

© Cambridge University Press & Assessment 2024 v1

Cambridge Assessment International Education is part of the Cambridge University Press & Assessment. Cambridge University Press & Assessment is a department of the University of Cambridge.

Cambridge University Press & Assessment retains the copyright on all its publications. Registered centres are permitted to copy material from this booklet for their own internal use. However, we cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within a centre.

Contents

Introduction.....	4
Question 1.....	6
Example Candidate Response – high.....	6
Example Candidate Response – middle.....	7
Example Candidate Response – low.....	8
Question 2.....	10
Example Candidate Response – high.....	10
Example Candidate Response – middle.....	11
Example Candidate Response – low.....	12
Question 3.....	13
Example Candidate Response – high.....	13
Example Candidate Response – middle.....	14
Example Candidate Response – low.....	15
Question 4.....	17
Example Candidate Response – high.....	17
Example Candidate Response – middle.....	18
Example Candidate Response – low.....	19
Question 5.....	20
Example Candidate Response – high.....	20
Example Candidate Response – middle.....	22
Example Candidate Response – low.....	24
Question 6(a).....	26
Example Candidate Response – high.....	26
Example Candidate Response – middle.....	27
Example Candidate Response – low.....	28
Question 6(b).....	29
Example Candidate Response – high.....	29
Example Candidate Response – middle.....	31
Example Candidate Response – low.....	33
Question 7(a).....	35
Example Candidate Response – high.....	35
Example Candidate Response – middle.....	36
Example Candidate Response – low.....	37
Question 7(b).....	38
Example Candidate Response – high.....	38
Example Candidate Response – middle.....	40
Example Candidate Response – low.....	42

Introduction

The main aim of this booklet is to exemplify standards for those teaching Cambridge IGCSE Enterprise and Cambridge O Level Enterprise, and to show how different levels of candidates' performance (high, middle and low) relate to the syllabus requirements. This document helps teachers to assess the standards required to achieve marks beyond the guidance of the mark scheme.

In this booklet candidate responses have been chosen from the June 2024 exam series to exemplify a range of answers.

For each question, the response is annotated with examiner comments about where and why marks were awarded or omitted. This is followed by comments on how the answer could be improved. There is also a list of common mistakes and guidance for candidates.

Please refer to the Cambridge IGCSE Enterprise June 2024 Examiner Report for further details and guidance.

The questions, mark schemes, inserts and pre-release material referred to are available on the [School Support Hub](#) on the Cambridge IGCSE Enterprise 0454 page.

June 2024 Question Paper 12

June 2024 Mark Scheme 12

June 2024 Insert 12

Past exam resources and other teaching and learning resources are available on the [School Support Hub](#) for Cambridge IGCSE Enterprise and on the [Mauritius School Support](#) website for O Level Enterprise.

How to use this booklet

This booklet goes through the paper one question at a time, showing you the high-, middle- or low level response for each question. In the left-hand column are the candidate responses, and in the right-hand column are the examiner comments.

Example Candidate Response – high	Examiner comments
<p>1 Leo was enterprising while employed in the café.</p> <p>(a) Define the term <i>external stakeholder</i>.</p> <p>An external stakeholder is a person who is interested in, affected by or affects a business enterprise, but is not a member of it or directly linked to it or works for it. [2]</p> <p>(b) Explain why the café manager could be a stakeholder in Leo's proposed future enterprise.</p> <p>Since Leo sources his used coffee grounds from the café, the café owner will become his supplier and thus be directly linked to the running of his enterprise. Alternatively if Leo will choose to produce the booklets, he will be enterprising with the café owner to call them to</p>	<p>1 A complete definition showing understanding of both stakeholder and external. Mark for (a) = 2 out of 2</p> <p>2 A perfect answer. The first line shows application to the context and understanding of the relationship. The second line names the stakeholder relations</p>
<p>Responses are written by real candidates in exam conditions, demonstrating the types of answers for each level. These could be used to discuss and analyse the answers with learners in the classroom to improve their skills.</p>	<p>Examiner comments explain where and why marks were awarded. These help to interpret the standard of Cambridge exams to help learners refine their exam technique.</p>

How the candidate could improve their answer

- The candidate produced an excellent answer for each question part, focussing clearly on the marks that will be awarded as indicated by the command words and other instructions in the questions.
- The answer contained more information than was required. The candidate was showing good exam style by ensuring that they had the opportunity to maximise their marks by covering both aspects of the relationship. This was not necessary here as all marks had been achieved.

This section explains how the candidate could improve each response. It helps learners to improve their exam technique.

Common mistakes and guidance for candidates

- (a) The term stakeholder was sometimes confused with shareholder. Frequently, candidates did not explain the external part of the term.
- (b) Candidates incorrectly assumed that the café manager would be a partner in Leo's enterprise.
- (c) Some candidates used general phrases such as 'res' identifying the skills as listed in Topic 3.1 of the syllabus.
- (d) Some candidates explained their enterprise project being enterprising as listed in Topic 2.1 of the syllabus.

This section lists common mistakes as well as helpful guidance from the examiner. This will help your learners to avoid these mistakes. You can use this alongside the relevant Examiner Report to guide your learners.

Question 1

Example Candidate Response – high

Examiner comments

1 Leo was enterprising while employed in the café.

(a) Define the term *external stakeholder*.

An external stakeholder is a person who is interested in, affected by or affects a business enterprise, but is not a member of it or ~~affiliated with it~~ or works for it. [2]

(b) Explain why the café manager could be a stakeholder in Leo's proposed future enterprise.

Since Leo sources his used coffee grounds from the Café, the Café Owner will become his supplier and thus be directly linked to the running of his enterprise. Alternatively, if Leo will choose to produce the booklets, he will be partnering with the Café Owner to sell them to customers, thus being an important stakeholder. [3]

(c) State **two** enterprise skills.

1 Creativity
2 Time Management [4]

(d) Explain **one** way that you have been enterprising. Use an example to support your answer.

In school, some of my classmates were falling behind in their studies, and since I was ^{a good} ~~an~~ student, I started to tutor them after school for a price of Rs. 5000 per subject. I was able to identify the demand, provide a creative solution and thus generate a profit. This also allowed me to revise on different subjects and I was able to help my fellow peers succeed. [Total: 10]

1 A complete definition that shows understanding of both stakeholder and external.

Mark for (a) = 2 out of 2

2 A perfect answer. The first line shows application to the context and understanding of the relationship. The second line names the stakeholder relationship.

3 This part is incorrect. The café owner will not be a partner to Leo. The candidate already gains all of the marks possible in the first two lines of the answer.

Mark for (b) = 3 out of 3

4 Both are listed in Topic 3.1 of the syllabus.

Mark for (c) = 2 out of 2

5 The action taken shows application.

6 Thinking creatively is a way of being enterprising.

7 An impact shows explained understanding of this way of being enterprising.

Mark for (d) = 3 out of 3

Total mark awarded = 10 out of 10

How the candidate could improve their answer

- The candidate produced an excellent answer for each question part, focussing clearly on the marks that would be awarded as indicated by the command words and other instructions in the questions.
- The answer contained more information than was required. The candidate was showing good exam style by ensuring that they had the opportunity to maximise their marks by covering both aspects of the relationship. This was not necessary here as all marks had been achieved.

Example Candidate Response – middle

Examiner comments

1 Leo was enterprising while employed in the café.

(a) Define the term *external stakeholder*.

This is an individual who has an interest in the activities of a business but is not a part or member of the business e.g. a customer [2]

(b) Explain why the café manager could be a stakeholder in Leo's proposed future enterprise.

The café manager has expected to include the profit from the business in his financial records. The manager could be a stakeholder if Leo involves him by presenting the idea to him. [3]

(c) State **two** enterprise skills.

1 Perseverance
2 Leadership [3]

(d) Explain **one** way that you have been enterprising. Use an example to support your answer.

One way I have been enterprising at home and school is being organised. This helps me know where everything I need is and keeps all my school materials safe. [3]

[Total: 10]

1 The candidate provides a precise definition; both aspects of the term are clearly defined.

Mark for (a) = 2 out of 2

2 The candidate identifies a reason in context by taking a quote from the case material. This gains the knowledge and application mark. They do not fully develop the explanation.

