

# ENTERPRISE

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Paper 0454/01

Paper 1

## Key Messages

There was evidence this session that candidates had not made full use of the opportunities provided by the pre-released case study. This was particularly noticeable in the answers to **Question 2**. This examination requires candidates to apply the concepts, skills and terminology that they have learnt to familiar and unfamiliar enterprise problems. In preparation for the examination, candidates should be encouraged to apply the issues raised by the case study to their own enterprise project experience, in order to explain and make effective judgments relating to the issues identified.

It is important to remind candidates that they must carefully read questions to identify the focus for the answer. A common error is that candidates' answers show excellent knowledge that is not applied to the circumstances identified in the stem of the question. Such answers are not able to access marks in the higher bands of the mark scheme. It is vital that candidates carefully read the stem of the question and identify the correct focus for their answer if they are to maximise their marks.

## General Comments

Many Centres had clearly prepared candidates well for the examination and strong knowledge of the concepts outlined in the syllabus was displayed throughout the paper. There were many chances within the paper for candidates to use their own experience of running an enterprise and to make evaluative judgments, especially in **Section B** questions.

**Questions 1(a), 2(b), 5(a)(i)** were generally well answered. These questions required the recall of knowledge and did not require application to an enterprise situation.

**Questions 3(b), 4(b) and 5(b)** were generally not well attempted. These questions tested the candidate's ability to analyse information and make judgements in the context of the case study material provided. In the final question, **7(b)**, there seemed to be less detailed information provided as some candidates appeared to be short of time.

There are some considerations that might be helpful in enabling candidates to achieve high marks:

- Use the case study material prior to the examination to identify issues and actions taken by the enterprise outlined. Attempts should be made to apply such issues to the candidates' own enterprise experience.
- Pay careful attention to the stem of the question that outlines the focus for the question. It is particularly important to be clear as to which enterprise the information should be applied to, in order to access the higher mark bands.
- Within **Section B** questions, candidates should attempt to look at both the positive and negative aspects of the subject wherever possible before reaching a conclusion.
- Candidates would benefit greatly from further guidance as to the appropriate structure for answers to the style of question in **Section B** of the paper.

## Comments on Specific Questions

### Section A

#### Question 1

- (a) Many candidates were aware of the concept. Weaker candidates focused their answers on entrepreneurs running existing businesses.
- (b) This question tested understanding of Section 2 of the syllabus. This section was not clearly understood by all candidates. Candidates were aware of the names of entrepreneurs and were able to list entrepreneurial skills. Only the most able could explain how the identified person had used their entrepreneurial ability to succeed. A significant minority listed the skill, the entrepreneur and the name of the enterprise but did not provide any link between the identified points.
- (c) The strongest answers identified two distinct sources of support, explained what support was offered and how it helped their enterprise. A large number of candidates gained limited marks by identifying the sources of support that their enterprise used but needed to explain what help was given. A common error was to repeat the same source of support e.g. two family members, such answers could gain a maximum of three marks.

#### Question 2

- (a) Few candidates were able to give a clear and precise definition of this type of organisation, which was the main focus of the pre-released case study. Many candidates gained limited credit by identifying a relevant feature. A large number of candidates provided a description that could equally apply to limited companies.
- (b) Candidates were confident in this aspect of the syllabus.
- (c) This question was not well answered by the majority of candidates. Although candidates were able to show some understanding of relevant advantages or disadvantages even the strongest candidates struggled to develop their answers fully to explain why this was a problem or an advantage to an enterprise.

#### Question 3

- (a) The opportunities provided for enterprise by a change in the size of population were well understood by the majority of candidates. Only the strongest candidates considered a change in the structure of the population as well. The majority of candidates struggled to gain high marks for this question because they repeated the potential increase in demand issue.
- (b) This question was poorly attempted. In part (i) many candidates incorrectly focused on competition rather than their own ability to produce the product or service. A common error within part (ii) was to focus on the income of the entrepreneur, or sales revenue, with no link made to customers' income. Such answers did not answer the question set and could not be given credit. Centres seeking further guidance should review the examples provided in the published mark scheme for this paper.

#### Question 4

- (a) A large number of candidates struggled to give precise definitions of the terms in both parts of this question. A large number of candidates gave the more generic term 'business' rather than company in their answers to part (i) and thus could only be awarded limited marks. In part (ii) candidates tended to provide better and more accurate definitions. Candidates commonly used the important feature of 'shareholders receiving part of the profits'.
- (b) Candidates were aware of the importance of profits to the general running of an enterprise. Even the most able candidates struggled to apply this knowledge to explain why profit would or would not be important to the Jarvis Co-operative.

