



Learner Guide

Cambridge IGCSE™ Enterprise 0454

For examination from 2020–2022



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About this guide

This guide explains what you need to know about your Cambridge IGCSE Enterprise course and examinations.

It will help you to:

- ✓ understand what skills you should develop by taking this Cambridge IGCSE course
- ✓ understand how you will be assessed
- ✓ understand what we are looking for in the answers you write
- ✓ plan your revision programme
- ✓ revise, by providing revision tips and an interactive revision checklist (Section 6).

Section 1: Syllabus content

Find out what topics you will be learning about. Your teacher can give you more detail.

Section 2: How you will be assessed

Find out

- how many examinations you will take
- how long each examination lasts
- what different question types the examination will contain
- how to tackle each examination.

Section 3: What skills will be assessed

Find out what areas of knowledge, understanding and skills you will need to demonstrate throughout the course and in your examinations.

Section 4: Command words

Take a look at the command words you can find in the examination questions, and what they mean.

Section 5: Example candidate responses

Take a look at a learner's response taken from a real examination. Find out:

- how to interpret the question
- how to avoid common mistakes
- how to improve your exam technique.

Section 6: Revision

Discover:

- some 'top revision tips'
- revision checklist for each topic.

Section 7: Useful websites

A few websites that may be useful for you in your course.

Section 1: Syllabus content - what you need to know about

This section gives you an outline of the syllabus content for this course. Ask your teacher for more detail about each topic, you can also find more detail in the Revision Checklists of this guide.

The Cambridge IGCSE Enterprise syllabus is made up of the knowledge of enterprise concepts and key practical skills. You will show your ability to use enterprise skills through the completion of an enterprise project in the coursework.

Only the topic headings for the knowledge have been included here. You will study the following topics:

| Topic | Overview |
|---|--|
| 1 Introduction to enterprise | What enterprise is and who are stakeholders. Ways of being enterprising at home and at school. |
| 2 Setting up a new enterprise | Looking into the stages of the enterprise process and different kinds of organisation. |
| 3 Enterprise skills | The skills and behaviours of enterprising people and entrepreneurs. |
| 4 Enterprise opportunities, risk, legal obligations and ethical considerations | How opportunities arise, risks involved in enterprise, why laws and regulations are needed and the impact an enterprise may have on communities and society. |
| 5 Negotiation | Stages of the negotiation process. |
| 6 Finance | Advantages and disadvantages of different sources, trade credit. Terms: cash flow forecast, break-even and income statement definitions and examples. Purpose of and keeping accurate financial records. |
| 7 Business planning | Business aims and objectives, action and business plans. |
| 8 Markets and customers | Marketing, market research, customer retention and marketing communications. |
| 9 Help and support for enterprise | Sources and assistance offered. |
| 10 Communication | Formal and informal communication. Meetings and presentations. |

For Component 2, you will complete the following coursework tasks for your enterprise project:

Task 1 Choosing a suitable project

Task 2 Planning the project

Task 3 Using enterprise skills to implement the plan

Task 4 Evaluating the project

Make sure you always check the latest syllabus, which is available at www.cambridgeinternational.org

Section 2: How you will be assessed

You will be assessed at the end of the course using two components:

- Component 1 Written Paper
- Component 2 Coursework

Components at a glance

This table summarises the key information about each component.

| Component | Time and marks | Skills assessed | Details | Percentage of qualification |
|--|--------------------------------|---|---|-----------------------------|
| Component 1 Written Paper Based on a pre-released case study | 1 hour 30 minutes 100 marks | Knowledge and understanding Application Analysis and evaluation | You answer all questions. | 50% |
| Component 2 Coursework | 60 marks | Knowledge and understanding Application Analysis and evaluation | You produce a portfolio of evidence collected through the completion of an enterprise experience. This will include four tasks. | 50% |

Section B – contains two longer open-ended essay-style questions, each question is divided into two parts.

Questions in Section B use the command words 'Discuss', 'Evaluate' or 'Recommend'. These ask you to:

- show knowledge of enterprise concepts or skills
- apply the knowledge to an example from an enterprise
- analyse both sides of the question.

In Question 6(b) and 7(b) you must make a supported decision.

Question 6(a) (10 marks) and Question 6(b) (15 marks) are based upon the enterprise in the pre-released case study so make sure you describe the information in detail or quote from the case study as evidence.

Question 7(a) (10 marks) and 7(b) (15 marks) are based upon your own enterprise experience for the coursework. Make sure the examiner can understand when reading your answers what product or service you sold in your enterprise project.

Before the examination:

Use the pre-released case study to identify key terms and issues that may be discussed in the examination.

Try to apply the points raised in the case study to your own enterprise:

- Did you have similar problems?
- How did you solve them?

You will find it helpful to have your coursework completed before the examination.

Component 2 Coursework

Coursework tests your ability to use enterprise knowledge and skills in the organisation and operation of an enterprise project and your ability to evaluate your experience. You can work alone or in a small group to complete the enterprise project, but your written work must be your own individual work.

