READ THESE INSTRUCTIONS FIRST

Write your name, Centre number and candidate number on all the work you hand in. Write in dark blue or black pen. Do not use staples, paper clips, highlighters, glue or correction fluid. DO NOT WRITE IN ANY BARCODES

Answer all questions

Each candidate should have received a copy of the case study prior to the examination. A clean copy of the case study has been provided with this question paper.

The businesses described in this Question Paper are entirely fictitious. Your answers must be based on the case study and your own enterprise experience and knowledge. Candidates who do not follow this instruction will be penalised.

At the end of the examination, fasten all your work securely together. The number of marks is given in brackets [ ] at the end of each question or part question.
Section A

Answer all the questions.

Natasha has decided that the time is right to set up her own business.

1 (a) Identify one factor that created the opportunity for Natasha and Karanveer's enterprise to exist.

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(b) Natasha is creative and has the motivation needed to run her own business, while Karanveer has team-building skills.

State two skills, apart from motivation, team building and creativity, that are needed to be entrepreneurial.

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(c) Discuss how one individual that you have studied has shown entrepreneurial skills.

Name of individual ........................................................................................................ [4]
Natasha and Karanveer have chosen to set up a partnership but the Bank Manager has suggested that they also consider the possibility of setting up as a limited liability company.

(a) Explain what is meant by a *partnership*.

(b) Explain what is meant by a *limited company*.

(c) Discuss whether a partnership or a limited liability company would be most suitable for Natasha and Karanveer.
3  (a) Identify and explain one reason why it is important to produce a business plan when starting an enterprise.

(b) The Bank Manager tells Natasha and Karanveer to include a statement of their business objectives, a PESTEL analysis and relevant budgets in their business plan.

Identify two other important pieces of information which should be included in a business plan.

(c) Discuss how useful a business plan about your enterprise project would be.
4 (a) What is meant by the following terms?

(i) sales revenue

(ii) cash flow

(iii) net profit

(iv) investment

(b) Explain one problem which may be caused by not keeping accurate financial records of an enterprise’s activities.
(c) Natasha and Karanveer needed finance to pay for premises, to employ staff and to buy equipment such as sewing machines and stock.

Discuss how *your enterprise project* raised the finance that it needed to operate.
5 Natasha wants to ensure that the business operates legally.

(a) Identify one way in which the following people are affected by laws concerning production, marketing or selling:

(i) employers

(ii) employees

(iii) consumers.

(b) Explain two ways in which the law affected your enterprise project.
Section B

Use the case study, your own enterprise experience and your knowledge of business to answer question 6(a).

6 (a) Natasha and Karanveer did not get the money they needed when they negotiated with the Bank Manager and they are determined to prepare thoroughly for the next negotiation.

Evaluate the ways in which they could prepare to negotiate successfully at the next meeting.

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Use the case study, your own enterprise experience and your knowledge of business to answer question 6(b).

6 (b) Evaluate the success of the ways in which finance was raised for your enterprise project.

[15]
Use the case study, your own enterprise experience and your knowledge of business to answer question 7(a).

7 (a) Natasha and Karanveer both have many business contacts within the clothing industry.

Evaluate suitable methods of research which could be used to identify potential customers for their new enterprise.
Use the case study, your own enterprise experience and your knowledge of business to answer question 7(b).

7 (b) Discuss how your enterprise project ensured that its customers remain loyal to the business.