### Question 5

- (a) These terms were not clearly understood and many candidates did not give clear and precise definitions of either term. In part (i) many candidates knew that an agenda contained matters to be discussed at a meeting. Only the most able provided further details to gain full marks. In part (ii) a common error was that 'minutes of a meeting' were there to show how long a meeting lasts.
- (b) The majority of candidates did not demonstrate clear understanding of this section of the syllabus. The strongest answers clearly identified relevant reasons for meetings in the context of this case study. The importance of the meetings to the enterprise was then analysed. Such candidates used the case study material to explain why a meeting would be particularly important for a co-operative organisation when faced with decisions such as sharing of dividends or raising finance. The case study material provided a number of situations that candidates could use in this context. Many candidates gave a valid reason for a meeting but could not provide any further analysis. Answers needed to discuss the effectiveness of meetings in the context of the case study for full credit.

### Section B

Questions in this section of the paper require application to the enterprise specified in the question stem, in order to score highly. A number of candidates did not apply their answer to the correct enterprise and therefore could not be awarded marks above band 1. Candidates continue to achieve higher marks in **Question 6(a)**, which required application to their own enterprise experience.

### Question 6

- (a) This question was well answered by a number of candidates. A range of relevant entrepreneurial skills, as specified in the syllabus, were identified. The strongest answers identified how the skill was applied in their own enterprise project. The clear analysis that followed showed the importance of the identified skill to the success of the project. Weaker answers simply identified and described entrepreneurial skills.
- (b) The methods of market research were clearly well understood by many candidates with a variety of different methods being identified. The question required an explanation as to how effective the method of research could have been within their enterprise project. The strongest answers identified at least two methods of research, explained how the methods could have been (or were) used within their enterprise and then explained how the information gathered was helpful to the project's success. Weaker candidates provided a list of the advantages and disadvantages of each of the methods identified. Such candidates, by failing to apply their answers to their enterprise projects, could not be credited in the higher mark bands. An error seen was to misinterpret market research as marketing methods, which could not be credited.

### Question 7

- (a) This was a topic area that was understood by many candidates. Many candidates illustrated a good knowledge of the sources of finance that were outlined in the question. Often candidates simply explained each of the three sources identified without any real application to the Jarvis Co-operative and their particular needs. The strongest answers explained the benefits and problems of each source of finance listed as a method to obtain finance to purchase tables. An overall conclusion was then provided showing the most suitable method for this co-operative.
- (b) Marketing is a topic area that is well understood by candidates. A wide range of innovative suggestions were made for potential methods of marketing. The strongest answers explained how the method of marketing identified would work to attract farmers and the problems that the co-operative might face when using the method. A final conclusion was then presented which justified the most suitable method in this situation. The most successful candidates explained how reducing price would attract farmers, but lower the profit margin per table for the cooperative. A small, but significant, number of candidates suggested methods that were not suitable for a small farmers' co-operative attempting to attract more farmers to rent tables. Such candidates made little use of the pre-released case study within their answers.

# ENTERPRISE

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Paper 0454/02  
Coursework

## Key Messages

- Candidates must provide relevant 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) needed to contain more explanation and supporting evidence
- Whilst candidates can undertake group projects, **ALL** the reports and documents submitted must be each candidate's own work and not a collaborative effort.

## General Comments

In this component of the examination, candidates carry out their own enterprise project either on their own or as a member of a group. Candidates are required to complete four tasks, each of which requires candidates to provide a range of material as evidence. Specific details of course requirements are clearly stated in the syllabus. 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.

Candidates were well advised in their choice of suitable projects. Most candidates are able to use appropriate enterprising techniques to gather the evidence required for each task. It is important to highlight that whilst candidates can undertake group projects, all the reports, presentations and documents they produce must be each candidate's own work and not a collaborative effort. Any work produced jointly by candidates cannot be credited.

Overall, many Centres awarded analysis and evaluation generously. A simple bullet point list or table, without any accompanying explanation, 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 a formal report. Most candidates did use the correct format. For the report, better performing candidates were able to communicate the process and outcome of their investigations when choosing their 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. A number of candidates included a wall chart or leaflet which are no longer required in the 2014 syllabus.

For task 2, candidates were required to present evidence of business planning. All candidates were required to produce an Action Plan, and evidence of either financial planning or marketing communication. Some candidates omitted evidence for at least one element of this task. Others included evidence of both options, which was unnecessary. It should be noted that the presentation must relate to their chosen option. A number of candidates included a Risk Assessment and Business Plan which are unnecessary.

Many good responses identified and explained relevant issues that they had to address as part of their planning 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 certain tasks in the Action Plan were given to a specific individual, how monitoring would be undertaken and reasons behind the choice of their marketing communications 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. Not all candidates provided evidence of both elements. Better candidates were well prepared to carry out this practical task.

For task 4, candidates were required to produce a formal report. Most candidates used an appropriate layout. In terms of content, candidates do not need to comment on all four areas. If marketing communications is selected, they should focus on this aspect alone rather than discuss general marketing issues such as market research or pricing. As candidates are only required to submit a 1000 word report, having a clear focus is essential. Candidates are being rewarded for the depth of their analysis and evaluation. If candidates cover 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 analyse and 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. Stronger candidates did attempt to consider the implications of points identified, which should be encouraged. The majority of candidates were able to make simple conclusions and recommendations 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.

It is very important that all coursework is submitted on time, to ensure the moderation process is not unduly delayed.