You need to produce a portfolio of evidence which will include:

- **Task 1** – A formal written **report** of about 1200 words showing how you chose your enterprise project.
- **Task 2** – An **action plan** for your enterprise project. (This is the only piece of work that can be produced as a group.)
 - **Plus** – Individual written evidence of how you plan to manage two or three significant problems identified in the plan.
 - **Plus** – Evidence of a presentation covering **either** your proposal for finance or your proposals for marketing within your enterprise.
- **Task 3** – A written **record** of how you used five enterprise skills including negotiation, during the enterprise project.
 - **Plus** – your plan for a negotiation you took part in during the project.
- **Task 4** – A formal written **report** of about 1500 words evaluating the planning and operation of your enterprise plus one other aspect from financing, marketing communications or internal communications.

If you complete the enterprise project with a group of people you must make sure all the work submitted as coursework is totally your own. Only the action plan and evidence of marketing communication can be group documents that each member of the group includes in their evidence.

Task 1 and **Task 2** must be completed before starting your enterprise project.

Task 3 and **Task 4** should be completed after your enterprise project has ended.

Section 3: What skills will be assessed

The areas of knowledge, understanding and skills that you will be assessed on are called **assessment objectives** (AOs).

| | | |
|--|----------------------------------|--|
| AO1 Knowledge and understanding | AO2 Application | AO3 Analysis and evaluation |
|--|----------------------------------|--|

The table below explains what each assessment objective means and what percentage of the whole qualification is assessed using that objective. Your teacher will be able to give you more information about how each of the assessment objectives are tested in each component.

| Assessment objectives (AO) | What does the AO mean? | What do you need to be able to do? |
|------------------------------------|--|---|
| AO1 Knowledge and understanding | Remember facts and apply these facts to new situations | <ul style="list-style-type: none"> • Show that you have clear understanding of terms by giving precise definitions. • Explain the content and importance of enterprise documents such as a business plan. • Be able to calculate relevant financial information and complete documents from information given. |
| AO2 Application | Apply your knowledge to examples from enterprises. | <ul style="list-style-type: none"> • Apply your knowledge and understanding of concepts, skills and terminology to examples from your own enterprise experience and unfamiliar case studies. • Develop communication materials that are appropriate for the intended audience. |
| AO3 Analysis and evaluation | Explain the positives and negatives of a situation or idea and make a recommendation on the best choice. | <ul style="list-style-type: none"> • Analyse, interpret and evaluate information and develop arguments. • Make judgements, recommendations and decisions. • Find solutions to enterprise problems and issues. |

Weighting for assessment objectives

It is important that you know the different weightings (%) of the assessment objectives, as this affects how the examiner will assess your work.

For example, assessment objective 1 (AO1: Knowledge and understanding) is worth 38% of the total marks in Component 1 (Written examination paper), and 10% of the total marks in Component 2 (Coursework).

The approximate weightings of the assessment objectives (AOs) are summarised below.

Assessment objectives as a percentage of each component

| Assessment objective | Weighting in components % | |
|---------------------------------|---------------------------|---------|
| | Paper 1 | Paper 2 |
| AO1 Knowledge and understanding | 38 | 10 |
| AO2 Application | 30 | 35 |
| AO3 Analysis and evaluation | 32 | 55 |

Assessment objectives as a percentage of the qualification

| Assessment objective | Weighting in the full qualification % |
|---------------------------------|---------------------------------------|
| AO1 Knowledge and understanding | 24 |
| AO2 Application | 33 |
| AO3 Analysis and evaluation | 43 |

Section 4: Command words

The table below includes command words used in the assessment for this syllabus. The use of the command word will relate to the subject context.

| Command word | What it means |
|-----------------|--|
| Analyse | Examine in detail to show meaning, identify elements and the relationship between them. |
| Define | Give the precise meaning. |
| Describe | State the points of a topic/give characteristics and main features. |
| Discuss | Write about issue(s) or topic(s) in depth in a structured way. |
| Evaluate | Judge or calculate the quality, importance, amount or value of something. |
| Explain | Set out purposes or reasons/make the relationships between things evident/provide why and/or how and support with relevant evidence. |
| Identify | Name/select/recognise. |
| Justify | Support a case with evidence/argument. |
| Prepare | Present information in a suitable format. |
| State | Express in clear terms. |

Question from Specimen Paper 1

This is question 6(a) from the 2020 Specimen Paper. There are several parts to the question. The first word in each part is the command word which should help you identify what is required.

6 (a) Aiyana's family were willing to offer trade credit.

Discuss the advantages and disadvantages to **Aiyana's family** of offering trade credit to the new enterprise.

Discuss means that you need to write in detail about at least two advantages and two disadvantages to the family of offering trade credit.

