

Marked Coursework Samples – Component 2

Cambridge IGCSE™

Enterprise 0454

For examination from 2020



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Introduction

Marked coursework samples

The coursework samples included in this booklet represent performances at the high, middle and lower levels of the ability range. They have been assessed using the assessment criteria set out in the syllabus document and annotated at the point at which marks have been awarded throughout. Annotations are likely to have been made each time a criterion has been achieved. Where a particular criterion has not been achieved it is likely there will be no annotation.

The final comment on each task should clearly indicate how marking decisions have been arrived at.

For each marked script:

- Read through the evidence produced by the candidate, including any appendices.
- Use a copy of the assessment criteria from the syllabus, the annotations throughout the samples and the examiner marks to familiarise yourself with the assessment decisions made for each candidate. This should help to establish the standard when you come to apply the mark scheme.

Marked sample A

Task 1

Title: Identifying a suitable project

Reported to: redacted

Reported by: redacted

1) Introduction

The purpose of this report is to show the process I went through to determine which business to start for my Enterprise coursework. I looked in detail at two possible options in order to choose one. Considering whether it was viable, profitable, if I have what it requires starting the business.

2) Evaluation of options

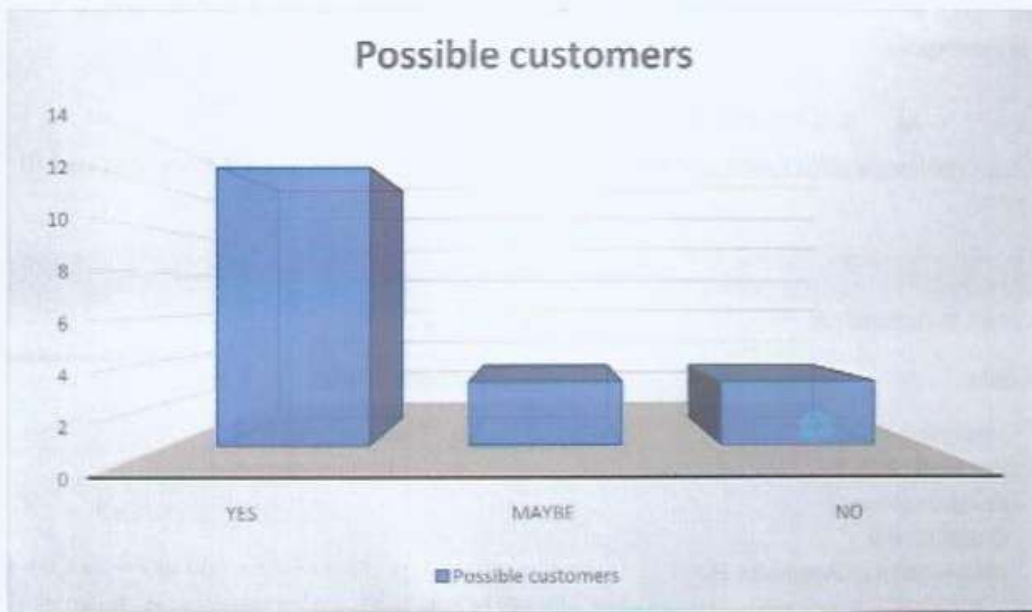
Option 1 – Poultry layers

2.1.1 Summary of idea

Eggs provide a valuable, yet affordable source of high-quality protein and vitamins required for normal growth. I would rear 50 birds to lay eggs. To do this, I would need to construct a chicken house, purchase feed and chickens. Once the eggs are produced, they will need to be graded and packaged before they are ready to be sold.

2.1.2 Research findings

I did a survey to find out how many people out of a group of 20 people would be willing to buy eggs from me, if I were to start selling them.



