met the students' needs and wants.
- Team C had started the business plan but needed information from the other two teams to complete it.

Tomi wished that he had not delegated any tasks. The action plan would now need to be updated. He thought that he could organise a fundraising event and plan the room entirely by himself.

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