



Cambridge IGCSE™

ENTERPRISE

0454/11

Paper 1

October/November 2023

MARK SCHEME

Maximum Mark: 100

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

PUBLISHED**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

PUBLISHED**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

PUBLISHED**0454 Enterprise – Paper 1 Annotations**

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Tick +	Development of point.
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
	Too vague	Used when parts of the answer are considered to be too vague.
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.
	Own Figure Rule	Used when the method is correct, but candidates figures are incorrect.
	Level 1	Indicates a Level 1 point is made.
	Level 2	Indicates a Level 2 point is made.
	Level 3	Indicates a Level 3 point is made.
	Level 4	Indicates a Level 4 point is made.

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Question	Answer	Marks	Guidance
1(a)	Define the term <i>positive attitude</i> in enterprise. Precise definition [2] Imprecise definition showing some understanding. [1] Answers may include: (The frame of mind) that drives entrepreneurs towards taking risks and facing challenges [2] Willing to keep going despite obstacles [2] A way of thinking that always considers success [1] An optimistic view. [1]	2	
1(b)	Describe <u>one</u> way of being enterprising at home or at school. Use an example to support your answer. Each point should be marked as follows: Identification of a way of being enterprising [1] Explanation showing understanding [+1] Answers may include: • using technology for learning • problem-solving • thinking creatively • taking the initiative • organising activities • developing new skills • working as part of a team • making reasoned evaluations. Example: Thinking creatively [1] when I could not go to school, I asked my friend to teach me the lesson after school. [+1]	2	

Question	Answer	Marks	Guidance
1(c)(i)	Explain how an entrepreneur that you have studied used <u>two</u> enterprise skills. Support each answer with an example. Each point should be marked as follows: Identification of an enterprise skill [1] Application showing how the entrepreneur used the skill [+1] Example: Richard Branson used problem-solving [1] when he identified an error in the design of his balloon. [1]	4	AO1 – 2 AO2 – 2 Accept any skills from Topic 3.1 Allow the case study entrepreneurs as an example of entrepreneur.
1(c)(ii)	Explain the benefit to the entrepreneur in (c)(i) of using <u>one</u> of the skills identified. Identification of the impact of the skill [1] Explanation showing understanding [+1] Answers will depend upon candidate's response to part (c)(i) but may include: Problem-solving helped him succeed in the balloon flight [1] He kept changing the design until he found one that worked. [1+]	2	AO3 Answer must relate to a skill identified in part 1(c)(i).

Question	Answer	Marks	Guidance
2(a)	State <u>two</u> documents used in the organisation of a formal meeting. Identification of each document [1] Answers may include: • Notice of meeting • Agenda • Minutes.	2	AO1 – 2
2(b)	Explain <u>one</u> disadvantage of email as a method of communication. Identification of a disadvantage [1] Explanation showing understanding [+1] Answers may include: • impersonal • can be misunderstood • people receive too many emails/see as junk mail • email addresses required • technical problems such as internet access. Example: Email addresses are required [1] can only be sent to known people. [+1]	2	AO1

Question	Answer	Marks	Guidance
2(c)	Explain why <u>one</u> other method of communication would have been more suitable to invite stallholders to the meeting. Identification of an alternative method of communication [1] Explanation showing understanding of the suitability [+1] Use of case study material. [1] Answers may include: • letter • telephone • poster/notice • flyer/leaflet • word of mouth. Example: Poster [1] placed where all the stallholders gather [1] could be seen by many people at one time. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1 Do not accept email as this must be a different method.

Question	Answer	Marks	Guidance
2(d)	Explain <u>one</u> reason why the language Temi used in the formal meeting would be different to the language he used with his friends. Use an example to support your answer. Identification of a difference [1] Explanation showing understanding of why this is needed [+1] Use of information from the case study. [1] Answers might include: • formal/informal • slang/text speak • regional language difference • tactful/respectful. Example: Formal language is used [1] as Temi wants to seem professional [1] because he would then be seen as serious and trustworthy and gain his aims. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

Question	Answer	Marks	Guidance
3(a)	Define the term <i>risk</i>. Precise definition [2] Imprecise definition showing some understanding. [1] The chance of gaining or losing something because of an action taken [2] Consequences because of an action taken [2] A situation involving exposure to danger [1] A problem that may occur. [1]	2	AO1

