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ENTERPRISE

0454/12

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 Malik offered to help Sanvi with her enterprise after a problem with a late trade credit payment.

(a) Define the term ‘trade credit’.

.....

.....

.....

..... [2]

(b) Explain **one** reason entrepreneurs offer trade credit to their customers.

.....

.....

.....

..... [2]

(c) Select the most appropriate word to complete each of the sentences:

(i) People who own part of the enterprise are called [1]

(ii) People with an interest in the activities of an enterprise are called [1]



(d) Explain why each of the following could be interested in **your enterprise project**:

(i) students at your school

.....

.....

.....

..... [2]

(ii) lenders

.....

.....

.....

..... [2]

[Total: 10]

- 2 Malik could see that there was a demand for his services, but his parents were concerned about the risks for his new enterprise.

(a) Describe **two** reasons why the demand for a good or service may change.

- 1
-
-
-
-
- 2
-
-
-
-
- [4]

(b) (i) State **two** attitudes to risk.

- 1
- 2
- [2]

(ii) Explain **one** problem caused by your attitude to risk in **your enterprise project**.

-
-
-
-
- [2]

(c) Explain, using an example, **one** legal obligation in **your enterprise project**.

-
-
-
-
- [2]

[Total: 10]



3 Malik completed a business plan.

(a) State **two** sections usually included in a business plan.

1

2 [2]

(b) Explain **one** way a business plan could help Malik in his new enterprise. Use an example from the case study to support your answer.

.....

.....

.....

.....

.....

..... [3]

(c) State **two** examples of costs that Malik may have to pay when operating his enterprise.

1

2 [2]

(d) Justify **one** source of finance that would be suitable for Malik's enterprise.

.....

.....

.....

.....

.....

..... [3]

[Total: 10]



4 Sanvi wanted to be ethical when she attended the business network meeting.

(a) Explain the purpose of **one** document used in a formal meeting.

document

purpose

.....

..... [2]

(b) Describe **one** informal method of communication used in the case study.

.....

.....

.....

..... [2]

(c) Explain **one** action taken in **your enterprise project** that could be considered as ethical behaviour.

.....

.....

.....

..... [2]

(d) Explain the help offered to Malik by **two** sources of support other than a business network.

1

.....

.....

.....

2

.....

.....

..... [4]

[Total: 10]



5 Malik decided to complete an action plan although he realised that this might need to be updated in the future.

(a) State **two** headings usually included in an action plan.

1

2

[2]

(b) Explain **one** benefit to an enterprise of updating an action plan.

.....

.....

.....

..... [2]

(c) Justify **two** appropriate methods of market research that Malik could use when planning his enterprise.

1

2

[6]

[Total: 10]
[Turn over]





- (b)** Evaluate whether Malik should operate his new enterprise as a sole trader or as a partnership. Justify your choice, explaining why you rejected the other type of business organisation.

[illegible]



[15]

[Total: 25]





7 Now consider **your enterprise project**.

(a) There are many financial calculations and records used in enterprise. These include:

- break-even
- cash flow
- profit.

Analyse how **two** of these calculations or records helped you to make decisions in **your enterprise project**. Use examples to support your answer.

[10]





- innovation
- practical skills
- problem-solving
- team-building.

Evaluate the importance of **three** of these skills to the success or failure of **your enterprise project**. Justify which skill was the most important.

This image shows a full page of a handwriting practice worksheet. It consists of approximately 20 horizontal rows. Each row is defined by two parallel dotted lines, creating a series of uniform gaps for letter height. The entire page is otherwise blank, with no margins, text, or other markings.



[Total: 25]







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