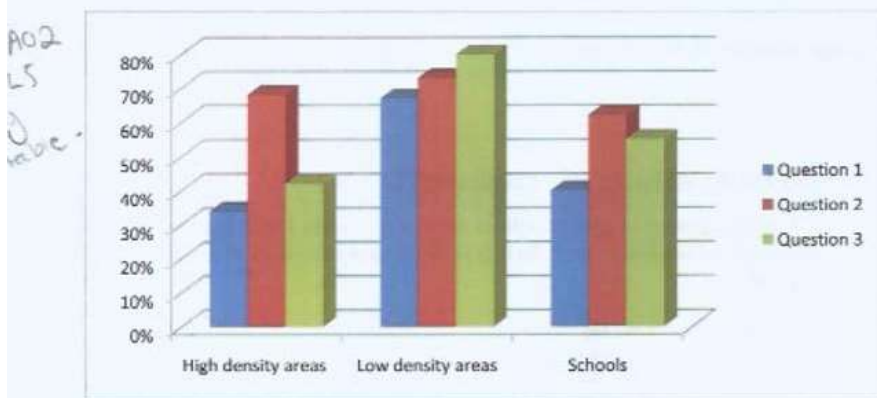
These results show that 70% of the possible customers say they would buy eggs from me if I were to start this enterprise. This tells me that there is a high demand for eggs in my area. Four of these people added later that they would also be interested in buying boiled eggs. This is low, only about 20% so it would be profitable to sell them in small quantities only. This data is reasonably accurate because I asked adults of various ages, from separate communities and whom shop at different supermarkets. This wide variety means that the data is more reliable.

Later I did the same survey in three different areas of town.

These are the questions contained in the survey;

- 1) Do you prefer free range eggs?
- 2) Would you rather support a small local business than a big commercial company?
- 3) Are good quality eggs important to you?

The table below contains percentages of the potential customers who said yes to the questions above:



Therefore from this survey I have discovered that all three categories are interested in my business. However, potential customers in the low density areas will be my highest demand.

This means I will have to think about where I sell my eggs. 60% of people in school said they were interested in quality eggs, less than 40% said they would buy free-range eggs. In high density areas only 30% said they wanted free-range eggs. This could be a problem for me, as people may not be prepared to pay the prices, I need to charge to cover my costs. Whereas over 70% of people in low density areas said they would be interested in free-range eggs. This shows me where I need to advertise my eggs to give me the best chance to attract potential customers.

2.1.3 Analysis – PEST, SWOT

PEST

Political:

1. Can access low interest loans to start up
2. Getting permission from my parents to operate from home
3. Marketing has to be truthful must not be comparative to other egg business. This may be difficult as there are many guidelines and classifications for egg marketing.
4. Regulations for selling eggs – cartons must be labelled with producer’s name, date of lay and net contents, labelled as unclassified, and kept at 15 degrees Celsius or less until selling time.

Economic:

1. Currently in Zimbabwe there is a recession, so since my product is a necessity and not a luxury it could be successful. But people may have less money so may not be able to pay more for free-range eggs.
2. Interest rates may be high if I borrow money

Social:

1. Eggs are a good source of protein so will be popular meaning more sales.
2. Not many recycling facilities so most people do not mind non-recyclable packaging
3. Customers may like to support local businesses, which could help my sales

Technological:

1. The customers, who my enterprise will be providing for, are not technologically advanced so no marketing will be done on Internet. This means I need to find marketing communications that are more suitable for my business.
2. Record keeping will be done on a computer as well as having a hard copy
3. Frequent power cuts therefore I need to have a backup plan. I may need to install a generator or invertors to power the lights and refrigerators. This will add to my costs

SWOT Analysis:

| | |
|--|---|
| <p><u>STRENGTHS:</u></p> <ul style="list-style-type: none"> ➤ Could be cheaper than others ➤ Some people may prefer to support local businesses ➤ Guaranteed quality | <p><u>WEAKNESSES:</u></p> <ul style="list-style-type: none"> ➤ Takes 4-5 months before chickens lay eggs and a profit can be generated ➤ Need initial capital to start (about \$600) ➤ No guarantee chicks will survive |
| <p><u>OPPORTUNITIES:</u></p> <ul style="list-style-type: none"> ➤ Always a demand for eggs ➤ Eggs seen as a healthy food | <p><u>THREATS:</u></p> <ul style="list-style-type: none"> ➤ Many local competitors ➤ Many rules and regulations to follow |

2.1.4 Evaluative comment

This could be a lucrative business. However, it can be time consuming. I would need to focus a lot on finance. Building the cage would cost money, and I would have to develop an accurate budget so that the business did not fail due to lack of funds. I also need to make sure I do not leave out marketing. This would be important to make people aware of my business helping me compete against the local competition. There are risks. If a disease spreads, then the chickens may die, so much of my start-up capital would be lost and the business may fail so I will have to make sure I know how to look after the chicks. The chickens might not lay an egg, or the eggs might be damaged. This would result in a loss of income.