Mark for (b) = 2 out of 3

3 Both are listed as enterprise skills in Topic 3.1 of the syllabus.

Mark for (c) = 2 out of 2

4 Being organised is not considered in the syllabus as a way of being enterprising.

Mark for (d) = 0 out of 3

Total mark awarded = 6 out of 10

How the candidate could improve their answer

- (b) To gain the third mark, the candidate needed to fully develop the explanation to show the link between the manager and the proposed enterprise. This could have been done by explaining the impact on the manager of actions taken by the enterprise.
- (c) The candidate must have referred to a way of being enterprising from Topic 1.2 of the syllabus to gain any marks when answering this part of the question. The candidate confused organising an activity, which is a way of being enterprising, with being organised which is not. Without the knowledge mark, a mark cannot be given for application.

Example Candidate Response – low

Examiner comments

Section A

Answer **all** questions.

1 Leo was enterprising while employed in the café.

(a) Define the term *external stakeholder*.

.....
 Various group with an interest in a particular enterprise

 [2]

(b) Explain why the café manager could be a stakeholder in Leo's proposed future enterprise.

.....
 Leo decide wether to share his idea with the cafe manger
 if he share the idea the manager and leo will have a
 business organisation as partnership so the cafe manager
 will be an internal stakeholder as the owner of the enterprise
 [3]

(c) State **two** enterprise skills.

1 Innovation
 2 problem-solving
 [2]

(d) Explain **one** way that you have been enterprising. Use an example to support your answer.

.....
 Enterprising at home, Taking responsibility of younger children
 I am the oldest in the family so i usually
 look through my younger sibling
 [3]

[Total: 10]

1 The candidate provides a partial answer explaining the word stakeholder.

Mark for (a) = 1 out of 2

2 An assumption is made that the enterprise will operate as a partnership. Neither option includes this idea. The candidate does not answer the question set.

Mark for (b) = 0 out of 3

3 The candidate states two correct enterprise skills.

Mark for (c) = 2 out of 2

4 Taking responsibility for children is not being enterprising.

Mark for (d) = 0 out of 3

**Total mark awarded =
 3 out of 10**

How the candidate could improve their answer

- **(a)** The candidate did not explain the meaning of the whole term. To gain full marks, understanding of the word external must also be shown.
- **(b)** The candidate focused on the actions of Leo not the café manager. Explaining why the café manager would be interested in Leo's actions would have gained at least two of the marks available. Using terminology from the case study material would ensure that the answer gained the application mark.
- **(d)** The candidate misunderstood the question and did not show an example of being enterprising. To gain one mark, a way of being enterprising from Topic 1.2 of the syllabus must have been stated.

Common mistakes and guidance for candidates

- **(a)** The term stakeholder was sometimes confused with shareholder. Frequently, candidates did not explain the external part of the term.
- **(b)** Candidates incorrectly assumed that the café manager would be a partner in Leo's enterprise.
- **(c)** Some candidates used general phrases such as 'results driven' and 'decision making' rather than precisely identifying the skills as listed in Topic 3.1 of the syllabus.
- **(d)** Some candidates explained their enterprise project or ways that they earned money rather than using the ways of being enterprising as listed in Topic 2.1 of the syllabus.

Question 2

Example Candidate Response – high

Examiner comments

2 Leo thought that his enterprise ideas could benefit many stakeholders.

(a) Select the most appropriate word to complete each of the sentences about SWOT analysis.

- external
- adverse
- internal
- favourable

Financial limitations are internal factors affecting an enterprise. Legislation and regulations are external factors. **1** [2]

(b) Explain **one** way Leo's enterprise ideas could have a positive effect on stakeholders other than customers.

Leo's enterprise idea could have a positive impact on the local community as by reusing the coffee ~~bags~~ grounds, he was reducing the amount of trash **2** produced and discarded which could help in bettering the state of his local community and give it a better appearance and image. **3** [3]

(c) Define the term *customer satisfaction*.

Customer satisfaction is the measure of how satisfied a customer is with the goods / services provided and how likely they are to return to your enterprise to purchase goods / services. **4** [2]

(d) Explain **one** method you used, or could have used, to measure customer satisfaction in **your** enterprise project.

5 One method that I used to measure customer satisfaction in my enterprise were the number of complaints that I received. If I received a lot of complaints, I could recognise that customers were not satisfied with the quality of my product and were not very likely to return again. **6** [3]

[Total: 10]

1 The candidate correctly selects and places each word.

2 The candidate identifies an impact, and this clearly links to Leo's enterprise idea of reusing coffee grounds.

3 There is application to a named stakeholder, the local community, and the impact is clearly stated.

Mark for (a) = 2 out of 2

4 A precise definition.
Mark for (b) = 3 out of 3

5 The candidate identifies a method.
Mark for (c) = 2 out of 2

6 The candidate gives a brief explanation of how this method operates showing understanding.
Mark for (d) = 2 out of 3

Total mark awarded = 9 out of 10

How the candidate could improve their answer

(d) The candidate provided a generic answer which could have applied to any enterprise and therefore was not awarded the AO2 (application) mark. Adding specific details about their product or service such as 'there were a number of complaints about the quality of the stitching on the bags', would have gained this mark.

Example Candidate Response – middle

Examiner comments

2 Leo thought that his enterprise ideas could benefit many stakeholders.

(a) Select the most appropriate word to complete each of the sentences about SWOT analysis.

- external
- adverse
- internal
- favourable

Financial limitations are internal factors affecting an enterprise. Legislation and regulations are external factors. 1

[2]

(b) Explain one way Leo's enterprise ideas could have a positive effect on stakeholders other than customers.

2 Leo's enterprise idea will positively affect the suppliers of coffee/ coffee logs as this idea will increase the demand for their products so there will be an increase in sales and profit for those suppliers.

[3]

(c) Define the term customer satisfaction.

Customer satisfaction is when the customers in an enterprise are fully content and comfortable with the goods and services being provided by the enterprise. It involves the happiness of a customer. 3

[2]

(d) Explain one method you used, or could have used, to measure customer satisfaction in your enterprise project. 4

We could have used reviews. We could have handed out review cards or set up a website to be available for customers to write down how they felt about our shirts, whether or not there were any problems and if there were any improvement ideas. 5

[3]

[Total: 10]

1 The candidate correctly selects and places each word.

Mark for (a) = 2 out of 2

2 The enterprise ideas will use the waste coffee grounds, therefore there should be no impact upon the suppliers of coffee. The new enterprise is the supplier of coffee logs. The candidate does not identify a correct impact on a stakeholder.

Mark for (b) = 0 out of 3

3 The candidate provides an imprecise definition showing some understanding that customers are happy.

4 Reviews are a way to measure satisfaction, a point is awarded for knowledge of a method. The answer is clearly in the context of the enterprise product, shirts, therefore the application mark is awarded.

Mark for (c) = 1 out of 2

5 The focus here is on what the customers are required to do not how the enterprise uses reviews. This does not answer the question.

Mark for (d) = 2 out of 3

Total mark awarded = 5 out of 10

How the candidate could improve their answer

- **(b)** The candidate has confused coffee suppliers with Leo, the potential supplier of coffee logs. To gain credit, the candidate could have identified that Leo, the owner of the new enterprise, would benefit from the income generated. An example of how this answer could be developed to gain all three marks is shown in the mark scheme.
- **(c)** To gain the second mark, the candidate must have shown awareness that this was a measurable factor. This could have been achieved by providing the precise definitions shown in the mark scheme.
- **(d)** The final explanation mark was awarded for explaining how the method would work in the shirt enterprise. For example, the candidate could have explained how the reviews would help the shirt enterprise to know which shirts were popular.