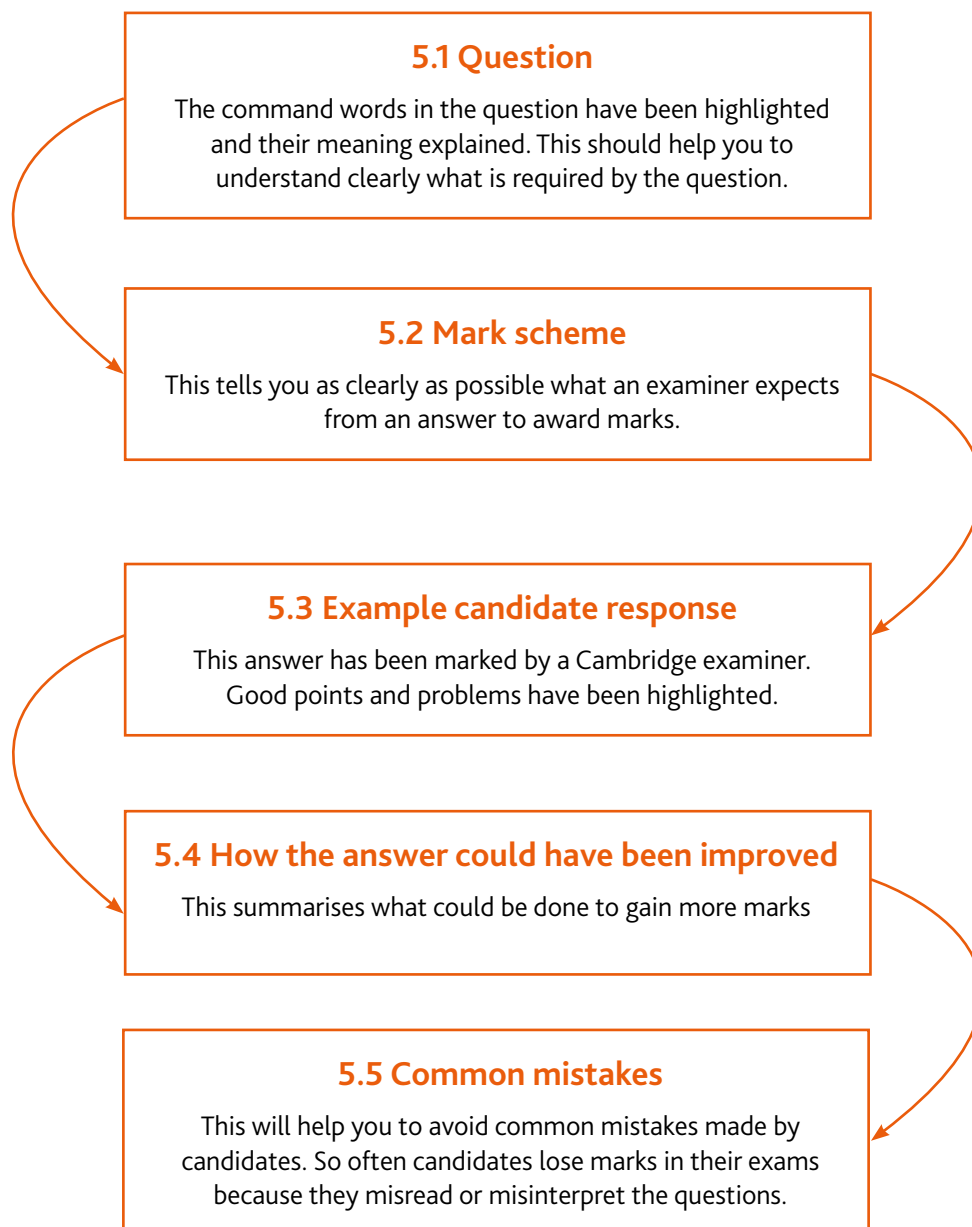
To Aiyana's family means that you must use examples from the case study to add detail to your answer.

Section 5: Example candidate response

This section takes you through an example question and answer from a Cambridge IGCSE Enterprise specimen paper. It will help you to see how to identify command words within questions and to understand what is required in your response. A command word is the part of the question that tells you what you need to do with your knowledge. For example, you might need to describe something, explain something, argue a point of view or list what you know.

All information and advice in this section is specific to the example question and answer being demonstrated. It should give you an idea of how your responses might be viewed by an examiner but it is not a list of what to do in all questions. In your own examination, you will need to pay careful attention to what each question is asking you to do.

This section of the guide includes:



5.1 Question

The question used in this example is a question 7 part (b) question from Paper 1. Now let's look at the question to see what the command words for this question mean for your answer.

- (b) Evaluate the effectiveness of the different methods of market research that were or could have been used to ensure the success of **your enterprise project**.

Evaluate means that you need to explain how the market research was effective in gaining information and why it was not effective. To answer the question fully you should do this for at least two methods because you must decide on the most effective method and give a reason for your choice.

5.2 Mark scheme

The examiner uses a mark scheme and a set of level criteria to mark the answer. The level criteria list what the candidate needs to do to demonstrate the assessment objectives at that level. These criteria refer to knowledge and examples, which are those listed in the mark scheme.

| Level | Description | What it means | Mark |
|-------|--|---|-------|
| 4 | Clear reasoned evaluation is present Good analysis applied consistently to their enterprise project Demonstrates good knowledge of relevant concepts | You decide, or make a recommendation, after looking at both sides of the argument. Each point of information is applied to the enterprise and the impact on the enterprise is clearly explained. You use the enterprise terms and concepts you have learnt precisely. | 12-15 |
| 3 | Good analysis applied consistently to their enterprise project is leading to evaluation Demonstrates knowledge of relevant concepts | Each point of information is applied to the enterprise and the impact on the enterprise is clearly explained. You use the enterprise terms and concepts you have learnt precisely. | 8-11 |
| 2 | Some application to their enterprise project supported by some analysis Demonstrates knowledge of relevant concepts | You have given some examples from your enterprise to show the impact of some points. | 4-7 |
| 1 | Limited application to their enterprise project Demonstrates some knowledge of relevant concepts | You have given a list of knowledge or ideas but there is no or very little evidence of application to your enterprise. | 1-3 |

5.3 Example candidate response

(b) Evaluate the effectiveness of the different methods of market research that were or could have been used to ensure the success of **your enterprise project**.

