

Cambridge IGCSE™

ENTERPRISE**0454/13**

Paper 1

October/November 2024**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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **28** printed pages.

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 descriptions 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.

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Question	Answer	Marks	Guidance
1(a)	State the difference between a <i>customer</i> and a <i>consumer</i>. Correct statement concerning customers [1] Answers may include: • purchases the product/service • pays the price for the product/service • is the buyer/client. Correct statement concerning consumer [1] Answers may include: • the user of the product/service. [1]	2	AO1 – 2
1(b)	Explain <u>one</u> way Nora’s customers affected her instruction sheets enterprise. Identification of a customer action [1] Explanation showing understanding of the impact [+1] Application to Nora’s enterprise [1] Answers may include: • purchasing/not purchasing the products • copying/plagiarising the work • advertising to their friends (word of mouth). Example: Teachers [1] copied/share the worksheets [1] reducing Nora’s revenue/sales/income. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
1(c)	Define the term <i>customer satisfaction</i>. Precise definition [2] Imprecise definition showing some understanding [1] Examples: <u>The extent</u> to which customers are pleased with the products/services provided by an enterprise [2] <u>Measure</u> of how well products/services meet customer expectations [2] <u>The level</u> to which needs and wants of a customer are met [2] Customers are happy/pleased with the product/service [1] Meeting customer expectations. [1]	2	AO1

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Question	Answer	Marks	Guidance
1(d)	Explain <u>one</u> way Nora could have measured customer satisfaction with her instruction sheets. Identification of a method [1] Explanation of how this operates to measure satisfaction [+1] Application to Nora's enterprise. [1] Answers may include: • number of sales • number of complaints • mystery shopper • feedback (questionnaires)/ primary research • focus groups • interviews. Example: Nora could interview [1] the teachers [1] to gain their feedback. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
2(a)	Explain <u>one</u> reason why entrepreneurs are prepared to accept risk. Identification of a reason [1] Explanation showing understanding [+1] Answers could include: • potential profit/rewards • believe the risk is manageable/ have found a way to handle/minimise risk • they are risk seeker/risk keen. Example: The potential profit [1] is sufficient to act as an incentive to take the risk. [+1]	2	AO1 – 2

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Question	Answer	Marks	Guidance										
2(b)(i),(ii)	(i) Complete the missing words in Column 1 of Table 2.1. [2] (ii) Complete sections (ii) and (iv) of table 2.1 PEST Analysis. [2] <table><tr><th>Column 1</th><th>Column 2: Examples</th></tr><tr><td>Political</td><td></td></tr><tr><td>Economic</td><td></td></tr><tr><td>Social [1]</td><td>Examples may include: - schools using remote tuition - students join lesson from home - ownership of computers increasing - increased use of online video tutorials </td></tr><tr><td>Technological [1]</td><td>Example may include: - better access to the internet - increased trend for electronic devices (Nora) sent email /shared instruction sheets online - chatted online to students - Nora used internet research </td></tr></table>	Column 1	Column 2: Examples	Political		Economic		Social [1]	Examples may include: - schools using remote tuition - students join lesson from home - ownership of computers increasing - increased use of online video tutorials	Technological [1]	Example may include: - better access to the internet - increased trend for electronic devices (Nora) sent email /shared instruction sheets online - chatted online to students - Nora used internet research	4	AO1 – 2 AO2 – 2
Column 1	Column 2: Examples												
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Economic													
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Technological [1]	Example may include: - better access to the internet - increased trend for electronic devices (Nora) sent email /shared instruction sheets online - chatted online to students - Nora used internet research												

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Question	Answer	Marks	Guidance
2(c)	Explain <u>two</u> aspects of enterprise affected by laws and regulations. Identifies a legal obligation [1] Explanation showing understanding [+1] Answers may include legal obligations covering: • employment/minimum wage • production/license/health and safety • marketing/selling/copyright • finance. Example: Employment obligations [1] mean the employer must provide a contract stating the terms of employment. [+1]	4	AO1 – 4

Question	Answer	Marks	Guidance
3(a)	Calculate, using Fig. 2, the total revenue Nora could earn if she creates one video which is viewed 2000 times. Show your workings. Total Revenue = US\$1200 [4] If the answer is not correct up to 3 marks may be awarded for the following: • total revenue = Price $\times$ Quantity sold [1] • $0.50c \times 2000 = \text{US } \\1000 [2] • payment for production US\$200. [1]	4	AO1 – 1 AO2 – 2 AO3 – 1