Example Candidate Response – low	Examiner comments
<p>2 Leo thought that his enterprise ideas could benefit many stakeholders.</p> <p>(a) Select the most appropriate word to complete each of the sentences about SWOT analysis.</p> <ul style="list-style-type: none"> • external • adverse • internal • favourable <p>Financial limitations are <u>internal</u> factors affecting an enterprise. Legislation and regulations are <u>external</u> factors. [2]</p> <p>(b) Explain one way Leo's enterprise ideas could have a positive effect on stakeholders other than customers.</p> <p><u>Leo's enterprise ideas could have a positive effect on stakeholders because they would be able to see that it will be successful and they will want to have a part of that.</u> [3]</p> <p>(c) Define the term <i>customer satisfaction</i>.</p> <p><u>customer satisfaction means where your customer is happy with the product you have given them.</u> [2]</p> <p>(d) Explain one method you used, or could have used, to measure customer satisfaction in your enterprise project.</p> <p><u>One method was I could of used to measure customer satisfaction I would have a survey at the end to tell me how happy they were with the product.</u> [3]</p> <p>[Total: 10]</p>	<p>1 The candidate correctly completes each sentence. Mark for (a) = 2 out of 2</p> <p>2 The candidate does not identify any stakeholders.</p> <p>3 The candidate does not mention any effect or impact on the stakeholder. Mark for (b) = 0 out of 3</p> <p>4 The candidate provides an imprecise understanding of the term. Mark for (c) = 1 out of 2</p> <p>5 The candidate states a method of measurement.</p> <p>6 The candidate does not provide an explanation of how the survey would measure satisfaction/happiness. Mark for (d) = 1 out of 3</p> <p>Total mark awarded = 4 out of 10</p>

How the candidate could improve their answer

- (b) The candidate should have stated an example of either an internal or external stakeholder, using an example taken directly from the case study.
- (c) The candidate should have provided a clear and precise definition, such as those presented in the mark scheme, which would have ensured full marks.
- (d) Including an example of a question from the survey and the information provided would have ensured full marks.

Common mistakes and guidance for candidates

- (a) Some candidates transposed the correct words in their answer.
- (b) Some candidates confused stakeholder with shareholder.
- (c) A lack of precise definitions of the term.
- (d) Some candidates did not specify a method by name or ignored the instruction in the question to link their answer to their own enterprise project.

Question 3

Example Candidate Response – high

Examiner comments

3 Leo decided to calculate the potential profits because he expected the manager would need this information to include in his financial records.

(a) State **two** financial records usually produced by an enterprise.

- 1 Income Statement
 2 Statement of Financial Position / Cash flow forecast 1

[2]

(b) For each of Leo's ideas, he produced an estimate of the costs and potential revenue. These are shown in Table 3.1.

Table 3.1

Option 1: Booklet		Option 2: Coffee logs	
Costs US\$		Costs US\$	
Printing for 100 booklets	5	Materials for 100 coffee logs	10
		Packaging for 100 logs	15
Selling Price		Selling Price	
One booklet	50 cents	Selling price per bag of 10 coffee logs	8

(i) Calculate, using Table 3.1, the profit made by selling 100 booklets (Option 1).

100 booklets = 0.50 x 100
= \$50
Printing for 100 = \$5
50 - 5 = \$45 2
↳ profit

[3]

(ii) Calculate, using Table 3.1, the profit made by selling 10 bags of coffee logs (Option 2).

~~Selling price = \$8~~
~~Income = \$80~~
~~80 - selling price~~
~~Material = \$1~~
~~Packaging = \$1.5~~
~~\$77.5~~ 4
~~Selling price = \$8~~
~~Material = 10/100 = 0.1~~
~~Packaging = 15/100 = 0.15~~
~~8 - 0.25 = \$7.75~~ 3

[3]

(iii) Calculate the difference in profit between Option 1 and Option 2.

\$77.5 5
- \$45
= \$32.5

[2]

[Total: 10]

1 The candidate provides two correct records.

Mark for (a) = 2 out of 2

2 The method is easy to follow, and the correct answer is clearly labelled.

Mark for (b)(i) = 3 out of 3

3 The parts of the answer which the candidate does not want to be marked are clearly crossed out.

4 Own figure rule (OFR) is awarded as the candidate makes one mistake in the calculation.

Mark for (b)(ii) = 2 out of 3

5 The candidate uses the correct method using their own figures calculated in parts (i) and (ii). OFR is again awarded.

Mark for (b)(iii) = 2 out of 2

Total mark awarded = 9 out of 10

How the candidate could improve their answer

(b)(ii) The candidate did not recognise that 100 coffee logs were equivalent to 10 bags of logs. The cost of packaging and materials per coffee log has been calculated. The candidate made one error, therefore 2 marks were awarded.

Example Candidate Response – middle

Examiner comments

3 Leo decided to calculate the potential profits because he expected the manager would need this information to include in his financial records.

(a) State two financial records usually produced by an enterprise.

1 Budget
2 receipts 1

(b) For each of Leo's ideas, he produced an estimate of the costs and potential revenue. These are shown in Table 3.1.

Table 3.1

Option 1: Booklet		Option 2: Coffee logs	
Costs US\$		Costs US\$	
Printing for 100 booklets	5	Materials for 100 coffee logs	10
		Packaging for 100 logs	15
Selling Price		Selling Price	
One booklet	50 cents	Selling price per bag of 10 coffee logs	8

(i) Calculate, using Table 3.1, the profit made by selling 100 booklets (Option 1).

Sales - Cost
50 cents x 100 = 5000 - 5 = 4995 2

(ii) Calculate, using Table 3.1, the profit made by selling 10 bags of coffee logs (Option 2).

100 = 10, 100 = 15, 150 = 100x = 11.5
10 x 2.8 = 28, 10 x x, 100 / 100 = 11.5
Sales - Cost
8 - 2.5 = 5.5 3

(iii) Calculate the difference in profit between Option 1 and Option 2.

4995 - 5.5 = 4989.5 4

[Total: 10]

1 This point is unclear as receipts may be produced by the enterprise or its suppliers.

Mark for (a) = 1 out of 2

2 The correct method for calculating profit is shown gaining 1 mark. The candidate uses the correct figures but confuses dollars and cents leaving an unclear answer.

Mark for (b)(i) = 1 out of 3

3 The candidate shows understanding of the method and substitutes in the correct numbers from Table 3.1 to correctly calculate the profit per bag gaining 2 marks.

Mark for (b)(ii) = 2 out of 3

4 The candidate applies OFR. The correct method has been used with the candidate using the figures that they have calculated in parts (i) and (ii).

Mark for (b)(iii) = 2 out of 2

Total mark awarded = 6 out of 10

How the candidate could improve their answer

- (a) Receipts could have been credited, although they were not listed in the syllabus as financial records. To gain the mark, the candidate should have made it clear that the receipt was for items sold by the enterprise.
- (b) The candidate made one mistake in calculating the profit per bag. Multiplying the answer by 10 would have gained the final mark available.

Example Candidate Response – low

Examiner comments

3 Leo decided to calculate the potential profits because he expected the manager would need this information to include in his financial records.

(a) State **two** financial records usually produced by an enterprise.

- 1 Source of Finance 1
- 2 The profit enterprise gets [2]

(b) For each of Leo's ideas, he produced an estimate of the costs and potential revenue. These are shown in Table 3.1.

Table 3.1

Option 1: Booklet		Option 2: Coffee logs	
Costs US\$		Costs US\$	
Printing for 100 booklets	5	Materials for 100 coffee logs	10
		Packaging for 100 logs	15
Selling Price		Selling Price	
One booklet	50 cents	Selling price per bag of 10 coffee logs	8

(i) Calculate, using Table 3.1, the profit made by selling 100 booklets (Option 1).

100 - 5 = 95 booklets

100 ÷ 50 = 2 booklets

100 × 5 = 500 booklets 2

one booklet is 50 cents, selling price

3 100 × 50 = 5000 the profit made by selling 100 [3]

(ii) Calculate, using Table 3.1, the profit made by selling 10 bags of coffee logs (Option 2).

materials for 100 coffee logs 100, the cost

10 10 + 15 = 25 4

100 - 10 = 90 25 × 8 = 200

100 × 10 = 1000 10 × 8 = 80

= 200 selling price 5 [3]

(iii) Calculate the difference in profit between Option 1 and Option 2.

The difference is 5 cost us\$ 6

50 × 100 = 5000 The difference is 400

25 × 10 = 250 50 × 8 = 400

5000 - 250 = 4750 7 [2]

[Total: 10]

1 The candidate uses general financial terms.

Mark for (a) = 0 out of 2

2 The candidate gives an incorrect calculation stated as booklets.

3 The candidate shows some understanding of total revenue but states an incorrect final amount and lists it as profit.

Mark for (b)(i) = 0 out of 3

4 The candidate correctly calculates the total cost and total revenue.

5 The candidate makes no attempt to calculate profit.

Mark for (b)(ii) = 2 out of 3

6 The difference is between the costs which does not answer the question.

7 OFR is not awarded as 250 is not a figure taken from (b)(ii).

Mark for (b)(iii) = 0 out of 2

Total mark awarded = 2 out of 10

How the candidate could improve their answer

- **(a)** The candidate should have identified by precise name two of the financial records stated in Topic 6.4 of the syllabus.
- **(b)(i), (b)(ii)** Producing a more organised layout for each answer would have improved the marks in both parts. Stating the correct formula for profit at the start of each calculation and labelling the revenue and cost calculations would have helped the candidate to complete the calculations correctly.
- **(b)(iii)** The candidate could have gained 2 marks under own figure rule (OFR) if they had used their figures from part **(i)** and **(ii)** and calculated the difference between the two.