Our primary research was a questionnaire to find out what products the students at our school wanted us to make. We put the questionnaire onto the school internet site so it was very cheap to make.1

100 students sent us a reply but very few students were interested in our product, which was milkshakes. So this questionnaire was a waste of time. 2

We should have give people a list of products to choose from rather than just ask them about milkshakes. We had to do a second questionnaire, but we were running out of time so we chose to print out copies. We did not have much money so we only printed 20 copies. This was not a large enough number of people as we have 1200 students in the school.

From this questionnaire, we decided to sell cupcakes. We also chose the flavour of cupcakes, chocolate and vanilla, and the prices so it was more useful than the first questionnaire. 3 Because we did not have a lot of replies we did not know how many cupcakes to bake and we made a mistake by baking the same amount of chocolate and vanilla cakes.4 This was because we did not ask enough people to complete the questionnaire and so we had to guess the amounts. 5

We also did an interview with an enterprise group from the year above us. 6 They had sold cakes for their enterprise project. This was very helpful because they told us the best place to put our stall and the methods of advertising that had been useful for them. We used the same methods of

1 The answer shows understanding of primary research. Indicating the purpose of the questionnaire will make it easier to decide if it was effective, because the candidate can say if it did help them to find out what products the students wanted.

2 The example is clearly about their enterprise and shows the reason why this was not an effective method in this case.

3 How the piece of research was effective is clear and applied to the decision made. Although the word effective is not used, useful is, and the meaning is made clear.

4 A weakness of the questionnaire is explained and the example is clearly from their enterprise experience as it discusses cupcake choices.

5 A weakness of the questionnaire is applied to the cupcake enterprise showing the effect on the enterprise. This is good analysis.

6 Another primary piece of research is identified and applied to the candidates enterprise through an example.

advertising and we managed to attract lots of students to our stall and sell all of our cakes. So the interview really helped us to be successful. **7**

Our secondary method of research was using the internet to find a recipe for the cakes and to find the best places to buy the ingredients. **8** We also use websites to find out the price to charge for our cakes. This research was helpful as we found a recipe that we used for both types of cakes and the prices for the ingredients. Adriana spent a long time looking at websites and decorations that we could use, but in the end we bought the ingredients from a local store **9** because David's mum said she would take us there. So the research on the websites for ingredients was just a waste of time.

Also, we decided a price for our cupcakes based on the research that James had completed online, but this was a high price and the enterprise students in the year above said it was too much so we just copied their price.

The most effective method of research for us was the interview with the other students and the second questionnaire, because this was information about what the students in our school would want. The internet research was useful for deciding the recipes and it was free, but we wasted too much time. **10** We were easily distracted by pictures and links to other sites so it took too long.

Although we found lots of information such as the prices for cakes in shops and the cost of ingredients, it was not useful because we could not go to the shops mentioned.

Next time I would use more primary research in our school and secondary research in local shops so we could make better decisions for our enterprise which is only local. **11**

7 The strengths of the interview and how it helped the enterprise are clear.

8 The candidate shows that they understand secondary research. How it was used in the enterprise is shown by the example.

9 No reason is given to show why the local store was chosen which would have made the answer stronger. This does show an applied example of why this was a problematic piece of research for their enterprise – time wasting.

10 A decision is made and a reason given which shows understanding of why the internet research was a problem for the cupcake enterprise.

11 The candidate does not give specific examples of why this research next time would improve their enterprise.

5.4 How the answer could have been improved

This is a very strong answer that shows the learner understands and has used a variety of different methods of research. The answer throughout is clearly about the cupcake enterprise and is therefore applied. To improve this answer the learner needed to write in more detail about the effectiveness of the research. In the conclusion it would help if they had stated why wasting time was a problem for their enterprise, maybe they only had a short amount of time to research? The impacts of the research were also not always clear. Why was it important that they asked only students within the school? How did they judge if the research was effective? This was awarded 12 out of 15 marks.

5.5 Common mistakes

The most common mistake when approaching the Section B essays is to give examples from the wrong enterprise. For example, the question asks the learners to apply the question to their own enterprise experience and they write about the enterprise in the case study.

Another common mistake is to not give specific examples. For example, saying "we completed a questionnaire" instead of "we completed a questionnaire in school to find out the flavour of cupcakes wanted." The examiner needs to be able to see how the knowledge you have learnt was applied specifically to a real example. So it is important to give details of what you did and why you did it when talking about your own enterprise experience.

General advice

In order to do your best when answering questions in section B

- Make sure that you take a note of the command word and which enterprise you should write about, is it the case study or your own enterprise experience.
- Write a rough plan for your answer.
- Do not list a lot of knowledge points, these questions need you to show application to an enterprise.
- Include examples as much as possible. If you are writing about the enterprise in the case study, it is fine to quote pieces from the information, but you must explain what they mean. If you are writing about your own enterprise, you must make sure that the examiner can see what your enterprise product or service was. The examples should clearly show what you did and why you did it.
- Always explain the effect of any action on the enterprise you are talking about. For example, if you are discussing the benefits of research explain what the results of the research allowed the enterprise to decide.
- Try to give a two-sided answer that looks at positive and negative points.
- Make a clear decision or recommendation and say why you have made that decision.
- In your conclusion repeat words from the question asked. For example if the question ask you to "evaluate the effectiveness of research" in your conclusion in your conclusion say "the effectiveness of"

Section 6: Revision

This advice will help you revise and prepare for the examinations. It is divided into general advice for all papers and more specific advice for Paper 1 and Paper 2.

