ENTERPRISE

Paper 0454/01
Case Study

Key Messages

Candidates should be encouraged to learn the spelling of key words. Although incorrect spelling will not be penalised it is important that candidates make clear their precise meaning when answering questions. If a spelling is used which alters the word into one with a different meaning, examiners cannot make an assumption as to what the candidate meant to say. Within this examination a common error was to discuss what an enterprise *owned* when referring to debts, rather than what was *owed*. This may have been a spelling error, but as the spelling changed the meaning of the word to an incorrect response, this could not be credited.

Candidates use their experience from their own enterprise project to answer some questions on this paper. Any omissions in the coursework component tasks may also have a detrimental effect on candidate's performance on this paper, so it is essential that all required coursework tasks are completed. Candidates would benefit greatly from planning the organisation of and running a formal meeting using the documentation outlined in Topic 9.4 of the syllabus.

General Comments

The pre-released case study identified a number of entrepreneurial terms and issues. Candidates who examine the case study and apply the issues raised to evaluate their own enterprise experience will be prepared for the application required in many questions.

There was evidence that some aspects of the course require more thorough analysis, particularly Topics 6.5, 10.3, 10.4 and 10.6.

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

- Use the case study material prior to the examination to clarify terminology, identify issues and actions taken by the enterprise outlined.
- Attempts should be made to apply issues in the case study material to the candidates' own enterprise experience.
- Pay careful attention to the wording of questions in the question paper, particularly the focus required for any application.
- Consider the marks awarded for each question; four- and six-mark questions require candidates to provide developed answers, rather than lists of knowledge.
- Candidates would benefit from guidance and further practice in structuring answers to demonstrate evaluation.

Comments on Specific Questions

Section A

Question 1

(a)   Generally very well answered, with many candidates accurately stating skills from Topic 3.1 of the syllabus. Weaker responses identified general skills and attributes not identified in the syllabus such as 'diligence'.

(b)   The strongest answers clearly identified two of the ways listed in Topic 4.1 of the syllabus. A number of candidates struggled to gain both marks available as they repeated the opportunity using slightly different wording.

(c)   The strongest responses identified two entrepreneurial skills and gave specific examples to show how the entrepreneur identified had increased their chances of success by using these skills. Some candidates listed a number of enterprise skills without explaining them in the context of the named entrepreneur; which could not be credited.

Question 2

Question 2 focussed upon Topic 2.2(b) of the syllabus, a topic that a number of candidates did not answer well.

(a)   Candidates who answered this question well often explained the benefits of developing more personal skills or improving the entrepreneur's status in the community. Some candidates incorrectly focussed their answers on the enterprise, rather than the entrepreneur.

(b)   Strong responses clearly focussed their answers on their own enterprise project using clear examples. For example, a candidate explained one challenge which was that they were unable to meet deadlines in supplying their cakes for enterprise day events due to school work.

Question 3

(a)   A range of responses was provided for this definition. The strongest answers clearly explained the meaning of the term whilst weaker answers explained why the document is useful. A minority of candidates confused a business plan with a plan of action/action plan.

(b)   Many candidates were aware of suitable objectives, such as survival or break-even. As the question focussed on a 'new' enterprise, growth was not considered to be a suitable objective.

(c)   The vast majority of candidates demonstrated knowledge of 'long-term', fewer candidates were aware of the 'medium-term'.

(d)   This question focussed specifically on Topic 7.2(c) of the syllabus. The strongest answers focussed clearly on explaining reasons why the plan would need to be altered due to factors such as changes in the population or the need for further finance. Weaker answers provided an explanation of why a business plan is drawn up rather than why it requires updating.

Question 4

(a)   A large number of candidates struggled to give precise definitions for some of these terms, expenditure and overheads in particular. A number of candidates confused expenditure with cost of sales. This is perhaps an area of the syllabus that candidates need to be more familiar with.

(b)   Generally a well-answered question with a large number of candidates scoring full marks. A small number of candidates did not attempt this question.

(c)   Although there were a number of strong responses to this question, many candidates gave very general answers with no reference to the enterprise in the case study material. Such answers gained limited credit. The strongest answers identified that profit was not important to Sadie and Megan who were more concerned with solving a problem within their school. Such candidates then provided evidence for this viewpoint using the case study material. A small number of candidates mistakenly believed that profit is used to pay staff and other costs.

Question 5

(a)   Few candidates were aware of the meaning of the term 'informal communication'. Many candidates only provided inaccurate examples such as texting or stated that it was 'communication not in a meeting'.