Common mistakes and guidance for candidates

- **(a)** Some candidates identified financial terms such as profit not the financial records by their precise name.
- **(b)(ii)** Some candidates did not recognise that each bag contained 10 coffee logs.

Question 4

Example Candidate Response – high

Examiner comments

4 Leo is sure that if he sells a large amount of coffee logs, he will be able to make this a profitable enterprise. There is a large amount of planning to do.

(a) State **two** suitable aims, other than making a profit, for Leo's enterprise.

- 1 Ethical
- 2 Environmental 1

[2]

(b) Explain how **one** aim of **your** enterprise project affected its activities. Use an example to support your answer.

One of my ~~enter~~ photo booth project's aim was profit maximisation. I wanted to make enough profit that would lead to a surplus in my project. For this, I negotiated with the Polaroid supplier to decrease the cost of the polaroids but however, I did not get much of a

4 discount so I had to increase price which led to losing 2 3 as they found it costly. 3

(c) State **two** ways that writing an action plan could assist an enterprise.

- 1 It can help stop an enterprise from doing wrong things that can save time and effort.

5 2 It can help divide tasks equally between your partners that can help reduce workload and save time. 2

[2]

(d) State **three** sources of help and support available to an enterprise.

- 1 Friends and Family 6
- 2 Bank overdrafts Professional private finance manager who also charges fee.
- 3 Government

[3]

[Total: 10]

1 The mark scheme identifies 'reduce pollution' and environmental aim was accepted as sufficient to indicate this.

Mark for (a) = 2 out of 2

2 The effect of the aim of profit was that price had to rise to cover costs.

3 The explanation of the impact is that some customers were lost as a result.

4 Application to the candidate's own enterprise is clearly shown here. The reader knows both why price was higher and what product was bought.

Mark for (b) = 3 out of 3

5 Saving time is acceptable and allocation of tasks are both acceptable points. The candidate writes more than is required to answer the question.

Mark for (c) = 2 out of 2

6 A professional private finance manager who charges a fee has been awarded a mark as they are a type of consultant.

Mark for (d) = 3 out of 3

Total mark awarded = 10 out of 10

How the candidate could improve their answer

- **(b)** The candidate explained their aim in detail; this was not required by the question. A simple statement that the aim was profit maximisation would have been sufficient here.
- **(c)** The command word was 'state'. This candidate developed each point to show impacts, which was not required. The candidate also repeated the same point of development, 'saves time' in each section. Points are only credited once; no credit is given for repetition.
- **(d)** The second answer was not clear. This was awarded by the examiner as a correct example of one of the sources stated in the syllabus. To avoid confusion, the candidate should have stated the source as listed in Topic 9.1 of the syllabus.

Example Candidate Response – middle

Examiner comments

4 Leo is sure that if he sells a large amount of coffee logs, he will be able to make this a profitable enterprise. There is a large amount of planning to do.

(a) State **two** suitable aims, other than making a profit, for Leo's enterprise.

- 1 Growth 1
- 2 Customers satisfaction [2]

(b) Explain how **one** aim of **your** enterprise project affected its activities. Use an example to support your answer.

Customers satisfaction was an aim and so we sent out pictures of the possible shirts to be made using a google form on that way students were able to vote for shirts they were willing to buy so we had to scrap out some shirts that weren't people weren't interested in in order to fully satisfy our customers. [3]

(c) State **two** ways that writing an action plan could assist an enterprise.

- 1 It can be a way of measuring success 3
- 2 It can be used to motivate or remind the people involved in an enterprise about the enterprise [2]

(d) State **three** sources of help and support available to an enterprise.

- 1 Family and friends
- 2 Research through Internet 4
- 3 Stakeholders Government [3]

[Total: 10]

1 Growth was not considered a suitable aim for an enterprise that had not yet started.

Mark for (a) = 1 out of 2

2 The candidate identifies an activity that they chose to help them achieve customer satisfaction; google forms. The explanation shows how this helped. The answer is in context throughout as the examiner knows what they product was, and specific actions taken in the enterprise.

Mark for (b) = 3 out of 3

3 The candidate seems to confuse the business plan and action plan.

Mark for (c) = 0 out of 2

4 The question requires a person or organisation to be identified. The internet is not a source of help and support. It is a way to access or communicate with a chosen source.

Mark for (d) = 2 out of 3

Total mark awarded = 6 out of 10

How the candidate could improve their answer

(c) The ways an action plan would have assisted an enterprise are listed in the mark scheme. Stating any two of these points would have gained credit in this part of the question.

Example Candidate Response – low

Examiner comments

4 Leo is sure that if he sells a large amount of coffee logs, he will be able to make this a profitable enterprise. There is a large amount of planning to do.

(a) State **two** suitable aims, other than making a profit, for Leo's enterprise.

- 1 Building repeat customers
- 2 Customer satisfaction **1**

[2]

(b) Explain how **one** aim of **your** enterprise project affected its activities. Use an example to support your answer.

- The main aim for our enterprise project was to generate profit. **2**
 Profit was our main aim because we as students cannot earn any kind of money and this was the first time we could show our parents that we can do a business **3**

(c) State **two** ways that writing an action plan could assist an enterprise.

- 1 By writing down the risk that an enterprise could face. **3**
- 2 Having a back up for every plan. **4**

[2]

(d) State **three** sources of help and support available to an enterprise.

- 1 Friends
- 2 Family **5**
- 3 Employes. **6**

[3]

[Total: 10]

1 The candidate identifies two suitable aims.

Mark for (a) = 2 out of 2

2 The candidate identifies and explains the aim of the enterprise. This does not answer the question which requires the effect of the aim to be stated.

Mark for (b) = 0 out of 3

3 An action plan does not state risks.

4 A back-up plan is not part of an action plan.

Mark for (c) = 0 out of 2

5 Friends and family are considered one source of help and support. This is a repeat of point 1.

6 Employer is incorrect.

Mark for (d) = 1 out of 3

Total mark awarded = 3 out of 10

How the candidate could improve their answer

- **(b)** Explaining actions taken as a result of their aim to earn profit would have answered the question. This could have been through explaining a way that the candidate tried to reduce costs, or by increasing the price of the final product or service. To gain the application mark available, the reader must learn something about the candidate's enterprise project. This could have been done by naming the raw materials the candidate purchased, or the product or service sold.
- **(c)** The candidate seemed to have confused the action plan and the business plan. Stating two purposes of an action plan such as those in the mark scheme would have gained full marks.
- **(d)** Stating three distinctly different sources of help and support such as those listed in the mark scheme would have ensured full marks.

Common mistakes and guidance for candidates

- **(a)** Candidates identified aims which would not be suitable for an enterprise that had not started.
- **(b)** The key words in the question 'affected its activities' were ignored. Some candidates explained their aims not the impact of the aims on the enterprise.
- **(c)** Some candidates confused business plans with action plans.
- **(d)** Methods of finance were stated rather than sources of help and support.

Question 5

Example Candidate Response – high

Examiner comments

5 Leo completed some market research. When he decides which option to choose, he will need to complete some marketing.

(a) Explain **one** problem with the method of market research that Leo used.

Leo only used one source of secondary **1** research. This is weak as it does not ~~and~~ link much to his target group ~~and~~, does not always provide accurate **2** information and could be outdated. [3]

(b) Define the term *marketing*.

any kind of promotion a business does to present themselves ^{and their products} to the public to gain new customers. **3** [2]

(c) Explain **one** factor you considered when choosing the appropriate marketing communications used in **your** enterprise project.

we considered ~~and~~ cost to maximize profit and decided on flyers as they are cheap and we were also **4** taking in a small area or community (our school). [2]

(d) Justify **one** method of marketing communication that would be suitable for marketing **either** the booklets or the coffee logs.

posters in the ~~cafe~~ ~~(now)~~ advertising the coffee logs would be suitable, as ~~as~~ there are already customers there. **5** [3]

[Total: 10]

1 The candidate identifies a problem; limited secondary research.

2 The explanation shows understanding of two different problems, accuracy and outdated. The first point relates to accuracy for the target market and is credited as this is a better developed explanation.