Use the tick boxes to keep a record of what you have done, what you plan to do or what you understand.

For more advice on revision, see the [Cambridge Learner Revision Guide](#) on our website.

General advice

Before the examination

Find out when the examinations are and plan your revision so you have time to revise. Create a revision timetable and divide it into sections to cover each topic.

Find out how long each paper is, how many questions you have to answer, how many marks there are for each question, and work out how long you have for each question.

Find out the choices you have on each paper, make sure you know how many sections there are and which sections you should answer from.

When there is a choice of questions in a section, make sure you revise enough to have a choice.

Know the meaning of the command words used in questions and how to apply them to the information given. Look at past examination papers and highlight the command words and check what they mean.

Make revision notes. Try different styles of notes.

Work for short periods then have a break. Revise small sections of the syllabus at a time.

Test yourself by writing out key terms, practising calculations, etc.

Make sure you define enterprise terms accurately. For example, a fixed cost is not just one that does not change it is a cost that does not change with output or sales.

Definitions must not reuse the words to be defined. For example, a business network means a group of likeminded people/entrepreneurs (business people) who meet to share ideas and explore future business partnerships (network).

Make your own dictionary or draw up a glossary of key terms for each section of the syllabus.

Look at financial documents, business and action plans, to find out what they should include.

Practise calculations such as break even and revenue.

Examine the pre-released case study. What enterprise terms are used? What problems did the entrepreneur face? Relate the points raised in the case study to your own enterprise experience. Know your own enterprise project thoroughly. What problems did you face? How did you solve those problems? What were your successes? What helped you to achieve those successes?

Learn to spell enterprise terms correctly.

Have a look at past questions so that you are clear of what to expect in an examination.

Look at mark schemes to help you to understand how the marks are awarded for each question.

In the examination

Read the instructions carefully and answer all questions

Plan your time according to the marks for each question. For example, a question worth three marks requires less time and a shorter answer than one worth 10 marks. If a question has several parts, then the parts with more marks will need more time and more developed answers.

Do not leave out questions or parts of questions. Remember, no answer means no mark.

Read each question very carefully.

- Identify the command words – you could underline or highlight them.
- Identify the other key words and perhaps underline them too.
- Try to put the question into your own words to understand what it is really asking.

Read all parts of a question before starting your answer. Think carefully about what is needed for each part. You will not need to repeat material.

Look very carefully at the resource material you are given.

- Read the title, key, axes of graphs, etc. to find out exactly what it is showing you.
- Look for dates, scale, and location.
- Try using coloured pencils or pens to pick out anything that the question asks you about.

Answer the question. This is very important!

Use your knowledge and understanding.

Do not just write all you know, only write what is needed to answer the question.

Plan your answers. Clear, concise, well-ordered, well-argued, well-supported answers get more marks than long, rambling, muddled, repetitious answers. Quality is better than quantity.

Use enterprise terms in your answers as much as possible.

Use the resource material given in the question to support your answer.

Clear examples of what you did in your own enterprise experience should be used when asked for in the question.

Focus your answer on the enterprise specified in the question. This maybe the enterprise in the case study or your own enterprise experience.

Make sure your writing is clear and easy to read. It is no good writing a brilliant answer if the examiner cannot read it!

Paper 1 advice

Use the case study before the examination to identify issues, terms and problems.

Before the examination practise applying the issues in the case study to your own enterprise experience.

Learn precise definitions and calculations.

Use the command words in the question to identify what you need to do.

Make sure any examples you give are for the enterprise required in the question.

Plan the Section B answers and include detailed examples.

Make sure that the examiner knows what your enterprise project was when answering Question 7(a) and (b).

Try to give a two-sided answer.

Include a conclusion for questions 6 and 7.

Coursework advice

Keep any evidence of research that you have completed to include as evidence in your work.

Task 1 and 2 should be completed before you start running your enterprise project.

Task 3 and 4 should be complete after you have operated your enterprise project.

Task 2 Your action plan for the project maybe written as a group but you must write your **own individual analysis** of two or three potential problems or issues with the plan and how you intend to deal with them. Include the action plan as an appendix to your analysis of the problems/issues.

Task 2b You must show evidence of your planning for either finance **OR** marketing communications. In each case include:

- Written evidence of the sources of finance or marketing communication you considered and explanation of your final choices.
- A witness statement completed by your teacher or another person who watched the presentation.
- Any documents used in the presentation for example the slides or examples of marketing communications or financial documents.

Task 3 You must provide:

- A written record of how **you individually** used five named enterprise skills in your enterprise project.
- Your individual plan for a negotiation which includes the people involved in the negotiation, the situation of the negotiation, benefits and weaknesses of your proposal and the outcomes of the negotiation.

Task 4 A formal written report analysing and evaluating:

- the planning and implementation of the enterprise project

plus either

- the financing of the enterprise project

or

- the marketing communications used

or

- the internal communication used. Choose this option only if you worked as a group in your enterprise project.

Revision checklists

In the next part of this guide we have provided some revision checklists. These include information from the syllabus that you should revise. They don't contain all the detailed knowledge you need to know, just an overview. For more detail see the syllabus and talk to your teacher.