Option 2 – Food cart

2.2.1 Summary of idea

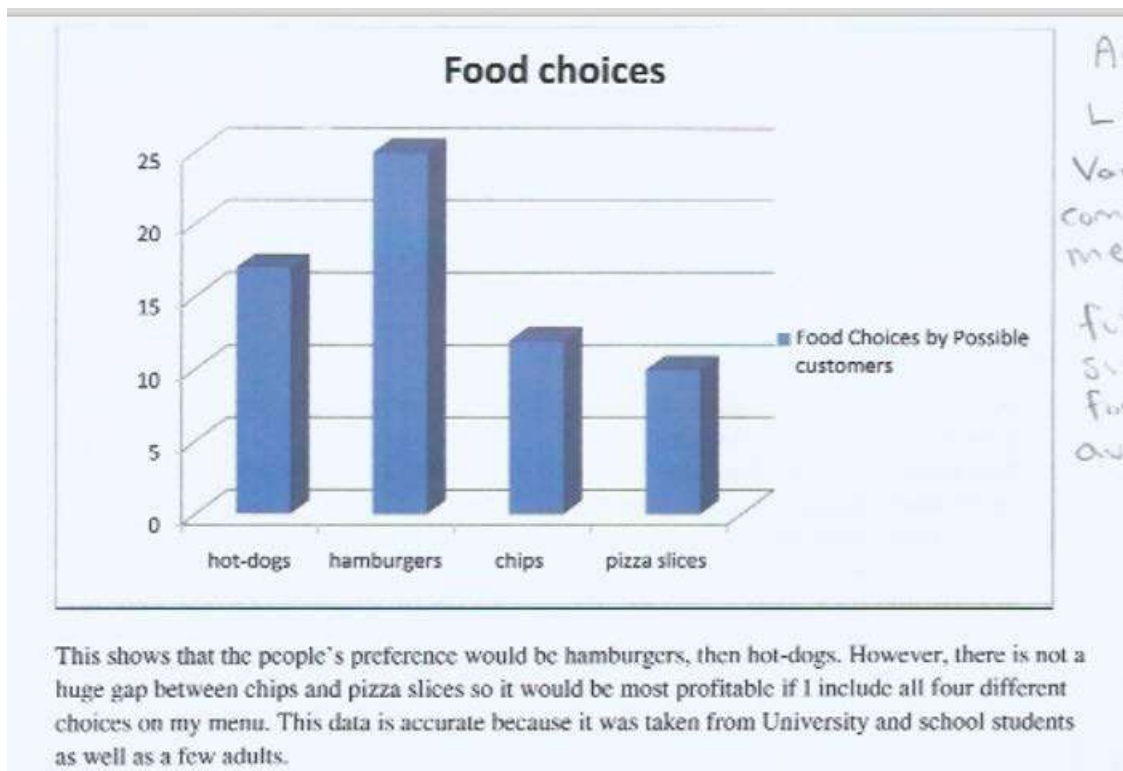
Food is a basic need. The cart will provide a service to people who don't have time to prepare their own food before they go out. Taking the food to different locations means it will save them time.

The purpose is to provide people with small menu of light meals e.g. hamburgers, hot dogs and drinks. The mobile cart will be moved around to places such as the university and parks, where there is the biggest demand. The business will need a loan to buy the cart, and purchase ingredients. The food will be prepared on a gas stove in the cart. I will need to employ someone to cook and operate the cart.

2.2.2 Research findings

I did a survey to discover food preferences according to possible customers. I asked people to tell me their favourite foods between hotdogs, hamburgers, chips and pizza slices.

This option is risky because there could be a lot of money on the line.



2.2.3 Analysis – PEST, SWOT

Pest analysis

Political:

1. Health and safety issues- regulations regarding sanitation and food safety, especially when being prepared on the cart and not in a kitchen.
2. Restricted zones – these zones often include potential lucrative areas where food businesses are allowed to operate.
3. Mobile food vendor permit – has exact descriptions of what is expected and who to contact if there are any questions. Fees vary depending on the city.
4. Public property bans – such as on the streets and sidewalks need to contract with private property owners to vend on their property.

Economic:

1. Food will have to be cheap because people cannot afford it if it is too expensive and would rather go somewhere else where it is cheaper
2. There is a small recession so people will start spending less, so my food will need to be a necessity not luxury.