Mark for (a) = 2 out of 3

3 The candidate gives an imprecise definition.

Mark for (b) = 1 out of 2

4 The candidate does not explain the point well. However, the identified factor of cost is applied to the candidate's enterprise by mention of the target market being the 'school community'.

Mark for (c) = 2 out of 2

5 The candidate briefly explains the identified method in the context of the café being the place where the products are sold. This answer is just sufficient to gain all of the marks available.

Mark for (d) = 3 out of 3

Total mark awarded = 8 out of 10

How the candidate could improve their answer

- **(a)** This answer was largely generic; it could have applied to any enterprise. To gain the application mark available, the candidate needed to use specific information from the case study, such as that only 'one website' was used.
- **(b)** Providing a clear and precise definition, such as those presented in the mark scheme, would have ensured full marks.
- **(c)** Application here was given a benefit of the doubt mark as the school context was not clearly linked to the factor of cost. The answer would have been stronger had the candidate used their limited budget for marketing as the point of application.
- **(d)** The explanation would have been clearer had the candidate added more detail about the location of the posters. For example, they could have stated that the posters being displayed in the café would draw attention to the new product for existing café customers.

Example Candidate Response – middle

Examiner comments

5 Leo completed some market research. When he decides which option to choose, he will need to complete some marketing.

(a) Explain **one** problem with the method of market research that Leo used.

.....
 Leo used website as his market research website
 Some times gives false information and can change
 their ability of the product from the false information.
 [3]

(b) Define the term *marketing*.

.....
 making people aware from your enterprise.
 [2]

(c) Explain **one** factor you considered when choosing the appropriate marketing communications used in **your enterprise project**.

.....
 Social media, most of the people have social media
 it is easier and cheaper rather than printing leaflets
 that will cost.
 [2]

(d) Justify **one** method of marketing communication that would be suitable for marketing **either** the booklets **or** the coffee logs.

.....
 Social media, social media is an easier and cheaper
 when you advertise in social media you will not need
 to pay and it will not cost a penny.
 [3]

[Total: 10]

1 The candidate states a problem, false information, and links this to using a website which shows application to the material.

Mark for (a) = 2 out of 3

2 The candidate gives a poorly phrased imprecise definition related to raising awareness.

Mark for (b) = 1 out of 2

3 The candidate identifies cost as a factor. The example given is generic with no application to the candidate's enterprise project.

Mark for (c) = 1 out of 2

4 The candidate states a method. The explanation is generic describing a benefit of social media communication. This does not answer the question which requires an explanation of why this is suitable for the products described.

Mark for (d) = 1 out of 3

Total mark awarded = 5 out of 10

How the candidate could improve their answer

- **(a)** The third mark in this part of the question was awarded for explaining why the stated issue was a problem. For example, the candidate could have explained that false information could lead to Leo wasting money producing a product that is not demanded.
- **(b)** Providing a clear and precise definition, such as those presented in the mark scheme, would have ensured full marks.
- **(c)** As this candidate chose cost as the factor, explaining the amount of money available to their enterprise project, or the cost of the methods they chose would have gained the application mark.
- **(d)** The candidate could have explained that, as Leo has very little finance a free method, such as social media, would be affordable to him for his new products. Alternatively, the candidate could have focused on the point that Leo will need to reach as many people as possible as he has no current customers. Social media will reach a wide number of people and is therefore suitable for him.

Example Candidate Response – low

Examiner comments

5 Leo completed some market research. When he decides which option to choose, he will need to complete some marketing.

(a) Explain **one** problem with the method of market research that Leo used.

1 The people or the target of his business is low so that he could not expand many more and sell more coffee logs.

[3]

(b) Define the term *marketing*.

2 Marketing is the way of showing off the products to the target people.

[2]

(c) Explain **one** factor you considered when choosing the appropriate marketing communications used in **your enterprise project**.

3 The one factor I considered in marketing is to

[2]

(d) Justify **one** method of marketing communication that would be suitable for marketing **either** the booklets **or** the coffee logs.

4 The booklets would be more suitable as many can buy and he can expand.

[3]

[Total: 10]

1 The candidate does not answer the question. This does not relate to market research.

Mark for (a) = 0 out of 3

2 The candidate gives an imprecise definition.

Mark for (b) = 1 out of 2

3 The candidate does not provide an answer.

Mark for (c) = 0 out of 2

4 The candidate answers a different question – which is the better option for the enterprise.

Mark for (d) = 0 out of 3

Total mark awarded = 1 out of 10

How the candidate could improve their answer

- **(a)** Identifying a method of market research used in the case study and a common problem with this method would have gained 2 marks.
- **(b)** Providing a clear and precise definition, such as those presented in the mark scheme, would have ensured full marks.
- **(c)** The candidate did not attempt this question.
- **(d)** Stating a method of marketing communication would have gained one of the marks available.

Common mistakes and guidance for candidates

- **(a)** Some candidates provided generic answers with no reference to methods used as stated in the case study.
- **(b)** The term marketing was confused with market research.
- **(c)** Some candidates ignored the instruction to consider one factor when choosing marketing and described their marketing communication.
- **(d)** The command word 'justify' was ignored by some candidates who did not explain the suitability of the identified method.

Question 6(a)

Example Candidate Response – high

Examiner comments

- 6 (a) Leo is writing a proposal for the booklet idea. He intends to use this proposal when explaining the booklet idea to the café manager.

Analyse the importance of careful planning for the success of Leo's meeting with the café manager. You should consider **two** reasons in your answer.

Careful Planning is a crucial factor for any Enterprise to be successful. For Leo's meeting with the Café manager, he needs to be prepared and produce accurate financial estimates and cash flow forecasts **1** to present to them. By doing so, the café manager will know that Leo is serious and will be more comfortable to invest in the idea. Furthermore **2** the financial profit that the business will be able to generate high profit will be a key motivator for the manager to move forward with the idea on Leo's terms. **3** Secondly, Leo must also prepare an Business Plan and Action Plan for his meeting, since these documents will help the Manager clearly understand Leo's ideas and how he wants to produce these products to sell to customers. ~~and~~ ~~that~~ These can serve to impress him with how determined Leo is with his plan and that he will put effort into it's success. This will again aid in convincing him to approve the idea, allowing Leo to successfully **4** startup his new enterprise and earn money. [10]

1 The candidate identifies types of planning showing knowledge.

2 By explaining the reason planning is important for Leo the answer moves into Level 2.

3 The candidate identifies an impact which links to making profit. The candidate does not explain how planning will indicate the profit. This point takes the answer into Level 2. However, the analysis here is not good enough to take it into Level 3.

4 The candidate provides a good analysis linking the business plan and its role in convincing the manager to accept the proposal. The candidate gains a mark at the bottom of Level 3.

**Total mark awarded =
8 out of 10**

How the candidate could improve their answer

- The candidate identified different documents in the answer but the analysis of the planning in each case was to ensure the evidence will persuade the manager to agree. As repeated points cannot be credited, this limited the mark that could be awarded.
- To gain full marks the candidate must have explained two separate reasons why planning before the meeting was important. The candidate could have explained how planning the best time or location for the meeting would ensure that the manager had sufficient time to listen to Leo's proposal or that the cafe was quiet enough for the explanations to be heard.

Example Candidate Response – middle

Examiner comments

Section B

Answer all questions.

- 6 (a) Leo is writing a proposal for the booklet idea. He intends to use this proposal when explaining the booklet idea to the café manager.

Analyse the importance of careful planning for the success of Leo's meeting with the café manager. You should consider **two** reasons in your answer.

By carefully planning, the café manager can see how serious Leo is about this idea to be implemented. If he ~~er~~ shows that this idea can be successful, there are high chances of the café manager to accept ² the proposal. This seriousness would build trust in Leo and may receive rewards if successful. This planning would include the risks and rewards of the ³ idea and give a perspective. It is also important to carefully plan as planning helps reduce risk. In the planning, ~~is~~ possible risks could be identified and possible solutions could ⁴ be found which ~~would overall help with the success of this new idea.~~ As risks are reduced, there is greater possibility of the idea being successfully implemented and the idea having greater rewards. ⁵

[10]

¹ As the café manager is in the question this alone is not application.

