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ENTERPRISE

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1 hour 30 minutes



READ THESE INSTRUCTIONS FIRST

This Insert contains the case study for use when answering the questions.

Anything the candidate writes on this Insert will **not** be marked.

This document consists of **3** printed pages and **1** blank page.

CASE STUDY

THE JARVIS CO-OPERATIVE

Background

Ayesha and Hassan were friends and had learned a lot in their Enterprise lessons, including different types of business organisation. They were particularly interested in co-operatives, because their family farms were part of a local farmers' co-operative.

They had studied different entrepreneurs in their Enterprise lessons and the friends thought that they had the necessary skills to be successful entrepreneurs.

The idea

Ayesha and Hassan work on their parents' family farms near to the town of Jarvis. Many local farmers belonged to the Jarvis Co-operative and sold their produce to supermarkets. The farmers were always complaining that they did not get a very favourable deal from these supermarkets. Ayesha and Hassan thought that the co-operative would get a fairer price for their produce if they sold directly to consumers.

The friends thought that a weekly farmers' market in the market square of Jarvis could be used by the farmers' co-operative to sell their produce directly to people. Ayesha and Hassan believed that the co-operative could make a success of this new enterprise, especially as the population of Jarvis was growing rapidly.

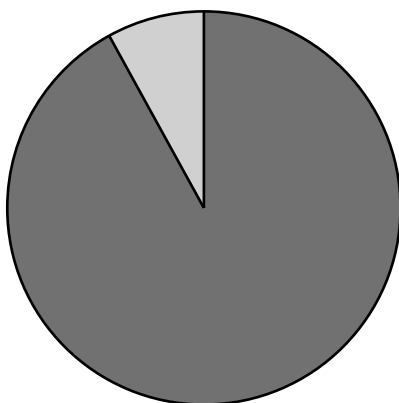
The market research

Ayesha and Hassan's secondary research showed that there were similar farmers' markets operating successfully in other communities.

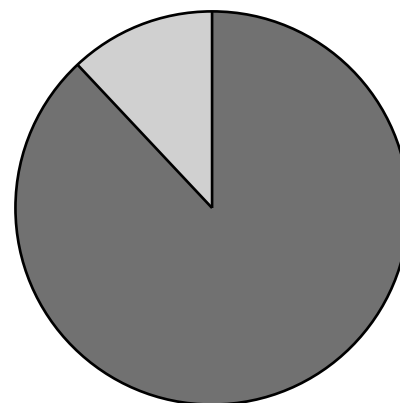
They realised that they would need to carry out some primary research as well, to find out if a farmers' market would be supported by both farmers and potential customers in the Jarvis area. The friends started by discussing their enterprise idea with their parents and other farmers in the co-operative. The response was very positive. This source of help and support was very useful.

Ayesha said that she would produce a questionnaire and organise the results. Hassan said that he would hand the questionnaires out to farmers and local people. He could collect the completed questionnaires later.

Question 1: Would you sell your produce at a weekly farmers' market?



Question 2: Would you buy produce from a farmers' market?



Key
 ■ yes
 ■ no

Key
 ■ yes
 ■ no

Fig. 1

The research findings clearly indicated that there was support for a farmers' market, both from the farmers and potential consumers. Ayesha and Hassan offered to organise the Jarvis Co-operative's Farmers' Market each week for a fee. They negotiated the fee with members of the Jarvis Co-operative.

Finance

Ayesha and Hassan realised that they would need to raise finance to pay for the organisation of the Farmers' Market. They would need to buy tables, rent space in the market square and pay for advertising. They would also need to find a place to store the tables. Each member of the Jarvis Co-operative had bought one share in the Co-operative. At the end of each year, the members of the Co-operative would receive a dividend. Some of the share capital could be used to finance the Jarvis Co-operative Farmers' Market.

Ayesha and Hassan believed that if extra funds were needed by the Co-operative, it would need to go to a bank and arrange either a loan or an overdraft.

Starting out

It took Ayesha and Hassan a few months to get everything organised. This included advertising the Farmers' Market so that people in the Jarvis area were fully aware of what was going to happen and when the first weekly market was going to be held. The friends understood that this advertising needed to be as effective as possible.

Ayesha and Hassan were very excited about the farmers' market. They decided to hold regular meetings with members of the Jarvis Co-operative to discuss progress. The meetings were well organised and the members of the Jarvis Co-operative were kept informed about progress with the Farmers' Market.

In mid-September the first Jarvis Co-operative Farmers' Market was held in the market square. The farmers had hundreds of customers throughout the day and sales were over US\$500. Ayesha and Hassan were pleased that the enterprise had got off to a good start, but they were concerned that only half the tables were rented out. They needed to encourage more farmers to rent tables at the Jarvis Co-operative Farmers' Market.

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