Social:

1. Providing for all ages – menu needs to have a variety meaning more food and potential waste
2. Diet – many students already buy fast foods so my business will be popular (see research findings)
3. Pollution – cart will be manual therefore not creating pollution, but when cooking / heating the food there may be air pollution. This could create problems with customers but may be avoided by precooking the food first. There is also the risk of litter created from the plates or packaging used for the food. This could upset people.

Technological:

1. Since this will be providing mainly for students, marketing on social networks will be a good idea.
2. Production will be the traditional way, because new methods are too expensive i.e. Machines
3. Record keeping will be done on paper then later put onto a computer, so I have a hard and soft copy.

SWOT Analysis:

| | |
|---|---|
| <p><u>STRENGTHS:</u></p> <ul style="list-style-type: none"> ➤ Ability to be mobile – more convenient ➤ Food can be cheaper than big franchises ➤ Food will be quick and easy to prepare | <p><u>WEAKNESSES:</u></p> <ul style="list-style-type: none"> ➤ Cost of cart and other equipment may be expensive ➤ I lack cooking skills ➤ Cost of employing someone results in less profit |
| <p><u>OPPORTUNITIES:</u></p> <ul style="list-style-type: none"> ➤ No other businesses like this at the university | <p><u>THREATS:</u></p> <ul style="list-style-type: none"> ➤ Many legal issues regarding sanitary and food production ➤ Need to get permit |

2.2.4 Evaluative comment

This is a great idea, which can be successful. The business would demand constant attention in the daily running. As the cart can be moved, this might attract customers, as it could draw a crowd, and it can be moved closer to where events happen. However, the cost for purchasing a cart will be high, and so therefore it may take a very long time to start making profit.

For this option, I would also have to purchase a Mobile Food vendor permit before starting, as well as research different locations which are lucrative and do not have bans. My lack of food knowledge means I would need to employ someone to develop and cook a menu which can be quick to prepare as well as cheap. This would increase my costs. Because of this, I may have to increase prices that could lead to fewer sales as people look for cheaper alternatives. Also, my market research shows that many foods are popular, so I would need to offer all four choices to ensure sales, which again increases my costs.

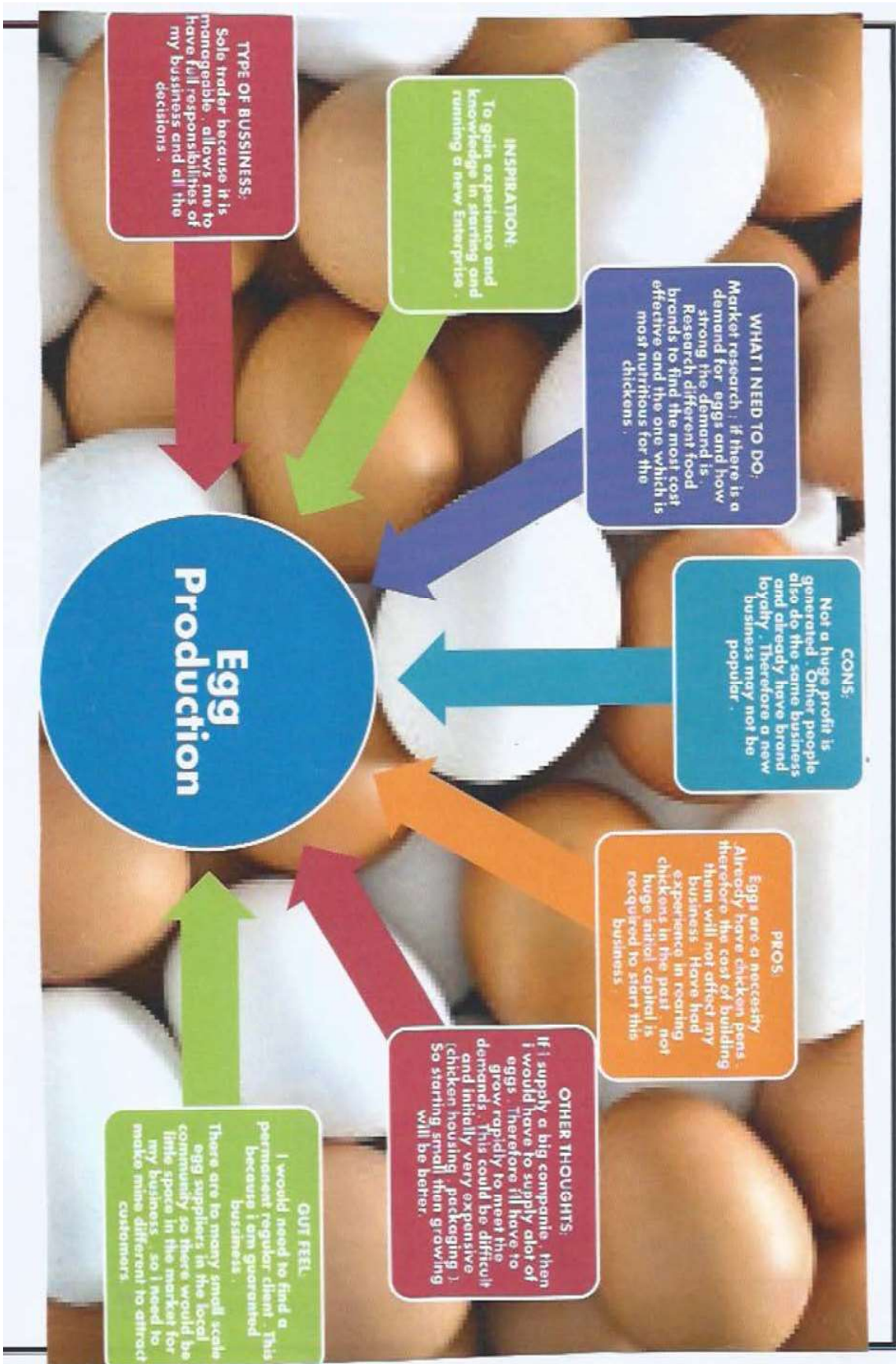
Finding someone who is able and willing to do all this is likely to be difficult. According to the PESTEL and SWOT this option is risky and require a large start-up capital. There is also a range of legal issues that I might battle to overcome particularly as I am a minor. For examples to sell food I would have to obtain permits which may not be possible for me to obtain. I may have to ask my parents to apply for the permit, and they may want more say over what I do. Having to meet all the legal issues would increase my costs and possibly delay the start of the project.