² This is a very general statement and no type of planning is specified nor does the candidate mention how it would achieve the result stated.

³ The candidate states an aspect of planning gaining a mark at Level 1 for knowledge.

⁴ Another point of knowledge for the general benefits of planning. There is no application to the meeting or Leo's enterprise.

⁵ More general benefits of planning. As the answer has no application to the case study material only 1 mark is awarded.

**Total mark awarded =
2 out of 10**

How the candidate could improve their answer

- To move the answer to the top of Level 1, the candidate should have attempted to apply the answer to the case study. This could have been achieved by adding the name of the product from the stem of the question when discussing the risks.
- To move the answer into Level 2, the candidate should have analysed how planning would assist this meeting. The candidate made a statement that the café manager is more likely to accept the proposal with planning. No explanation was provided to show why this would happen. By explaining that planning would allow Leo to collect data to indicate potential demand for the booklet, the candidate would be showing both the application and analytical skills needed for Level 2 marks.

Example Candidate Response – low

Examiner comments

6 (a) Leo is writing a proposal for the booklet idea. He intends to use this proposal when explaining the booklet idea to the café manager.

Analyse the importance of careful planning for the success of Leo's meeting with the café manager. You should consider **two** reasons in your answer.

1
 action planning: the plan we have to do the business and the way (plan) how to run the business towards the goal. If leo plan wrong in his business sometime

[10]

1 The answer is very short and only one method of planning is identified.

Total mark awarded = 1 out of 10

How the candidate could improve their answer

The answer could have gained more marks in Level 1, if the candidate had identified a benefit of this type of planning. Naming the product to be discussed would show some limited application and move the mark to the top of Level 1.

Common mistakes and guidance for candidates

- Candidates sometimes discussed how to organise or run a meeting, not why planning one is important. This limited the answers to marks within Level 1.
- Answers often included statements that planning would lead the manager to approve the proposal with no reason given to explain the link between the planning and this decision. Explaining actions that Leo would have completed during the planning stage would have helped to provide this link.
- Some candidates ignored the instruction in the question to consider two reasons which limited the answers to a mark at the bottom of Level 3.

Question 6(b)

Example Candidate Response – high

(b) Leo has two enterprise ideas:

Option 1: producing booklets for the café to sell

Option 2: setting up his own enterprise selling coffee logs.

Evaluate which of these ideas you would recommend Leo should choose. Justify the option chosen, explaining why you rejected the other option.

Choosing the right business idea can be difference between success and failure for an entrepreneur. If Leo opts to go with the first option of producing booklets for the café to sell, he will be able to earn a higher profit margin since the costs are very

1 low and it takes very little time and effort to produce, which can be put towards other things like marketing. Since he will be partnering with the café, he will have a large amount of potential customers ensured due to its popularity, thus ensuring lots of sales. However, since he will be partnering with the café, he will not be able to keep all

2 the profits for himself and will have to divide with the manager. He will also lose full control over the business and thus not have the free will he needs to do his own ideas. Furthermore, there will be very few customer retention with this idea since once a customer buys a booklet, they will not need to buy another one.

Therefore even if he has high sales initially, in the long run he will run out of customers and will have to stop production. 3

If Leo decides to go with the second option of coffee logs, he will be able to run his

Examiner comments

1 The candidate states a general benefit of option 1. There is no application to the case study material.

2 The candidate provides reasonable analysis with some application to the case study. This explanation moves the answer to the bottom of Level 2.

3 This candidate's writing here moves the answer into Level 3 as the candidate shows clear analysis linked to the problems with the product in option 1.

Example Candidate Response – high, continued

Examiner comments

enterprise independently without any intervention or restrictions and thus be at ease. He will also get to keep all profit earned for himself. Furthermore he knows that the coffee logs are an attractive product as his friends and family were very interested in them. The most important part is that unlike the book logs that will only be purchased once, these coffee logs will be purchased repeatedly once they run out by customers, ensuring repeat buyers and a steady cashflow. Although the coffee logs have a lower profit margin since costs are higher, so less money will go towards marketing and other areas, which will be important since it is a new business and must be brought into the attention of the potential customer market.

Therefore I conclude that the coffee log Enterprise should be chosen by Leo as it has the better potential to earn profit and stay running in the long term, unlike the first option, since it will stop selling at one point and thus collapse the business.

[15]

[Total: 25]

4 The answer becomes two-sided with this analysis of the benefit of option 2. This moves the answer towards evaluation.

5 The candidate makes a clear justified decision based on a brief consideration of the two options with the negatives of option 1 and the positives of option 2.

Total mark awarded = 13 out of 15

How the candidate could improve their answer

- The candidate missed opportunities to develop points of knowledge into developed analysis. Reference was made throughout the answer to the options having high/low costs and creating higher/lower profit margins. The candidate could have developed these Level 1 points into Level 3 analysis by using figures from Table 3.1 or their answers to Q3 as evidence.
- The argument was limited as the candidate only considered the costs and revenue position and ignored other considerations. To gain full marks, the candidate should have considered another difference between the two options. The candidate could, for example, have explained the impact of the difference in ownership or levels of control between each option.

Example Candidate Response – middle

Examiner comments

(b) Leo has two enterprise ideas:

- Option 1: producing booklets for the café to sell
- Option 2: setting up his own enterprise selling coffee logs.

Evaluate which of these ideas you would recommend Leo should choose. Justify the option chosen, explaining why you rejected the other option.

By using both ideas Leo is promoting
 Firstly, the
 If option 1 is selected, Leo is promoting
 sustainability, which helps improve the reputation
 1 of the cafe and attract more customers. This
 would help increase sales for the cafe 2
 and as an employee, Leo could get financial
 3 rewards like bonus or profit sharing, or even
 a rise in his wage. Additionally, this extra service
 can improve customer satisfaction and encourage
 repeat purchase. This further leads to higher
 revenue and potential profits. Furthermore,
 costs of implementing this idea is low as it
 only involves printing costs. However, there is a
 fee on purchasing the booklet which may
 discourage the customers 4 from buying it
 and low demand set may lead to this
 idea failing.
 Considering the 2nd option, Leo would have
 complete control over the operation of the

- 1 A general benefit of option 1.
- 2 The candidate's writing here moves the answer into Level 2 as they explain a specific benefit of the booklets to the café.
- 3 The candidate links the benefit to Leo to the café making higher revenue showing application and good analysis. This moves the answer into the bottom of Level 3.
- 4 The candidate shows some analysis and application. The point is not fully developed into good analysis as the candidate does not explain the impact on Leo or the café if the demand is low.

Example Candidate Response – middle, continued

Examiner comments

.....
 new enterprise. This allows him to make decisions
 independently and keep profits to himself. The
 ~~cost of raw material~~ would. This. Additionally,
 this idea has chances of being successful
 as it has a unique selling point and
 low competitors. The unique selling point is
 a fuel source with lovely smell, made with **5**
 recycled coffee wastes. This also helps
 ~~improve~~ create better image as the
 products ~~is~~ ^{is} sustainable and help the
 environment by reduce waste of coffee grounds.
 However, there is high initial cost to set up
 a new enterprise and Leo doesn't ~~to~~ even
 have enough funds to pay for college. **6**

.....
 In conclusion, the booklet idea is more feasible
 as its cheaper to implement, creates better
 reputation and attracts customers to visit the
 cafe for new edition of booklets. **7** The problem of
 fee can be ^{resolved} covered by providing vouchers
 in the booklets of the cafe to encourage
 purchasing. New enterprise idea isn't ~~feasible~~
 much feasible as he will have to take care
 ~~of~~ legal requirements as the product is
 harmful. Costs would be higher and there
 is no guarantee of success. Harder to [15]
 manage time as he is a college student.

[Total: 25]

5 By describing a feature, the smell, the candidate shows good application.

6 The candidate applies the point taken from the case study but does not develop it to show how this would help Leo decide between the options.

7 The supporting reasoning for the decision repeats previous points without using data from the case study. This section does not add to the mark for the answer.