(b)   A number of candidates were not able to demonstrate knowledge of the documents used in the organisation of a formal meeting, as listed in Topic 10.4 of the syllabus. A large number of candidates incorrectly cited documents such as the business plan. Although a business plan may be referred to within a meeting it is not used within the planning and organisation of the meeting. A number of candidates did not attempt this part of the question. Candidates would benefit from the opportunity to organise and participate in at least one formal business meeting as part of their enterprise experience.

(c) (i)   This question was answered better than **5(a)**, **(b)** and **(c)(ii)**. A number of candidates were able to gain at least some credit for identifying the purpose of a meeting that they attended.

    (ii)   A large number of candidates were unable to analyse the effectiveness of a meeting they were involved in.

Section B

A number of candidates did not apply their answer to the enterprise identified in the question and gained limited credit. The most successful responses in this section were clearly familiar with the case study material and their own enterprise experience.

Question 6

(a)   A number of candidates had clear knowledge and understanding of the 'solving the lunch problem' case study. Such candidates were able to apply their answers to the particular risks faced by the enterprise described, answers often focussed upon the risk of food not selling or students becoming ill after eating the food. The strongest answers discussed how the specific risks faced by Sadie and Megan within their enterprise would affect the operation of the enterprise. A number of candidates provided generalised answers related to risks within their own enterprise experience, without reference to Sadie and Megan's enterprise, which gained limited credit.

(b)   Many candidates applied their answers with some link to students and parents who would be the target audience for the enterprise in the case study. Such answers often showed sound understanding of the effectiveness of these methods for this target audience. Candidates who did not focus on the target customers for this school-based enterprise gained limited credit. A significant number of candidates confused marketing methods (topic 8.4), which focus upon the communication with and persuasion of potential target audiences, with market research methods (topic 8.2). Such candidates analysed the most appropriate methods of market research for the case study enterprise and did not answer the question set.

Question 7

(a)   Generally candidates demonstrated knowledge of the processes involved in negotiation and a number were able to explain the importance of planning for such negotiations. The strongest answers were able to explain and analyse how their own planning for a negotiation had assisted them within their enterprise. Weaker responses did not answer the question set, but described a negotiation without explaining their planning and preparation for the negotiation.

(b)   Candidates were aware of the advantages and disadvantages of each business organisation and often provided very detailed theoretical knowledge, which could gain limited credit. Strong answers were able to analyse and evaluate these points in relation to their own enterprise project, providing a justified argument for their chosen organisational type.

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

Key Messages

- Candidates must provide relevant evidence of all activities for each task
- Activities requiring demonstration of practical enterprising skills were done well
- Activities which required candidates to show analysis and evaluation skills (AO3) needed to contain more detailed explanation and supporting evidence
- Whilst candidates can undertake group projects, all the reports and documents submitted must be each candidate's own work and should not be produced collaboratively.
- Assessors are advised to add notes linked to the assessment criteria to the work as this helps with marking and moderating.

General comments

There was evidence of an increased awareness by Centres of the requirements for this component than in previous series. However, a number of centres appear to be confused about the type of evidence that they need to produce for some components. Guidance on the task descriptors is available from the relevant section of the syllabus that is available from the Teacher Support Site. There is a checklist in the Coursework Handbook that clearly highlights everything that candidates need to submit. Candidates need to ensure they provide all the required materials to be able to access the full range of marks.

Centres are asked to advise candidates that while they can undertake group projects, all documents produced must be the individual candidates' own work and should not be produced collaboratively. This includes the Action Plan, Income and Expenditure Budget and examples of marketing communication. Any work produced jointly by candidates cannot be credited.

Centres are asked to advise candidates about the word limit. It may be helpful if candidates produce their work as Word documents so that word counts can be checked easily. Teachers can then monitor this situation and advise candidates accordingly. While candidates are not currently penalised for writing more it is in their interests to follow the guidelines whenever possible.

On the whole administration was good. In a Centre with a large number of candidates, it is good practice for internal moderation to be carried out. This is not intended to be a remarking exercise, and any marks changed should be clearly indicated on the ICRC. The total marks for each candidate also need to be the same on all documentation – the ICRC, CASF and the MS1. 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. Overall the level of annotation on the work was limited. It would assist the external moderation process if the centres pinpoint where candidates have demonstrated the relevant assessment criteria. For example writing AO1, AO2 and AO3 or comments such as 'good analysis' or 'excellent analysis' at appropriate points in the work would be helpful. This helps both the centre and moderator see how and why a particular mark has been awarded.