Question	Answer	Marks	Guidance
3(b)	Explain <u>one</u> way that you dealt with a risk in <u>your enterprise project</u>. Use an example to support your answer. Identification of a way of dealing with risk [1] Explanation of how this operates [+1] Use of own enterprise experience [1] Answers may include: • complete a risk assessment • research • planning • mitigating the risk • transfer the risk to others. Example: We completed a risk assessment [1] and have an indoor location for the hotdog stall [1] so bad weather wasn't a problem. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1
3(c)	Define the term <i>co-operative organisation</i>. Precise definition [2] Imprecise definition showing some understanding. [1] Answers may include: • type of business owned (and managed) by people/members who use its services or work there [2] • an association of people united voluntarily to meet their common needs through a jointly owned enterprise [2] • each member has an equal say/power in the enterprise [1] • type of business. [1]	2	AO1

Question	Answer	Marks	Guidance
3(d)	Explain <u>one</u> potential advantage to the stallholders of operating as a co-operative organisation. Use an example to support your answer Identification of a benefit [1] Explanation showing understanding [+1] Use of case study material Answers may include: • limited liability • democratic control/ each member shares control • more expertise/share ideas • sharing of costs between members • capital from a wide number of people • members are more motivated/less disputes • tax advantages (exempt from some taxes). Example: Democratic control [1] the stallholders were worried about who would be in control [1] and now each person has an equal say in decisions. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

Question	Answer	Marks	Guidance
4(a)	Explain <u>one</u> reason why the stallholders want to make a profit. Identification of a reason [1] Explanation applied to case study [+1] Answers may include: • profit is kept by the entrepreneur [1] and is the main source of income for stallholders [1] • profit can be reinvested/used for expansion [1] into machinery for woodcarving [+1] • is a measure of success. [1]	2	AO1 – 1 AO2 – 1

Question	Answer	Marks	Guidance															
4(b)(i)	Calculate, using Fig.4.1, the monthly rent for a stall if all 20 stalls were rented. Show your working. Cost per stall $1000/20 = \\$50$ [2] If calculation is incorrect: Identification of cost of space \$1000. [1]	2	AO1 – 1 AO2 – 1 \$ not required.															
4(b)(ii)	A stall holder has the following financial information: <table><tr><td colspan="2">Number of woodcarvings sold</td><td>27</td></tr><tr><td colspan="2"></td><td>US\$</td></tr><tr><td>Selling price of each woodcarving</td><td></td><td>20</td></tr><tr><td>Variable cost of each woodcarving</td><td></td><td>18</td></tr><tr><td>Fixed cost – monthly rent for a stall</td><td></td><td></td></tr></table> Calculate, using Fig.4.1, how many woodcarvings a stallholder would need to sell, each month, to break-even if all 20 stalls were rented. Show your working. Number of items =25 [3] If calculation is incorrect marks can be awarded for: US\$ 50 / US\$2 [2] Fixed cost/contribution or Fixed cost / [price –vc] [1] (Contribution)US\$ 20- US\$18=US\$ 2 [1]	Number of woodcarvings sold		27			US\$	Selling price of each woodcarving		20	Variable cost of each woodcarving		18	Fixed cost – monthly rent for a stall			3	AO1 – 1 AO2 – 1 AO3 – 1 OFR applies. US\$25 [2]
Number of woodcarvings sold		27																
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Fixed cost – monthly rent for a stall																		

Question	Answer	Marks	Guidance
4(c)	Explain <u>one</u> reason why the stallholders would <u>not</u> be willing to rent a stall in the new market place. Use an example to support your answer. Identification of a reason not related to stallholders [1] Explanation showing understanding [+1] Application to case study [1] Answers may include: • (change) is a risk • costs may be higher than currently • location close to other firms increases competition • may struggle to sell enough to breakeven. Example: Moving the enterprise is expensive [1] they will need to pay US\$50per month [1] which maybe more than they currently pay. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

Question	Answer	Marks	Guidance
5(a)	Explain <u>two</u> reasons why Temi needed an action plan. Each point should be marked as follows: Identification of a reason [1] Application to case study [+1] Answers may include: • understanding of what needs to be done/helps organise • identifies the key stages of the project • provides a time frame/timeline for activities • identifies potential problems in advance • keep track of who is responsible for each task • keeps track of tasks completed/ acts as a checklist. Example: Keeps track of tasks completed/ acts as a checklist [1] Temi was worried about forgetting tasks. [+1]	4	AO1 – 2 AO2 – 2
5(b)	State <u>two</u> methods used to retain existing customers. 1 mark per correct method. Answers may include: • quality of products/increase value added • after-sales service • resolving complaints quickly • innovation/new/wider range of goods or services • good customer service/develop a relationship • customer engagement/communicate with regular customers/ask for feedback • loyalty rewards schemes/discounts for regular customers.	2	AO1