Total mark awarded = 8 out of 15

How the candidate could improve their answer

- The candidate missed opportunities to develop the knowledge points stated into good, applied analysis. Reference is made in the consideration of each option to the high or low cost without using the cost figures provided in the case study. Using these figures to prove that one option is more costly than the other option would have gained a mark in Level 2.
- If the candidate had explained why cost would be important for Leo this answer could move into Level 3.

Example Candidate Response – low

Examiner comments

(b) Leo has two enterprise ideas:

Option 1: producing booklets for the café to sell

Option 2: setting up his own enterprise selling coffee logs.

Evaluate which of these ideas you would recommend Leo should choose. Justify the option chosen, explaining why you rejected the other option.

Identifying a suitable project ~~this is~~ enterprise. this is very important before starting a business because identifying or choosing a suitable enterprise can develop our business what we do if we don't choose a suitable project we may face only loss. **1**

option 1 is a good idea but it has some disadvantages and advantages so first let's see what are they. the strength of this business is that many people buy it because it might be a new idea that is coffee logs so many people will be eager to know how to make the usefull things. **2** with the help of its left over coffee grounds.

the weakness in this business is the printing of booklets will be not sufficient. **3** if there is more customer if than he expected so the next printing of book will be late for before going to customers hand and also if leo don't have more innovative ideas the printing of books in future will be

1 This part of the answer does not relate to either option.

2 A point of knowledge – benefit of option 1.

3 This is not a credible point as the candidate gives no reason to show why the quantity of booklets will be insufficient or why printing will be late.

Example Candidate Response – low, continued

Examiner comments

stopped now the second (2) option is that setting up his own enterprise in selling coffee logs. so this business is having more advantage than disadvantages but the disadvantages can cause huge business loss the advantages of this business is: coffee log is a new thing to the public and also it is not familiar to many people in the society so this coffee logs will be bought by many people and if they like it after using this business will

4 grow at the top. the disadvantages disadvantage of the business is ~~for~~ more coffee logs ~~we~~ can ^{only} be produced if there are more coffee grounds so if he could not able to find a ~~to~~ network for getting coffee log his business would stop in between.

So after evaluating this business I suggest to go with option 2 ~~lets~~ because it gives us more profit than we expect from it and the coffee grounds can also be taken at low price or cost from ~~shopkeepers~~ shopkeepers.

[Total: 25]

4 A second point of knowledge – benefit of option 2.

5 A third point of knowledge – option 2 gives more profit than option 1.

Total mark awarded = 3 out of 15

How the candidate could improve their answer

The answer could have moved into Level 2, if the candidate had used examples from the case study to justify the points made. For example, they could have used the information in Table 3.1 to compare the cost of each option or the calculations completed in Q3(b) to prove that option 2 provided a higher level of profit.

Common mistakes and guidance for candidates

- Some candidates assumed that the new enterprise would be a partnership which was not supported by the evidence in the case study. This assumption led to incorrect analysis and could therefore not be rewarded.
- Discussions sometimes focused on the advantages and disadvantages to potential customers not to the entrepreneur.
- Relevant points concerning the costs and revenues from each option were discussed but figures from the case study were not used as evidence to support the argument.

Question 7(a)

Example Candidate Response – high	Examiner comments
<p>7 Now consider your enterprise project.</p> <p>(a) During your enterprise project, you followed the six stages of the enterprise process.</p> <p>Analyse the importance to your enterprise project of:</p> <ul style="list-style-type: none"> • monitoring progress • evaluating successes and failures. <p>Use examples to support your answer.</p> <p>Monitoring progress - was very important as many tasks such as restaurant interior and business license were handled by other people, hence it was important for me to also monitor progress. If any processes were delayed, it would delay the opening of my restaurant, which would increase idle costs and take longer to break even. In addition monitoring allowed me to identify any possible deviations and keep cash aside to be prepared and/or handle ^{tackle} the obstacle within given budget and time.</p> <p>Since my Hyderabad restaurant is based on offering unique Royal service, customer satisfaction and quality is of utmost importance, measuring successes & failures through consumer feedback was instrumental to the development of my restaurant, all successes such as high customer satisfaction was to grow on. While failure and feedback is important as I as an entrepreneur lack experience, these feedbacks help improve restaurant quality and satisfaction, which attract and retain customers. In addition financial limitations and the efficient use of funds has helped contribute to the effectiveness of incoming years of financial management, lowering unwanted</p>	<p>1 The candidate identifies aspects of the enterprise project that require monitoring.</p> <p>2 The candidate provides good analysis of the importance of monitoring. This is in the context of the candidate's enterprise moving the answer into Level 3.</p> <p>3 A point of knowledge not explained or applied to the candidate's enterprise. This would gain Level 1.</p> <p>4 The candidate discusses how successes and failures can be monitored not why it is important that they are. This does not answer the question set.</p> <p>5 The candidate explains why feedback is important and problems they faced not why it is important that they evaluate. This gains no credit.</p> <p>Total mark awarded = 8 out of 10</p>

How the candidate could improve their answer

- To gain full marks, the answer should have explained the importance of each of the bullet points in the question.
- The second section of this answer did not focus on the importance to the entrepreneur of evaluating successes and failures. The candidate clearly misunderstood this concept as they were discussing feedback. Had the candidate explained a specific success, or failure, identified through the feedback and then shown why this was important to their enterprise, further marks in Level 3 could have been awarded.

Example Candidate Response – middle

Examiner comments

7 Now consider **your enterprise project**.

(a) During your enterprise project, you followed the six stages of the enterprise process.

Analyse the importance to **your enterprise project** of:

- monitoring progress
- evaluating successes and failures.

Use examples to support your answer.

Monitoring progress requires checking the position of work we are at. To monitor our progress we created an action plan ¹ which is a list of task simplified in order to complete and achieve the main goal. Our action plan included of tasks like purchasing inventory, packing the food products, calculating ² the closing inventory, and asking for feedback. We had made a checklist to ensure these tasks are completed on time by the person assigned. When the tasks was completed on time, we were aware that we are on track and working efficiently. It was important as it gave a sense of direction to what must be achieved. Another stage ~~was~~ of evaluating success and failure was important as it made us realize where we went wrong so we dont repeat the mistakes and where we went right, to find better improvements. For example, our ~~pre~~ fruit punch idea failed so we went evaluating the steps and found out that there ~~was~~ were wrong ingredients ³ used. We ~~are~~ then changed the method and changed ⁴ our objective and way of the opening recipe.

¹ The candidate provides a method of monitoring progress. They do not provide any specific information about the candidate's enterprise.

² The candidate provides a suggestion of application to the enterprise which has food as a raw material. This would move the answer to the top of Level 1 if no Level 2 points are gained.

³ Example of the information discovered by evaluating success and failure. This shows good application and moves the answer to the bottom of Level 2.

⁴ The candidate provides further application by describing a change made and is awarded another mark in Level 2.

**Total mark awarded =
5 out of 10**

How the candidate could improve their answer

The first section of the answer, monitoring progress was very generic. This section could have moved into Level 2 if the candidate had included an example of an issue they identified through their monitoring. Explaining the impact on the enterprise of knowing this information would have moved the answer into Level 3. For example, in the final section, if the candidate had explained the effect of changing the recipe on costs, sales or profit the answer would have gained a mark in Level 3.

Example Candidate Response – low

Examiner comments

7 Now consider **your enterprise project**.

(a) During your enterprise project, you followed the six stages of the enterprise process.

Analyse the importance to **your enterprise project** of:

- monitoring progress
- evaluating successes and failures.

Use examples to support your answer.

~~monitoring progress.~~

~~After finishing the action plan the enterprise will start to monitor the plan. An effective action will give the enterpris what steps need to be taken to reach to the goal. Monitoring is starting to monitor your step and~~

- 1 ~~what other steps. Monitoring progress is judging how well the plan was implemented and if every step was done with it due date. Monitoring progress help the enterprise to see if something is missing and if he success planning or failing it.~~
- 2 ~~Evaluation of Successes and Failures~~

~~The last stage of enterprise process is Evaluation of~~

~~Success and failure. This stages is to see if your plan was success or failed. if an enterprise didn't~~

~~evaluate success or failure the enterpris may lose because if an enterprise is failure the enterprise will not be able to finish the enterprise and start~~

[10]

1 This section is crossed out and replaced so it is not marked.

2 A point of knowledge – the meaning of monitoring.

3 The candidate repeats the phrase with no development.

**Total mark awarded =
1 out of 10**

How the candidate could improve their answer

The answer was awarded 1 mark for some knowledge of what is meant by monitoring. To gain further marks in Level 1, the candidate could have given an example of a monitoring document. Explaining an example of one problem identified in their enterprise project through monitoring would have moved this answer into Level 2.