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Question	Answer	Marks	Guidance
3(b)	Explain how <u>one</u> objective influenced the activities of your enterprise project. Identification of an objective/effect of an objective [1] Explanation of the impact of the objective [+1] Application to own enterprise project [1] Answers may include: • ethical objective [1] limited the type of products (raw materials) that we used [+1] • legal compliance [1] we spent time researching laws reducing production time [+1] • profit meant [1] we needed to keep costs low [+1] • sales revenue maximisation [1] meant we needed to promote the product [+1] Examples: • Health and safety laws [1] meant we had to spend money on extra cleaning equipment [+1] for the cooking area [1] • By achieving positive cashflow [1] we had the resources to buy more raw materials [1] therefore we could produce more candles [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
3(c)	Explain <u>one</u> potential problem for Nora’s enterprise of the market research she completed. Identification of a problem [1] Explanation showing understanding of <u>why this is</u> a problem [+1] Application to Nora’s enterprise [1] Answers may include: • research maybe outdated • did not get any feedback from customers • the advertisement only gave the positives of the idea. Example: Nora used one enterprise website [1] which may be biased [1] therefore giving her poor advice on how to start an enterprise. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
4(a)	Explain, using examples from the case study, <u>two</u> stages of the enterprise process that Nora completed. Each stage should be marked as follows: Identification of a stage of the enterprise process [1] Application to case study [1] Answers may include: • identifying the problem or need/want • exploring creative solutions • action planning • implementing the plan • monitoring progress • evaluating successes and failures. Example: Nora identified a need [1] for instruction sheets and/ or video tutorials. [1]	4	AO1 – 2 AO2 – 2

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Question	Answer	Marks	Guidance
4(b)	State <u>three</u> factors that could be considered before choosing a method of marketing communication in an enterprise. Each factor [1] Answers may include: • availability of the method • cost/enterprise budget • competitors marketing • number of people who will be reached • suitability/effectiveness for the enterprise/the budget for marketing • suitability/effectiveness for reaching the potential market/target audience • type of product.	3	AO1

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Question	Answer	Marks	Guidance
4(c)	Explain how sponsorship could be used as a method of marketing communication for Nora’s video tutorial enterprise. Knowledge of the meaning of sponsorship [1] Explanation showing how it could be used [+1] Application to Nora’s video tutorials [1] Answers may include: • giving money to a business/charity/event • the name of your business will be promoted/publicised • spending to have a company name stated. Example: Nora could give money to a local a local football team [1] therefore potential customers would know about [+1] the video tutorial enterprise. [1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
5(a)	State <u>two</u> factors an entrepreneur usually considers when planning a negotiation. Each correct aspect identified [1] Answers may include: • objectives/what you want to achieve • evidence to use • arguments/benefits and weaknesses of proposal • counter arguments/questions to be asked • tone to use • the location/timing /date • who you are negotiating with • which team members will lead the negotiation.	2	AO1 – 2

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Question	Answer	Marks	Guidance
5(b)	Explain how <u>one</u> action you took helped to ensure the success of a negotiation in <u>your enterprise project</u>. Identification of an action [1] Explanation showing how this aided success/ or not [+1] Application to own enterprise project. [1] Answers will depend upon the candidate's enterprise situation but may include: • putting the opponent at ease • appearing professional/formal through dress • offering evidence/statistics • answering questions others could not answer • producing an agenda. Example: I provided evidence [1] of our potential cupcake sales [1] therefore the teacher could see we were likely to be able to repay the loan. [+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance
5(c)	Define the term <i>venture capital</i>. Precise definition [1] Imprecise definition showing some understanding [1] Answers could include: • a small group of people invest in quite risky new ventures in return for a share of the enterprise [2] • capital (money) invested in a project which has a high amount of risk, usually a new or expanding enterprise [2] • type of finance that funds early stage businesses, growing fast [2] • money in a high-risk enterprise [1] • type of lending/investment/ funds given to an enterprise. [1]	2	AO1 – 2