The table headings are explained below:

| Topic | You should know | Further guidance | R | A | G | Comments |
|--------------------------------------|---|---|---|---|---|--|
| These are the topics in the syllabus | This is what you should be able to do or know for each part of the syllabus | Detailed points about the content of the syllabus | <p>You can use the tick boxes to show when you have revised an item and how confident you feel about it.</p> <p>R = RED means you are really unsure and lack confidence; you might want to focus your revision here and possibly talk to your teacher for help</p> <p>A = AMBER means you are reasonably confident but need some extra practice</p> <p>G = GREEN means you are very confident.</p> <p>As your revision progresses, you can concentrate on the RED and AMBER items in order to turn them into GREEN items. You might find it helpful to highlight each topic in red, orange or green to help you prioritise.</p> | | | <p>You can use the Comments column to:</p> <ul style="list-style-type: none"> • add more information about the details for each point • include a reference to a useful resource • add further information of your own enterprise experience • add learning aids, such as rhymes, poems or word play • pinpoint areas of difficulty you need to check further with your teacher or textbooks. |

Note: the tables below cannot contain absolutely everything you need to know, but it does use examples wherever it can.

Topic 1: Introduction to enterprise

| Topic | You should know | Further guidance | R | A | G | Comments |
|---|--|--|---|---|---|----------|
| 1.1 What is meant by enterprise | <p>What enterprise is</p> <p>Who stakeholders are</p> | <ul style="list-style-type: none"> • enterprise capability (being innovative, creative, taking and managing risks, positive attitude) • business enterprise • social enterprise <p>Examples of stakeholders include:</p> <ul style="list-style-type: none"> • customers and consumers • employees, employers • suppliers • lenders • the local business community • local government. | | | | |
| 1.2 Ways for students to be enterprising in everyday life | <p>Know the ways of being enterprising:</p> <ul style="list-style-type: none"> • At home • At school | <ul style="list-style-type: none"> • using technology for learning • working/learning as part of a team • making reasoned evaluations • developing new skills and using them in different situations • problem-solving • thinking creatively, e.g. finding creative solutions | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------|-----------------|---|---|---|---|----------|
| | | <ul style="list-style-type: none"> taking initiative, e.g. finding ways to earn money or taking the lead organising activities, e.g. a charity event. | | | | |

Topic 2: Setting up a new enterprise

| Topic | You should know | Further guidance | R | A | G | Comments |
|------------------------------------|--|---|---|---|---|----------|
| 2.1 The enterprise process | <p>The six stages of the enterprise process:</p> <ol style="list-style-type: none"> Identifying the problem or need or want Exploring creative solutions Action planning Implementing the plan Monitoring progress Evaluation of successes and failures. | You will follow this process when working on your enterprise project. | | | | |
| 2.2 Types of business organisation | <p>The different kinds of organisation, including:</p> <ul style="list-style-type: none"> sole trader partnership limited company co-operative franchise social enterprise: charities, not-for-profit organisations. | <p>You should consider the following for each type:</p> <ul style="list-style-type: none"> legal status advantages and disadvantages of each type for a new enterprise. <p>You will not be assessed on:</p> <ul style="list-style-type: none"> limited liability partnerships (LLPs) community interest companies (CICs). | | | | |

Topic 3: Enterprise skills

| Topic | You should know | Further guidance | R | A | G | Comments |
|-----------------------------------|--|---|---|---|---|----------|
| 3.1 Skills of enterprising people | <p>Enterprise skills may include:</p> <ul style="list-style-type: none"> • the practical skills and knowledge to create products and services • leadership • influencing skills • team-building • delegation • problem-solving • prioritisation/time management • self-confidence • resourcefulness • innovation • taking initiative • taking calculated risks • taking responsibility • motivation/determination to succeed • creativity • perseverance. <p>Identifying and evaluation your own skills.</p> | <ul style="list-style-type: none"> • Recognise that some people have these skills naturally and others have to develop them, e.g. self-confidence. • The term 'skills' is used here to cover attributes, characteristics and learned skills. • Different people combine and use these skills in many ways. • You will identify and evaluate your own skills during your enterprise project. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|---------------------------------|--|---|---|---|---|----------|
| 3.2 Behaviours of entrepreneurs | <ul style="list-style-type: none"> How entrepreneurs use their enterprise skills. | <ul style="list-style-type: none"> You should be familiar with named entrepreneurs from the local community and wider society. You may find an example in your school. You should be able to recognise how the entrepreneurs studied use enterprise skills. | | | | |

Topic 4: Enterprise opportunities, risk, legal obligations and ethical considerations