4) Conclusion and summary of option chosen

After reviewing both options, (see summary storyboards in Appendix) and analysing information gathered I have chosen Option 1. It can be a lucrative business, if done properly, as I can guarantee a considerable income all year round. It will be risky at the start, as it requires space, capital and knowledge. Having only 50 chickens will reduce the amount of capital I would lose if my business failed. The second option is creative and based on my market research would be profitable, but is not appropriate due to my age, the skills I am good at and my access to funds.

Overall, I think the egg option is better than the food cart because I am more interested in it, and if you are interested in something, you are more committed and you have a higher chance of success.

Appendix 1



Story boards from Brain storming

Food Cart

Inspiration:
I have seen many successful hot dog carts and vans, e.g. G-dawgs at Hellenic, and i personally enjoy them.

Gut Feel:
I believe it will be popular as long as it is cheap, because the people i will be catering for are more middle class. They would prefer not to spend alot of unecessary money. It may not be a very profitable business.

Cons:
There are many health and safety regulations to follow, may need to pay more tax to ZIMRA. Would need to sell alot of food to generate a profit. would need to ask for permission for the university to sell on campus, this may have to pay them. Will need to hire somebody. Extra costs suchs as gas, the cart.

Pros:
There is always a demand for food. where i intend on selling there areno competitors who also sell hamburgers and hot dogs, and the university students would enjoythem.

Other Thoughts:
Could provide drinks in addition to hamburgers and hot dogs. i could set up outside the university and go door to door selling food.

Type of business:
Sole trader, it is small enough and manageable. however, I may need to hire somebody to work for me preparing the food.

What I need to do:
Conduct survey to see how much students are willing to pay, and what they enjoy eating to see if the food would be popular. I would need to ind out what the rules and regulations are for cooking outside. And I would have to consult the university to get permission to sell on campus.

Comment

This is a well-constructed report showing good knowledge of Enterprise concepts and terminology. The work is presented in an appropriate layout and uses a variety of communication methods fully suitable for the audience.

In the report, the candidate has clearly considered both the advantages and disadvantages of each project before making a final decision. Issues such as feasibility, relative demand and cost associated with each option are considered. Evidence is presented to support the choices made. Detailed explanations are offered to justify the decisions made. The main research is around the SWOT and PEST. However, many of the observations appear to be opinions, rather than based on actual research. In this respect, the report would have benefited from greater use of market research data or other data gathered to support the points being made.

This work is placed in Band 3 – 9 marks.