

ENTERPRISE

<p>Paper 4054/01 Case Study</p>

Key messages

This was the second year of assessment for the updated syllabus. There was evidence that some candidates were referring to the pre 2020 syllabus when preparing for their examination. This was clear in **Question 1(a)**, which related to topic 1.2 of the syllabus, where many candidates provided answers which are no longer creditable. Centres must ensure that candidates are referring to the correct version of the syllabus when preparing for the examination.

Centres should encourage candidates to include practical examples to support their answers in questions where they are directed to do so. A continuing issue, especially in **Questions 7(a)** and **7(b)**, is that candidates answer generically. Candidates who do this will not be able to access the higher marks. This is particularly important within **Question 7(a)** and **7(b)** where candidates did not gain marks as they did not apply their answer to their own enterprise experience. Candidates should be reminded that an introduction describing their product or service is not sufficient to gain application marks in these questions.

General comments

There was some evidence that candidates were not reading the questions carefully and this led to answers which did not relate to the question set. This was an issue in **Questions 1(c)**, **2(c)** and **6(a)**.

Some areas of the syllabus were not clearly understood by candidates. Centres would benefit from greater consideration to the following aspects of the syllabus:

- Topic 1.2: Ways of being enterprising as seen in **Question 1(a)**.
- Topic 2.1: The enterprise process as seen in **Question 4(b)**.
- The distinction between market research (Topic 8.2) and marketing communications (Topic 8.4). This caused an issue in the answers to **Question 3**.
- The distinction between Sources of finance (Topic 6.1) and Sources of help and support (Topic 9.1) which caused an issue on **Question 4(a)**.

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

- Read the whole question, including the stem carefully.
- Answers to **Questions 6(a)** and **6(b)** must include examples from the case study.
- Answers to **Questions 7(a)** and **7(b)** must relate to the candidate's own enterprise project.
- When discussing their own enterprise experience, candidates should ensure that the Examiner understands what good or service the enterprise provided. This is best achieved through detailed examples in their answer, not by a separate introduction paragraph describing the product or service.

Comments on specific questions

Section A

Question 1

- (a) Many candidates incorrectly stated that they could be enterprising by looking after younger siblings which is not an acceptable answer. Strong answers selected ways of being enterprising as outlined in topic 1.2 of the syllabus and provided clear examples of how these could be utilised at home.

Weaker answers did not gain marks by describing two different ways of making money. Such answers could gain a maximum of two marks for an explanation of one way.

- (b) Many clear and precise definitions were provided. Weaker answers identified a particular enterprise skill or reorganised the words in the question.
- (c) (i) Candidates struggled to gain full marks on this part of the question. The strongest answers recognised that a change in taste and fashion provided an opportunity for enterprises to alter their supply and attract new customers. Weaker answers discussed the impact of a fashion show.
 - (ii) This part of the question discriminated effectively between candidates of different abilities. Stronger answers recognised the impact of rising incomes on potential demand for goods and services and developed their explanation to show potential benefits for enterprises. Weaker answers misunderstood the question and often explained how incomes may change due to reduced taxation.

Question 2

- (a) Well answered by many candidates.
- (b) Many candidates made effective use of Fig. 1 in the case study explaining one of the items shown. A small but significant number of candidates were unaware of the contents of an action plan.
- (c) Well answered by many candidates who provided clear evidence of their calculations. A small number of candidates confused revenue with profit.
- (d) Candidates struggled to gain full marks on this question. The strongest answers used evidence from the case study to explain why ticket sales may be less than predicted. The weakest answers restated the numbers or phrases from the case study with little attempt to answer the question set.

Question 3

- (a) The majority of candidates were able to describe two distinctly different methods of market research which may be suitable for this enterprise. Practical examples of how the method could be used by the case study enterprise allowed the candidates to gain full marks. A common error was to identify 'the internet' as a method of research. A significant number of candidates confused market research with marketing communications. Such candidates described advertising methods in this question and market research methods in **part (b)** and gained zero marks for both questions.
- (b) The inclusion of the word 'communications' confused some candidates. Such candidates discussed verbal and non-verbal communication rather than the methods of marketing required. The strongest answers stated a method, provided a practical example to show how this operated within their enterprise project and then explained how this attracted customers. Weaker answers showed knowledge of marketing communications but did not develop the explanations to show how these methods operate. Commonly such answers simply stated that a poster would attract customers.