Common mistakes and guidance for candidates

- Candidates described how monitoring and evaluation were completed not why these were important actions to take.
- Answers often focused only on monitoring progress. To gain marks at the top of each level both aspects of the question must be attempted.
- By not providing examples from their own enterprise experience, some well-explained analytical answers were limited to marks in Level 2. When reading the answers to **Q7**, the examiner should be able to understand something about the candidate's enterprise.

Question 7(b)

Example Candidate Response – high

Examiner comments

(b) There are many sources of finance available to enterprises.

Evaluate the potential impact on your enterprise project of two sources of finance you used, or could have used. Use examples to support your answer.

Parents ^{without source} provided me with initial startup capital with which I was able to apply and acquire a business license, without which any business is not legal in the UAE. Furthermore it allowed the enterprise to progress as without this finance I would have struggled to achieve this idea. In addition my parents charged no interest, which leads to lower costs and higher profit at the end of the year. This investment from my parents allowed me to pay a rent advance deposit to secure a site location of my Hyderabad restaurant in Dubai Academic City near my target market, this meant it was easier to market to my target audience, attracting customers and increasing sales (which were university students and office employees).

Acquiring a Bank loan, this allowed me to receive a larger investment of 450000 AED and it was long term, hence the cost of repayment can be spread over the years. This sum allowed me to purchase high quality furniture and decorations of customer preferred ambience, which increases customer satisfaction, increasing brand loyalty.

Handwritten notes:
 Parents: Amount immediate, without source, wider possible, no extra cost, increase profit, reinvested back in, rent deposit, not repaid back inv.
 Bank loan: Larger sum, 450000 AED, long term, cost spread, inferior supplier purchase, operation, fast access, high interest rate, lower net profit, affect marketing, quality, staff, cost.

1 A method of finance. The candidate states the amount and shows some limited application to the candidate's enterprise.

2 The candidate provides a basic impact which moves this answer to the bottom of Level 2.

3 Good analysis. The impact of securing the correct location links to potential success of the enterprise through sales. This moves the answer to Level 3.

Example Candidate Response – high, continued

Examiner comments

However, ~~Bank~~ The Bank charges a high interest rate of approximately 15%, which will lead to lower net profit and retained earnings, which will limit money reinvested back into restaurant to expand services such as delivery or ~~expansio~~ growth, Furthermore ^{possibly} affecting quality of service, which leads to unhappy customers, loss of sales and lower revenue.

In addition if I fail to repay the loan, the bank may seize enterprise assets and charge fines, which I am unable to pay for from my personal assets. 5

4 The candidate explains the potential negative impact of the second source of finance on their enterprise.

5 The candidate does not fully develop this point. Why they will have to pay from personal assets is not clear.

[15]

[Total: 25]

Total mark awarded = 9 out of 15

How the candidate could improve their answer

- The answer had two pieces of reasonable analysis linked to the candidate's own enterprise. There were some elements of the answer which were unrealistic, such as the candidate taking a bank loan over a number of years to buy furniture for an enterprise project. This limited the candidate's ability to provide detailed analysis.
- Although the candidate had attempted a two-sided answer, they had only considered a positive impact of the parental loan and a negative of the bank loan. To gain a mark in Level 4, the candidate needed to provide a clearly reasoned evaluation which considered the positive and negative impact of each of the sources of finance.

Example Candidate Response – middle

Examiner comments

(b) There are many sources of finance available to enterprises.

Evaluate the potential impact on **your enterprise project** of **two** sources of finance you used, or could have used. Use examples to support your answer.

Our enterprise project was a snack shop in the school center. To operate this enterprise we used personal savings and loan from family. By using personal savings which is a sum of money saved by us, we had complete control over the how to spend as no permission was needed to borrow. This had a positive impact as we did not have to create a document explaining how this money would be used. This saved our time and gave opportunity to spend freely. Another beneficial impact was not cost of interest. As this ^{source of finance} amount isn't borrowed, there was no interest charged on it. This helped save our costs and we could spend the amount elsewhere. However, the amount was small and couldn't fund us much. This was a negative impact so we decided to ask loan from family. This is a sum of money borrow from our parents. We received support emotionally and financially which overall helped us work harder. One other benefit was it had low interest charged and could be repaid anytime. However, this increased our costs and if our

1 This general introduction is not evidence for application as it does not relate to the points credited as knowledge or analysis.

2 The candidate identifies methods of finance which is awarded a mark in Level 1.

3 The candidate provides further general knowledge concerning the benefit of a source of finance.

4 The candidate clearly explains the impact of using personal saving and therefore saving time. This shows some weak analysis as application to the enterprise project is not clearly developed. This section moves the answer into the bottom of Level 2.

5 Another point of Level 2 analysis which again lacks application.

6 This point is a standard textbook benefit with no development.

Example Candidate Response – middle, continued

Examiner comments

enterprise wasn't successful, we would have lost all the money. This would discourage our parents from providing us with more loans as the trust is broken. This sum of money wasn't large but it did help cover all the costs of **7** operating the snack shop. Other financial sources ~~were not feasible opt~~ like bank loans, weren't feasible options as we are students with no stable income. This limited the option of sources of finance which could be used.

[15]

[Total: 25]

7 A point of application links to a stated benefit. This is awarded another mark in Level 2.

Total mark awarded = 6 out of 15

How the candidate could improve their answer

- The candidate started the answer by describing their enterprise. This section was not awarded marks. To gain application marks, examples from the candidate's enterprise experience should have been used to support their argument throughout the answer.
- The candidate discussed two different sources of finance and provided examples of either the benefit or cost of these. To move the answer into Level 3, the candidate should have clearly explained the impact of this source of finance on their own enterprise. For example, the candidate stated that the loan covered the cost of operating. Explaining that without this loan they would not have been able to open the snack shop at all because other finance sources were not available would have moved this point into Level 3.

Example Candidate Response – low

Examiner comments

(b) There are many sources of finance available to enterprises.

Evaluate the potential impact on **your enterprise project** of **two** sources of finance you used, or could have used. Use examples to support your answer.

..... 1
 money pocket money pocket are the person own money
 Our enterprise chose money pocket because it is easier
 2 and we will not have any loans or will not have to repay 3
 money to someone, but as this some of our team member
 didn't have enough money. So we decide split expected cost
 an each three of us pay the same amount of money. As
 we may lose this money, this money because if our enterprise
 didn't get enough profit we will not get our money back
 raising finance 4
 After checking our plan we forget that we have something
 missing. So we decide to raise money as we don't have
 enough money in our pocket. It was our first time raising
 money, but we didn't have other option we didn't want
 to choose source finance that we will repay it back. We
 did mini games for our school at lunchtime. We raised
 enough money, but it was hard for us to find an idea
 how to raise extra money and people will come to the games
 stall.

1 Pocket money is not a source of finance.

2 One point of knowledge – a method of finance.

3 Second point of knowledge – a disadvantage of a loan.

4 The candidate describes a problem but, as the source is unclear, this is not awarded as knowledge.

**Total mark awarded =
2 out of 15**

How the candidate could improve their answer

- This answer did not focus on the question set. The candidate described how finance was raised, not the impact of the methods chosen on the enterprise.
- To move the answer into Level 2, the candidate could have given an example of how the limited finance affected the operation of their enterprise project.

Common mistakes and guidance for candidates

- Some candidates included a general introductory paragraph describing their enterprise project. This gained no marks. To show application, candidates must relate each point in their answer to examples from their enterprise experience.
- Some candidates ignored the key words in the question, potential impact. These candidates provided detailed descriptions of potential sources of finance showing strong knowledge. The answers could only be awarded marks in Level 1.
- Conclusions to this question were often simple decisions repeating points previously credited within the answer. Candidates needed to provide an evaluation which considered the positive and negative impact of each of the sources of finance discussed.

Cambridge Assessment International Education
The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA, United Kingdom
t: +44 1223 553554
e: info@cambridgeinternational.org www.cambridgeinternational.org

© Cambridge University Press & Assessment 2024 v1