Candidates were well advised in their choice of suitable projects. Candidates should be congratulated on their choice of projects, which showed true entrepreneurial spirit. Choices for this session ranged from a flower delivery service to setting up exercise classes, and making lip balm to hosting a spelling bee competition. Such creativity should be encouraged.

Overall, many centres awarded analysis and evaluation generously. A simple list of advantages and disadvantages, or a table without any accompanying explanation, does not constitute analysis. Points need to be developed to explain how or why these points need to be considered. For candidates to access the higher mark bands they must also show depth to their analysis (and evaluation) and this should be seen consistently in all parts of the relevant task.

Comments on specific tasks

For Task 1, candidates are required to submit a formal report. All candidates used the correct format. Most candidates did attempt to identify entrepreneurial skills, but many found evaluating their own skills in terms of what might be useful for the projects more challenging. The second part of the task involved identifying a suitable project. For this they should explore the advantages and disadvantages of two or three possible options, before deciding which one they will carry out. Candidates must be able to support observations made with evidence gathered, rather than just give their opinion. Evidence might include market research, news articles or costings obtained. Stronger portfolios were able to communicate the process and outcome of their investigations when choosing their project. They were able to present their data in a meaningful way and were able to draw valid conclusions from the data they had obtained. Others needed to explore points listed for the different options, and use evidence gathered to say why they had chosen one option over other possible alternatives, for example, quoting the results of market research. The candidates from some Centres included a wall chart which is not required as part of the 2016 syllabus.

For Task 2, candidates are required to present evidence of business planning. Many assessors were generous in their marking, and as little or no evidence of how they had arrived at their marks was included it was difficult to see how some marks had been rewarded. All candidates were required to produce an Action Plan, and evidence of either financial planning or marketing communication. Some candidates omitted evidence for at least one element of this task. Typical omissions were the witness statement and examples of marketing communication.

Most candidates did submit an Action Plan. However monitoring is an area that most candidates find very challenging. The majority of candidates tended to describe what the stage involved rather than state how they would check to know if the action had been completed.

For the second part, there was an equal mix of candidates selecting finance or marketing communication. Written evidence of the candidate's choice was usually included. Candidates should be encouraged to develop more detailed explanations in order to access the higher mark bands. For example, rather than outline general advantages and disadvantages of different options, they should focus on explaining why these methods might be appropriate for their particular business. However candidates need to be advised that they should not rely on the visual materials as the medium for this, as this does not allow the issues to be analysed in sufficient depth.

It should be noted that the presentation must relate to their proposals for finance or marketing communications. Some centres confused this with the negotiation, which forms part of Task 3. Also candidates should be encouraged to carry out an individual presentation wherever possible, so they have the maximum opportunity to demonstrate their enterprise skills. Rather than simply state the skills used, assessors are encouraged to provide detailed evidence of specific skills shown during the presentation in the witness statement. This makes it easier for both the assessor and moderator to confirm the skills shown.

A number of candidates included additional documents including a Risk Assessment or Business Plan, which are not required by the 2016 syllabus. Whilst both documents can provide some additional detail they should not replace the documents required by the task.

For Task 3, candidates are required to provide evidence of preparation for negotiation and a written record of how they had implemented their action plan. The marking was generally in line with the required standard. However to access the top mark band, candidates must clearly identify how they applied their skills, not just describe the specific enterprise skills used when carrying out the different activities. For example if they used their initiative when sourcing ingredients, they should state that they used this skill as well as explain how they demonstrated it. A number of candidates did not provide evidence for both parts of the tasks.

For Task 4, candidates are required to produce a formal report. Nearly all used an appropriate layout. In terms of content, candidates do not need to comment on all four areas, they should select two. If marketing communications is selected, they should focus on this aspect alone rather than discuss general marketing issues such as market research or pricing. If candidates cover all areas they will not be able to discuss and validate their findings in sufficient detail to gain the higher level marks. As candidates are only required to submit report of approximately 1000 words, having a clear focus is essential. Candidates are being rewarded for the depth of their analysis and evaluation. To do this, candidates would be expected to use words like 'because', 'due to', 'therefore', 'as such' to develop their points. Many candidates focused too much on what they did, rather than analyse and make judgements about the effectiveness of their chosen areas. This should cover both successes and failures. A review of what was done does not show the analytical or evaluative skills required by this task. Better portfolios did attempt to consider the implications of points identified, which should be encouraged. The majority of candidates were able to make simple conclusions and recommendations about the success of their project. Fewer candidates were able to use evidence collected to support their conclusions.