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Question	Answer	Marks	Guidance
5(d)	Justify the suitability of <u>one</u> source of finance, other than venture capital, used in <u>your enterprise project</u>. Identification of a source of finance [1] Explanation showing why this source was suitable [+1] Application to the candidate's enterprise [1] Answers will depend upon the enterprise but may include: • personal savings • family and friends • bank overdrafts and loans • community sources • grants and subsidies • crowdfunding • selling shares/collecting money from members. Example: Selling shares to each member of the enterprise [1] was suitable as we only needed \$100 and there were 10 members of the team [1] so we only had to invest a small amount but could share the profits.[+1]	3	AO1 – 1 AO2 – 1 AO3 – 1

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Question	Answer	Marks	Guidance															
6(a)	Nora discovered that every entrepreneur was advised to produce a set of documents. These could include: • business plan • cash flow forecast • income statement • SWOT analysis. Analyse how <u>two</u> of these documents could help Nora when starting up her enterprise. <table><tr><th>Level</th><th>Description</th><th>Marks</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: • Content or purpose of each of the documents	Level	Description	Marks	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
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1	Limited application to the case study Demonstrates knowledge of concepts	1–3																
0	No creditable response	0																

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Question	Answer	Marks	Guidance
6(a)	Phrases which demonstrate some analysis may include: A business plan would help her realise the risk such as people may download her videos and share them. Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include: A business plan would help her realise the risk such as people may download her videos and share them. Therefore, she could plan ways to avoid this risk.		

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Question	Answer	Marks	Guidance																		
6(b)	If Nora set up the video tutorial enterprise, she could organise it as a: • sole trader • partnership • limited company. Evaluate which type of business organisation would be most suitable for Nora’s enterprise. Justify your choice, including why you rejected the other two types of business organisation. <table><tr><th>Level</th><th>Description</th><th>Marks</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>	Level	Description	Marks	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.
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0	No creditable response	0																			

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Question	Answer	Marks	Guidance
6(b)	Knowledge may include: • <u>lists</u> costs and benefits of each business organisation. Phrases which demonstrate some analysis may include: • <u>explanation</u> of the costs /benefits of the business organisation • Nora has one failed business enterprise therefore she may need a partner's advice. Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include: Nora has one failed business enterprise therefore she may need a partner's advice. The partner may have skills which Nora does not have such as how to protect the enterprise from plagiarism. If Nora gains 3000 views for a video she will earn \$1700 and as a sole trade she would keep all of this. Evaluation maybe shown by a two-sided approach considering the advantages and disadvantages of each choice such as:		

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Question	Answer	Marks	Guidance															
7(a)	Analyse <u>two</u> ways technology affected the operation or success of <u>your enterprise project</u>. <table><tr><th>Level</th><th>Description</th><th>Marks</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: • methods of communication which have increased speed and effectiveness • access to the internet for advice /research • applications such as banking online which allow checking of funds • applications which allow co-writing such as google docs • teams or other online video social media/ call software/apps • general benefits /costs of the technology.	Level	Description	Marks	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	10	The grade descriptions describe performance at the top of the band.
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0	No creditable response	0																

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Question	Answer	Marks	Guidance
7(a)	Phrases which demonstrate some analysis may include: I used software to produce my paintings. Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include: I used software to produce my paintings which reduced the time and cost of raw materials to make the paintings increasing profit margins.		

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Question	Answer	Marks	Guidance																		
7(b)	There are many methods of communication that can be used to contact internal and external stakeholders. Evaluate <u>two</u> methods of communication used with stakeholders in <u>your enterprise project</u>. Justify which method was the most effective. <table><tr><th>Level</th><th>Description</th><th>Marks</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: • stakeholder groups • methods of communication • list advantages /disadvantages of methods of communication.	Level	Description	Marks	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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0	No creditable response	0																			

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Question	Answer	Marks	Guidance
7(b)	Phrases which demonstrate some analysis may include: • Explanation of advantages /disadvantages of methods of communication • I used colourful posters to advertise my photographs to potential customers. Phrases which demonstrate good analysis will the impact of this document on the enterprise. These may include: Posters maybe destroyed by the weather if placed outside therefore my photography business would not gain any new customers. Evaluation maybe shown by a two-sided approach considering the success and weaknesses of their meeting. Posters may be destroyed by the weather if placed outside therefore my photography business would not gain any new customers. However if the posters are placed inside schools the target audience would find out about the photography business and may purchase from me.		