Question	Answer	Marks	Guidance
5(c)	Explain <u>two</u> methods that Temi could use to measure customer satisfaction in the proposed new marketplace. Each method should be marked as follows: Identification of a method to measure customer satisfaction [1] Explanation showing how the method works [+1] Answers may include: • number of sales/repeat customers • number of complaints • number of returns • mystery shopper • feedback questionnaires/ interviews/surveys • focus groups. Example: Hand out questionnaires to customers [1] who buy wood carving. [+1]	4	AO1 – 2 AO2 – 2 Do not accept market place as application.

Question	Answer	Marks	Guidance															
6(a)	Temi used some market research methods when planning the new marketplace and he was intending to research the ecommerce idea. Analyse <u>two</u> methods of market research that would be suitable for Temi to use when researching the ecommerce idea. <table><tr><th>Level</th><th>Description</th><th>Mark</th></tr><tr><td>3</td><td>Good analysis consistently applied to the case study Demonstrates good knowledge of concepts</td><td>8–10</td></tr><tr><td>2</td><td>Some analysis supported by good application to the case study Demonstrates knowledge of concepts</td><td>4–7</td></tr><tr><td>1</td><td>Limited application to the case study Demonstrates knowledge of concepts</td><td>1–3</td></tr><tr><td>0</td><td>No creditable response</td><td>0</td></tr></table> Knowledge may include: • definition of the term market research • Identification of any method of market research Phrases which demonstrate some analysis may include: Secondary provides numerical data on the level of interest in ecommerce. Phrases which demonstrate good analysis will the impact of this on Temi. These may include: Identifies the level of competition therefore Temi can decide if it is worth the risk of setting up the ecommerce website.	Level	Description	Mark	3	Good analysis consistently applied to the case study Demonstrates good knowledge of concepts	8–10	2	Some analysis supported by good application to the case study Demonstrates knowledge of concepts	4–7	1	Limited application to the case study Demonstrates knowledge of concepts	1–3	0	No creditable response	0	10	The grade descriptions describe performance at the top of the band. Application marks maybe awarded for appropriate use of the following: • customers at current stalls/existing customers • hotel guests • tourists • local to area • visitors are only in the area for a short period of time.
Level	Description	Mark																
3	Good analysis consistently applied to the case study Demonstrates good knowledge of concepts	8–10																
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0	No creditable response	0																

Question	Answer	Marks	Guidance																		
6(b)	Temi considered two enterprise ideas to ensure the future success of his woodcarving stall: • setting up a new market place with 19 other stallholders • creating an ecommerce market place. Evaluate which of these ideas is likely to be the most successful for Temi’s woodcarving stall. Use examples from the case study to support your answer. <table><tr><th>Level</th><th>Description</th><th>Mark</th></tr><tr><td>4</td><td>Clear reasoned evaluation is present Good analysis applied consistently to the case study Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr><tr><td>3</td><td>Good analysis applied consistently to the case study is leading to evaluation Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr><tr><td>2</td><td>Some application to the case study supported by some analysis Demonstrates knowledge of relevant concepts.</td><td>4–7</td></tr><tr><td>1</td><td>Limited application to the case study Demonstrates some knowledge of relevant concepts.</td><td>1–3</td></tr><tr><td>0</td><td>No creditable response</td><td>0</td></tr></table> Knowledge may include: • definition of ecommerce • identification of other locations • statements of general costs/benefits of ecommerce.	Level	Description	Mark	4	Clear reasoned evaluation is present Good analysis applied consistently to the case study Demonstrates good knowledge of relevant concepts	12–15	3	Good analysis applied consistently to the case study is leading to evaluation Demonstrates knowledge of relevant concepts	8–11	2	Some application to the case study supported by some analysis Demonstrates knowledge of relevant concepts.	4–7	1	Limited application to the case study Demonstrates some knowledge of relevant concepts.	1–3	0	No creditable response	0	15	The grade descriptions describe performance at the top of the band. Application marks maybe awarded for appropriate use of the following: • sharing the costs of the location • US\$500 per month rent • 19 competitors next to him • Answers to 4(b) or figures from case study • Rent maybe higher if less stalls are rented • Only a few turned up to the meeting • May lose sales if regular customers aren’t willing to go to a different location • Temi knows nothing about e-commerce.
Level	Description	Mark																			
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0	No creditable response	0																			

Question	Answer	Marks	Guidance
6(b)	Phrases which demonstrate some analysis may include: • calculations from Question 4(b) • figures quoted from the case study • there is a risk of not earning sufficient funds to cover the higher cost of rent. Phrases which demonstrate good analysis will show why this is a point to consider and may include: • there is a risk of not earning sufficient funds to cover the higher cost of the rent which may lower profits. Evaluation maybe shown by a two-sided approach considering the benefit and negative aspects of each choice. For example: Ecommerce will only solve half the problem of lower numbers of tourists visiting the country. It will not solve the issue of high competition amongst wood carvers.		