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------------------|--|--|---|---|---|----------|
| 4.1 Opportunities | <p>How opportunities arise, including:</p> <ol style="list-style-type: none"> Changing needs or wants for a product or service Change in the ability to meet needs or wants Advances in technology Changes in government policy. | <p>Opportunities for enterprise may be local, national, international or global.</p> <p>Reasons why needs or wants for a product or service might change include:</p> <ul style="list-style-type: none"> changes in taste and fashion changes in the size and structure of population changes in real income. <p>Examples of changes in government policy include:</p> <ul style="list-style-type: none"> availability of grants and subsidies changes in taxation changes in the law. | | | | |
| 4.2 Risk | <p>Risks involved in enterprise</p> <p>Identify risks</p> | <p>Risks may be in the following areas:</p> <ul style="list-style-type: none"> financial economic health and safety/environmental human resources production. <p>Research including:</p> <ul style="list-style-type: none"> SWOT (strengths, weaknesses, opportunities and threats) | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|----------------------------|---|--|---|---|---|----------|
| | <p>Analyse the implications of each risk</p> <p>Decide if the risk is worth taking or not</p> <p>Plan how to manage the risks</p> <p>Attitudes to risk</p> | <ul style="list-style-type: none"> • PEST (political, economic, social, technological). <p>Balance the potential negative outcomes against the potential positive outcomes (rewards).</p> <p>Recognising that some risks would lead to rejecting the enterprise idea.</p> <p>By avoiding, minimising or maximising the risk.</p> <p>Attitudes to risk include: risk-averse, risk reducer, risk-keen.</p> <p>Recognise that different attitudes to risk can affect how an entrepreneur manages the risk.</p> | | | | |
| 4.3 Legal obligations | <p>Why laws and regulations to protect stakeholders are needed in the areas of:</p> <ul style="list-style-type: none"> • employment • production • marketing and selling • finance. <p>The impact of laws and regulations on all stakeholders in these areas.</p> | <p>Candidates will not be assessed on specific laws.</p> | | | | |
| 4.4 Ethical considerations | <p>How an enterprise may have an impact on communities and society.</p> | <p>The impact on society may be positive or negative. For example:</p> <ul style="list-style-type: none"> • supporting community activities • creating pollution. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------|---|---|---|---|---|----------|
| | <p>Ethical considerations within enterprise (i.e. choosing to run an enterprise following moral values and beliefs)</p> <p>The impact of ethical considerations on the operation of an enterprise</p> | <p>Including:</p> <ul style="list-style-type: none"> • fair trade • organic farming • donating profits to charity. | | | | |

Topic 5: Negotiation

| Topic | You should know | Further guidance | R | A | G | Comments |
|-----------------------------|---|--|---|---|---|----------|
| 5.1 The negotiation process | <p>What negotiation is</p> <p>Stages in the negotiation process:</p> <ul style="list-style-type: none"> • Planning | <p>A process that can involve:</p> <ul style="list-style-type: none"> • resolving disputes • agreeing upon courses of action • bargaining for individual or collective advantage • reaching outcomes to satisfy the interests of those involved. <p>Candidates will be required to plan and conduct a negotiation as part of their enterprise project.</p> <ul style="list-style-type: none"> • setting objectives • choosing evidence to use • benefits of a proposal • weaknesses of a proposal • arguments and counter-arguments for the proposal. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------|---|---|---|---|---|----------|
| | <ul style="list-style-type: none"> Conducting the negotiation Measuring success | <ul style="list-style-type: none"> setting the tone presenting your proposal understanding each other's point of view summarising to check understanding reaching agreement. what went well how to improve next time | | | | |

Topic 6: Finance

| Topic | You should know | Further guidance | R | A | G | Comments |
|------------------------|--|--|---|---|---|----------|
| 6.1 Sources of finance | Advantages and disadvantages of different sources of: <ul style="list-style-type: none"> start-up funding | Sources including: <ul style="list-style-type: none"> personal savings (capital) family and friends bank overdrafts, loans, leasing and mortgages community sources, including charities and social enterprises grants and subsidies crowdfunding selling shares. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|---------------------------------|--|---|---|---|---|----------|
| | <ul style="list-style-type: none"> funding for continuing trade and expansion | <ul style="list-style-type: none"> personal savings (capital) retained profit private institutions venture capital issuing shares. <p>You have the option to prepare financial planning materials for your enterprise project.</p> | | | | |
| 6.2 The concept of trade credit | Advantages and disadvantages of trade credit | For: <ul style="list-style-type: none"> entrepreneurs and suppliers (trade payables) entrepreneurs and customers (trade receivables) | | | | |
| 6.3 Financial terms | Cash flow forecast Break-even Income statement | cash inflows, cash outflows, surplus and deficit. variable costs, fixed costs, total cost, contribution. profit and loss, income, revenue, expenditure, debt. Note: charitable organisations do not make a profit, they record a surplus. You will need to define and provide examples of terms and make calculations where appropriate. | | | | |
| 6.4 Financial records | The purpose and importance of keeping accurate financial records | You should understand the purpose of income statements and budgets, including cash flow forecasts. <ul style="list-style-type: none"> reasons for keeping accurate financial records include: the need to provide a true and fair view to stakeholders | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------|---|--|---|---|---|----------|
| | How to prepare a simple budget, including a cash flow forecast, and an income statement for an enterprise | <ul style="list-style-type: none"> • legal and taxation purposes • forecasting • decision-making for owners/shareholders. <p>You may need to make simple calculations in relation to the pre-released case study.</p> | | | | |

Topic 7: Business planning

| Topic | You should know | Further guidance | R | A | G | Comments |
|-------------------------|---|--|---|---|---|----------|
| 7.1 Business objectives | <p>Different enterprises have different aims and objectives</p> <p>How aims influence the activities of enterprises</p> | <p>Recognise that objectives are shorter term and aims are long term.</p> <p>The range of objectives may include:</p> <ul style="list-style-type: none"> • ethical, not-for-profit, social, belief-based • legal compliance • profit • sales revenue • cash flow • growth • survival. <p>For example:</p> <ul style="list-style-type: none"> • promoting healthy eating in schools • maximising growth. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|--------------------|--|---|---|---|---|----------|
| 7.2 Action plans | <p>The purpose and importance of action plans</p> <p>Contents of action plans</p> <p>Methods of monitoring action plans</p> <p>The importance of updating action plans</p> | You are required to produce an action plan for your enterprise project. | | | | |
| 7.3 Business plans | <p>The purpose and importance of business plans</p> <p>Contents of business plans</p> <p>Methods of monitoring business plans</p> <p>Reasons for updating business plans</p> | | | | | |

