

# ENTERPRISE

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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. Before 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 their own enterprise experience.

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 do need to apply their answers to the enterprise identified in the question, which will be either that in the case study or their own enterprise.

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

- provide precise definitions
- use relevant examples wherever possible
- ensure that you are aware of why enterprises complete all documentation by knowing its purpose
- pay careful attention to the wording of questions
- use the information in the case study and your own enterprise experience to develop explanations in **Section B** questions
- within **Section B** questions always attempt to look at both the positive and negative aspects of the subject before reaching a conclusion.

## General comments

There was evidence that some candidates did not read questions carefully enough. They tended to answer their own question rather than the one set. Consequently the focus of the answer was often misplaced. There were also some strong candidates who applied their own experience of running an enterprise in an impressive manner.

Candidates were familiar with the terminology and concepts used in Enterprise and scored highly in questions such as 2(a)(ii), which required recall of information. Candidates can improve on their understanding of how enterprises make use of the documentation produced. Answers to **Questions 2(a)(ii), 3(b) and 5(a)(ii)** showed that candidates were unclear on how action plans, cash flows and research would be used in an enterprise.

Candidates should manage their time in the examination. A number of candidates did not complete all of the questions as fully as possible and some provided only outline answer plans to both parts of **Question 7**. Candidates would benefit from assistance with time management and further examination practise.

### **Comments on specific questions**

#### **Section A**

##### **Question 1**

This question was well answered by the majority of candidates.

- (a) Many candidates were aware of the concepts covered in this part of the question. A number of candidates did confuse the ways of being enterprising, covered in topic 1.2 of the syllabus, with the skills required to be a successful entrepreneur as outlined in topic 3.
- (b) Candidates must read the question carefully and provide examples from their own enterprise experience. Such answers will then gain more than one mark for knowledge of potential problems.

##### **Question 2**

The majority of candidates were aware of some of the contents of a business plan but weaker candidates needed to explain why an action plan would need to be revised throughout the enterprise.

- (a) (i) A generally well answered question. Candidates were aware of the information required in a business plan. The majority of answers were narrowly focused on the details of ownership and location. Very few answers identified elements of the production or marketing sections of the plan. Weaker candidates confused the business plan with the action plan produced for the coursework element of their assessment.
- (ii) A number of candidates explained what an action plan was or why such a plan would be required by an enterprise. Such answers did not focus on the key part of the question i.e. the need to revise a plan, and therefore could not be rewarded. Candidates would benefit from a more thorough study of the purpose of action planning.
- (b) Candidates were clearly very comfortable with this aspect of the syllabus and were able to identify a number of relevant features. The explanation of such features was more difficult and candidates struggled to gain full marks on this part of the question.

##### **Question 3**

Candidates were aware of the different methods of research available to an enterprise. They were less confident in their ability to explain how such research could be used by the enterprise.

- (a) This was a very well answered part of the question.
- (b) Stronger candidates identified a relevant piece of secondary research and then explained how an enterprise could make use of the information provided within the research to identify potential customers. Some candidates incorrectly described what is meant by secondary research or the benefits of using such information. Such answers gained no credit. Some candidates confused primary and secondary research.
- (c) This part of the question required candidates to apply their knowledge of market research to their own enterprise experience. Many candidates gained the knowledge marks available, by describing a suitable method of research. Candidates needed to explain how this research could have assisted them in identifying their potential customers.

#### Question 4

Candidates had clearly covered this topic area and scored highly in the knowledge sections of the question.

- (a) This term was clearly understood with many candidates giving clear and precise definitions.
- (b) Candidates were aware of factors that can contribute to the success of a negotiation; a number of relevant factors were identified. The most successful candidates were then able to explain how such factors affected the success of the negotiation. The most successful provided examples to fully illustrate the points being made. Although examples were not required for this question they did help the Examiner to clearly understand the explanation.

#### Question 5

The theory underlying these questions was generally well understood and therefore questions requiring definitions were done well.

- (a) (i) Many candidates understood the concept of cash flow and were able to give a reasonable description of the term. Candidates should be aware that cash flows are drawn for a particular time period.
  - (ii) Candidates should be able to explain the importance of cash flow to their enterprise. Some candidates confused cash flow with profit and loss accounts and therefore used this question as an opportunity to discuss the importance of an enterprise making a profit.
- (b) The strongest answers to this section of the question gave a clear definition of profitability and then explained how enterprises, which displayed this characteristic, were more likely to survive and grow. The weakest candidates were not aware of how profitability is calculated; such answers incorrectly stated that profit is important in order to pay costs.

#### Section B

#### Question 6

- (a) The strongest candidates identified both the challenges and rewards involved in operating an enterprise and were then able to offer examples to explain how they faced both aspects in their enterprise. A number of candidates did not explain both the challenging and rewarding aspects of enterprise and were therefore unable to gain full marks. The weakest candidates focused only upon the rewards of enterprise, usually profit, and struggled to explain the idea of challenge.
- (b) Although candidates had a strong understanding of the concept of risk in enterprise most were unable to identify two or more risks faced by TEMAL, the company in the case study. They therefore struggled to gain Level 3 marks. A number of candidates did not apply their answer to the case study material and gave detailed descriptions of the risks faced by other entrepreneurs. Unfortunately such answers could only be credited with a maximum of two knowledge marks.

#### Question 7

- (a) This was a topic area that was clearly well understood by candidates. The question required candidates to identify at least two methods of communication which they had used within their own enterprise and explain both the positives and negatives of these forms of communication. The strongest candidates compared the methods of communication discussed and suggested alternative methods which may have been more successful. The weaker candidates provided a list of communication methods with no reference to how they were used within their enterprise experience. A small number of candidates discussed methods of communication that were used inside of the enterprise rather than the methods used to communicate with external stakeholders as required.

- (b) A sensible approach to this question was to identify a problem faced by TEMAL in meetings, suggest a method to solve this problem and then analyse why this solution may not work or may cause additional issues. A conclusion that decided the most effective methods for TEMAL would have then gained Level 4 marks. Candidates were aware of the correct procedures for meetings but some struggled to explain why these procedures were necessary to ensure the smooth running of a meeting. Candidates would benefit from a more thorough analysis of this topic area.

# ENTERPRISE

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

## **Key messages**

- To score high 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) 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.

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, a failure to do so will limit the number of marks that they can score. It is important that both Centres and candidates are familiar with the course requirements as specified in the syllabus.

Analysis and evaluation marks were awarded generously by many Centres. 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; 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 that 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 adhered closely to the guidelines from the syllabus regarding good practice for report writing. 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 making 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 identify 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.