Question	Answer	Marks	Guidance															
7(a)	The enterprise process involves the following stages: - identifying the problem, need or want - exploring creative solutions - action planning - implementing the plan - monitoring progress - evaluation of successes and failures. Analyse the importance of any <u>two</u> of the stages listed above to your enterprise project. Use examples to support your answer. <table><tr><th>Level</th><th>Description</th><th>Mark</th></tr><tr><td>3</td><td>Good analysis consistently applied to their own enterprise experience. Demonstrates good knowledge of concepts</td><td>8–10</td></tr><tr><td>2</td><td>Some analysis supported by good application to their own enterprise experience. Demonstrates knowledge of concepts</td><td>4–7</td></tr><tr><td>1</td><td>Limited application to their own enterprise experience. Demonstrates knowledge of concepts</td><td>1–3</td></tr><tr><td>0</td><td>No creditable response</td><td>0</td></tr></table> Knowledge may include: - description of any of the stages - description of documents used in a stage. Phrases which demonstrate some analysis may include: - It was important to explore creative solutions as there were many competitors and I needed to stand out.	Level	Description	Mark	3	Good analysis consistently applied to their own enterprise experience. Demonstrates good knowledge of concepts	8–10	2	Some analysis supported by good application to their own enterprise experience. Demonstrates knowledge of concepts	4–7	1	Limited application to their own enterprise experience. Demonstrates knowledge of concepts	1–3	0	No creditable response	0		The grade descriptions describe performance at the top of the band.
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Question	Answer	Marks	Guidance
7(a)	Phrases which demonstrate good analysis will the impact of the market research on the enterprise. These may include: • It was important to explore creative solutions as there were many competitors and I needed to stand out so by offering a web page I added value to my enterprise and increased sales.		

Question	Answer	Marks	Guidance																		
7(b)	Enterprises use many methods of marketing communication. These can include: • television advertisements • newspaper and magazine advertisements • posters and leaflets • word of mouth and announcements. Evaluate the suitability of any <u>two</u> of the above methods for <u>your enterprise project</u>. Justify your choice, including why you rejected one other marketing method. <table><tr><th>Level</th><th>Description</th><th>Mark</th></tr><tr><td>4</td><td>Clear reasoned evaluation is present Good analysis applied consistently to their enterprise Demonstrates good knowledge of relevant concepts</td><td>12–15</td></tr><tr><td>3</td><td>Good analysis applied consistently to their enterprise is leading to evaluation Demonstrates knowledge of relevant concepts</td><td>8–11</td></tr><tr><td>2</td><td>Some application to their enterprise supported by some analysis Demonstrates knowledge of relevant concepts</td><td>4–7</td></tr><tr><td>1</td><td>Limited application to their enterprise Demonstrates some knowledge of relevant concepts</td><td>1–3</td></tr><tr><td>0</td><td>No creditable response</td><td>0</td></tr></table> Knowledge may include: • description of the marketing communications listed • identification of another marketing communication.	Level	Description	Mark	4	Clear reasoned evaluation is present Good analysis applied consistently to their enterprise Demonstrates good knowledge of relevant concepts	12–15	3	Good analysis applied consistently to their enterprise is leading to evaluation Demonstrates knowledge of relevant concepts	8–11	2	Some application to their enterprise supported by some analysis Demonstrates knowledge of relevant concepts	4–7	1	Limited application to their enterprise Demonstrates some knowledge of relevant concepts	1–3	0	No creditable response	0	15	The grade descriptions describe performance at the top of the band.
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Question	Answer	Marks	Guidance
7(b)	Phrases which demonstrate some analysis may include: • explaining the benefit or disadvantage of the marketing communication to their enterprise. Phrases which demonstrate good analysis will show why this is a point to consider and may include: • explaining the impact or effect the method had on their own enterprise (outcome) on their own enterprise. Evaluation maybe shown by a two-sided approach considering the benefit and negative aspects of each choice and why one method was rejected.		