Topic 8: Markets and customers

| Topic | You should know | Further guidance | R | A | G | Comments |
|------------------------------|--|---|---|---|---|----------|
| 8.1 The purpose of marketing | <p>Marketing to achieve enterprise aims</p> <p>Marketing from the perspective of customers</p> | <p>Including:</p> <ul style="list-style-type: none"> increasing consumer awareness of the enterprise, product or service establishing and maintaining brand loyalty increasing or defending sales, market share or profit. <p>Including:</p> <ul style="list-style-type: none"> greater knowledge of the enterprise, product or service the ability to make more informed decisions. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|------------------------|---|--|---|---|---|----------|
| 8.2 Market research | <p>Methods of identifying potential customers</p> <p>The effectiveness of methods for different enterprises</p> | <p>Primary and secondary research.</p> <p>Advantages and disadvantages of each method, in terms of:</p> <ul style="list-style-type: none"> • cost • availability • suitability for the enterprise • suitability for reaching the potential target market • other potential advantages/disadvantages. <p>The effectiveness will depend on the relevant local context.</p> | | | | |
| 8.3 Customer retention | <p>The reasons for retaining customers</p> <p>Methods of measuring customer satisfaction and retention</p> <p>Methods of retaining existing customers</p> | <p>Including:</p> <ul style="list-style-type: none"> • establishing and maintaining brand loyalty • increasing or defending sales, market share or profit. <p>Including:</p> <ul style="list-style-type: none"> • number of sales and complaints • mystery shopper feedback questionnaires • focus groups. <p>Including:</p> <ul style="list-style-type: none"> • effective customer service • resolving complaints • loyalty rewards • new products and services. | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|------------------------------|--|--|---|---|---|----------|
| 8.4 Marketing communications | <p>Methods of marketing communication to reach intended customers</p> <p>Selecting appropriate methods for different enterprises</p> | <p>Including:</p> <ul style="list-style-type: none"> • television, radio, cinema, newspapers and magazines • posters, leaflets • online communication and social media • word of mouth and announcements • sponsorship. <p>Advantages and disadvantages of each method, in terms of:</p> <ul style="list-style-type: none"> • cost • availability • suitability for the enterprise • suitability for reaching the potential target market. • other potential advantages and disadvantages. <p>Appropriate methods will depend on the relevant local context.</p> <p>You have the option to produce marketing communications for your enterprise project.</p> | | | | |

Topic 9: Help and support for enterprise

| Topic | You should know | Further guidance | R | A | G | Comments |
|---------------------------------|--|---|---|---|---|----------|
| 9.1 Sources of help and support | <p>Formal sources and the assistance they offer</p> <p>Informal sources and the assistance they offer</p> <p>Suitability of different sources of help and support for the enterprise</p> | <p>Sources including:</p> <ul style="list-style-type: none"> • government/business agencies • consultants • financial institutions • charities • teachers • business networks • other entrepreneurs <p>Sources including:</p> <ul style="list-style-type: none"> • friends and peers • family. <p>The suitability will depend on the relevant local context.</p> | | | | |

Topic 10: Communication

| Topic | You should know | Further guidance | R | A | G | Comments |
|-----------------------------|-----------------------------------|---|---|---|---|----------|
| 10.1 Types of communication | Formal and informal communication | <p>Recognise that methods of communication can be formal or informal depending on the audience, e.g.:</p> <ul style="list-style-type: none"> • writing a formal report for investors • sending an email to a friend • having a formal business meeting | | | | |

| Topic | You should know | Further guidance | R | A | G | Comments |
|---------------------------------|---|---|---|---|---|----------|
| | <p>Verbal and non-verbal communication</p> <p>Appropriateness of different types of communication for communicating with internal and external stakeholders</p> | <ul style="list-style-type: none"> • talking to a friend at lunch. <p>You are required to write formal reports for your enterprise project.</p> <p>Recognise and provide examples of how and why language changes in formal and informal communication. For example, how body language affects communication in face-to-face conversations.</p> <p>Internal stakeholders, such as:</p> <ul style="list-style-type: none"> • managers • employees • shareholders • owners. <p>External stakeholders, such as:</p> <ul style="list-style-type: none"> • suppliers • customers • banks • the local community • local government. | | | | |
| 10.2 Meetings and presentations | The need for careful planning, considering possible outcomes before, during and after the event | <p>Ways include:</p> <ul style="list-style-type: none"> • being well planned (so that all attendees know when to arrive and what to bring) • having a clear focus | | | | |

Section 7: Useful websites

The websites listed below are useful resources to help you study for your Cambridge IGCSE Enterprise course.

| URL | Description of the site and what it's useful for |
|--|---|
| www.tutor2u.net/business/topics/enterprise | This is a useful site for revision notes and presentations. |
| www.bbc.com/education/guides/z8c9jxs/revision | This site has a video and test covering what is enterprise. |
| www.dineshbakshi.com/igcse-business-studies | Although aimed at the IGCSE Business Studies course this site has some excellent revision resources covering financial documents and marketing. |

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