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ENTERPRISE

0454/11

Paper 1

May/June 2026

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen. Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [].
- You should have received a copy of the case study before the examination. A copy of the case study is provided with this question paper as an insert.

This document has **16** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 Mateo wanted his new enterprise to reduce trash and improve the music festival services.

(a) Select the most appropriate phrase from the list below to complete each of the sentences.

- a legal requirement
- an ethical consideration
- the negotiation process
- the risk of enterprise

(i) Reducing trash is an example of [1]

(ii) Losing money invested in an enterprise is an example of [1]

(b) State **two** problems a new enterprise may experience.

1 [2]

2 [2]

(c) Explain, using an example, **one** method you used to reduce the risks involved in **your enterprise project**.

method used [3]



(d) Explain, using an example, **one** way that your attitude to risk affected **your enterprise project**.

attitude to risk
.....
.....
.....
.....
..... [3]

[Total: 10]

- 2 Mateo knew that it was important to plan the finances before starting any enterprise. He planned to use his personal savings.

(a) Explain **one** benefit to Mateo of using his personal savings to finance the enterprise.

.....

.....

.....

..... [2]

- (b) Using information from Table 1.1 in the case study, prepare Mateo's financial plan for 2(b)(i)–(iv). Show your working.

Table 1.1

financial plan	
\$	
sales revenue:	
10 tents each rented for 3 nights	(i)
costs:	
purchase of 10 tents and sleeping bags	(ii)
rent of location for 3 nights for up to 50 tents	250
total cost	(iii)
profit or loss	(iv)

[6]

- (c) Explain **one** benefit Mateo might gain by using trade credit to buy the tents.

.....

.....

.....

..... [2]

[Total: 10]



3 The bank manager thought that Mateo’s enterprise had the potential to be successful.

(a) State **two** ways that success can be measured in an enterprise.

1

2 [2]

(b) Explain **two** reasons why Mateo’s enterprise is likely to be successful. Use an example from the case study to support each reason.

1

.....

.....

.....

2

.....

.....

..... [4]

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

1

.....

.....

.....

2

.....

.....

..... [4]

[Total: 10]



- 4 Mateo had not yet completed a business plan. Nita provided him with templates for some documents.

(a) Explain the difference between *aims* and *objectives*.

.....

.....

.....

..... [2]

(b) Identify which **one** of the following documents usually includes a 'statement of aims and objectives':

- action plan
- agenda
- business plan

..... [1]

(c) Explain **one** benefit to Mateo of preparing an action plan. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]



(d) Explain **two** reasons why Mateo may need to update his action plan. Use an example from the case study to support each reason.

1

.....

.....

.....

2

.....

.....

.....

[4]

[Total: 10]



5 Using the questionnaire responses, Mateo decided on a price of \$12 a night to rent a tent.

(a) Explain **one** benefit to Mateo of using a questionnaire as a method of market research.

.....

.....

.....

..... [2]

(b) State **two** methods of measuring customer satisfaction.

1

.....

2

..... [2]

(c) Explain **one** reason why retaining customers would be important in Mateo's enterprise.

.....

.....

.....

.....

..... [3]

(d) Justify why social media is an appropriate way for Mateo to persuade music festival visitors to rent his tents.

.....

.....

.....

.....

..... [3]

[Total: 10]





Section B

Answer **all** questions.

- 6 (a)** Mateo obtained advice from Nita, the bank manager. Nita also suggested that he discuss his enterprise idea with music festival organisers.

Analyse the suitability of these **two** sources of advice and support for Mateo's enterprise. Use examples from the case study to support your answer.

..... [10





- (b)** Mateo intended to operate his enterprise as a sole trader, but he thought that he might need to change the business organisation in the future.

Evaluate whether Mateo should remain as a sole trader or change to a limited liability company as the enterprise grows. You should consider the advantages and disadvantages to Mateo of each choice in your answer.

[illegible]



[15]



(a) Analyse **two** reasons why the language you used in a negotiation within **your enterprise project** should be different from the language used when talking to friends. Use examples to support your answer.

[10]

[10]



(b) Enterprises can be affected by changes in:

- government policy
- real income
- tastes and fashion
- technology.

Evaluate the effects that any **two** of these changes could have on the operation or success of **your enterprise project**. Use examples to support your answer.

[illegible]



[15]

[Total: 25]







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