Question 4

- (a) The majority of candidates had a strong understanding of this part of the syllabus. Most candidates scored at least two marks for identification of sources of help and support. The strongest answers explained two quite different types of help and support. The weakest answers confused help and support (topic 9.1) with sources of finance (topic 6.1).
- (b) This part of the question proved challenging for some candidates who were unaware of topic 2.1 in the syllabus. The strongest answers stated a stage of the process and provided a clear example of how this stage had been used in their enterprise project. The outcome of this stage being clearly stated. Weaker answers explained the market research, the negotiation or the contents of a business plan and gained zero marks.

Question 5

- (a) (i) Many candidates were aware of the purpose of this document but only the strongest answers explained how its use assisted them. The most frequent correct answer being by warning people in advance of the date of the meeting this ensured all members of the team were able to attend. A small number of candidates confused this document with an agenda.
- (ii) This document was not well understood by candidates. Many gained one mark by stating that it included items to be discussed but struggled to explain why this was useful to know. A common error was to confuse this document with the minutes of the meeting. Candidates would benefit from greater practical experience of running formal meetings within their enterprise project.
- (b) There were many strong answers to this question, which suggested a variety of different business organisations. The strongest identified a suitable organisation, such as a partnership, and then used evidence from the case study to support this choice. A common error was to identify business organisations such as franchises which the candidate struggled to justify as suitable for this small non-profit enterprise.

Section B

The most successful candidates in this section were clearly familiar with the case study material and were able to use appropriate examples from the material to support answers. Candidates were less successful in **Question 7a** and **7b** which required application to their own enterprise experience.

Question 6

- (a) There were a range of answers to this question, but the majority were awarded marks towards the top of Level 2. The strongest answers recognised the benefit of promotion for the shop owners and the cost in terms of lost stock. Those that explained the impact of these points on the shop owners in terms of sales and revenue progressed to Level 3. The weakest answers explained the benefit to the fashion show enterprise and struggled to gain a mark in Level 1.
- (b) Candidates were clearly aware of the positives and negatives of bank overdrafts and friends and family but were less familiar with crowdfunding as a source of finance. The weakest answers provided descriptions of each source with no attempt to explain why these would be suitable for the fashion show enterprise. Candidates who had analysed the case study before the examination were able to demonstrate strong analysis. The strongest answers identified elements from the case study, such as those listed in the mark scheme, and used these points to explain why their chosen sources of finance were suitable for the enterprise. Candidates struggled to gain marks in Level 4 as they either provided a one-sided answer or did not discuss all three sources of finance as required by the question.

Question 7

- (a) To gain a mark in Level 3 for this question candidates were required to explain, using examples, how profit would be used in their enterprise project. Very few were able to do this. A significant number of candidates explained that they would use profit to pay their costs of production or repay loans. Such answers did not show awareness that profit is money left after all costs have been paid. The strongest answers explained that profit from one session would be reinvested for future enterprises and gained a mark in Level 2. Those that explained the effect of this, such as a reduced requirement for future borrowing, moved into Level 3.
- (b) Candidates showed sound knowledge of most of the skills outlined in the question. However, many had only a weak understanding of taking the initiative. Although candidates could provide practical examples of how they had used such skills many struggled to explain the impact this had on their enterprise project. As a result, very few candidates were able to show good analysis. A mark in Level 1 or 2 was therefore common for this question. The strongest answers frequently explained that their products or marketing were innovative due to their practical skills. The candidates who explained how this innovation led to greater sales or reduced costs gained marks in Level 3.

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<p>Paper 4054/02 Coursework</p>

Key messages

- The syllabus for this component changed in 2020. It is essential that all work submitted is based on the new syllabus requirements.
- To access the full range of marks, candidates must include relevant evidence for **all** elements of each task.
- Activities requiring demonstration of practical enterprising skills were done well.
- Activities which required candidates to show analysis and evaluation skills (AO3) need to contain more detailed explanation and supporting evidence.
- Many candidates exceeded the word limit. While they are not currently penalised for this, it is important that candidates present their work in a clear and precise format.
- Assessors are advised to annotate the coursework based on the assessment criteria. This will help to show how and why a particular mark is being awarded.

General comments

Candidates selected a variety of appropriate and interesting projects. In this session choices focused on food and drink activities. Other enterprising ideas included a barber shop, arranging outdoor events and selling craft products.

The awarding of marks for analysis and evaluation (AO3) is generous. A simple list of advantages and disadvantages, or a table without any accompanying explanation, is not analysis. Points must be developed to show how or why such issues need to be considered when planning or carrying out their project. For candidates to access the higher mark bands, they must show depth to their analysis and evaluation, as appropriate, throughout each task.

Candidates must provide all the required materials to access the full range of marks. **Section 4** of the syllabus provides clear guidance about this. The omission of any of these materials will restrict the mark band candidates can access.

Several candidates included business plans and marketing plans. These additional materials are unnecessary and there are no marks available for them.

Presentation and administration of the work was good. Please note the sample must include the work of the highest and lowest marked candidates. Where there is more than one teacher, internal moderation must be carried out to ensure consistency of marks within the centre. Any marks changed should be clearly indicated on all documentation. The marks submitted to Cambridge are those on the MS1, so if changes are made, it is essential that these are transferred to the MS1, and the individual candidate record card updated to reflect where revisions were made for each task.

All coursework should be annotated to indicate where the candidate has demonstrated the relevant assessment criteria. For example, writing 'AO1', 'AO2' and 'AO3' or comments such as 'good/excellent analysis' at appropriate points in the work. This would help both the centre and Moderator understand how and why certain marks were awarded.

Comments on specific tasks

Task 1

Candidates should discuss the advantages and disadvantages of two, or a maximum of three enterprise ideas. For each option they should gather and use market research to analyse each option and support any decisions made. Several candidates focused only on their chosen option and simply stated reasons why other ideas had been rejected, without discussing the merits of these alternatives. It was pleasing to see most candidates presented the work in a report format.

Better performing candidates were able to present their data in a meaningful way and attempted to draw valid conclusions from the evidence they had obtained. Only the strongest responses were able to use evidence gathered to say why they had chosen one option over other possible alternatives, for example, by quoting the results of market research to support decisions made. Weaker responses listed points but were not able to show why such points needed to be considered. Others included market research data but did not comment on the results, or only included it in the appendix but did not directly refer to the information gathered in their report.

Please note candidates are not required to include an evaluation of their entrepreneurial skills as part of this task.

Task 2

- (a) This is a new task. The focus of this activity is planning so it should be forward focused and discuss how the candidate might manage two or three significant issues identified from their action plan. Weaker responses simply described what they did retrospectively. To access the marks candidates must identify potential problems. The action plan is **not assessed**.

Better candidates identified a range of relevant issues and explained how they planned to manage each one. Only the best responses attempted to include a selection of different solutions for each problem.

- (b) Candidates should consider either three or four suitable sources of finance for the enterprise project **OR** three or four methods of marketing communications. A small number of candidates provided evidence for both options which is unnecessary.

Only the strongest responses included detailed explanations to support their final choices. Weaker responses stated general advantages and disadvantages of each option but did not apply the theory to their chosen project. Please note, slides cannot provide the level of detailed discussion and justification required to access the higher-level mark band.

The second part of this task is a presentation outlining their proposals for finance or marketing communications. The presentation and written element must cover the same option. A common error was to confuse the presentation with the negotiation, which forms part of **task 3**.

The presentation is an opportunity to demonstrate enterprise and communication skills. Most witness statements focused on summarising the content covered in the presentation. Others stated skills shown but did not provide details outlining what the candidate did to demonstrate these skills.

A significant number of candidates did not include the witness statement (which must be completed and signed by the teacher or equivalent person).

Task 3

This task was generally well attempted. Most candidates identified five skills. The strongest responses included a range of appropriate examples to show how they had used each of the named enterprise skills when implementing their project. Instead of naming individual skills, weaker responses simply described what they did.

One of the skills discussed must be negotiation. It was pleasing to see that most candidates did include reference to negotiation skills while the best responses included detailed plans for negotiation. A small number of candidates did not provide any evidence of negotiation. There is no requirement to include a witness statement for the negotiation.

Task 4

Nearly all candidates presented their work in a report format. Several candidates did not discuss planning and implementation which is the compulsory area. Some only discussed optional areas while a few candidates reviewed all four areas. This additional content was unnecessary. As candidates are required to submit only a 1000-word report, having a clear focus is essential.

Most of the marks for this task were awarded generously. **Task 4** is the most challenging task as only AO3 (analysis and evaluation) skills are assessed. Candidates should try to identify two or three key issues for each area and include at least one positive and one negative outcome for each area. Each outcome then needs to be developed, considering questions such as 'why' and 'how'. Stronger responses did attempt to discuss key issues to help analyse and evaluate their enterprise. The best responses used phrases such as 'therefore', 'so' or 'this means'. These connective words can help candidates develop their observations to explain the consequences or significance of issues made. However, most responses simply described actions taken or repeated decisions made in **task 2** rather than explain the extent to which the plan was implemented or achieved its aims for the other area selected. Such work cannot gain more than Level 2 marks.

Many candidates were able to make simple conclusions and recommendations for improvement. However, only a small number of candidates used evidence collected to support their conclusions. Some submitted photographs, permission letters, receipts and screenshots but it was not clear why these materials had been included. Any evidence used should be clearly referenced and used to support the point being made.