1.1 Enterprise

Name: ____________ Class: ________ Date: __________ **Total: 27 marks**

Objective

Build the skills to answer exam questions on **enterprise** 创业—business activity, **adding value** 增值, the **entrepreneur** 企业家, and the **business plan** 商业计划书—and to write to the four command words this topic is tested with: **Define, Explain, Analyse, Evaluate**.

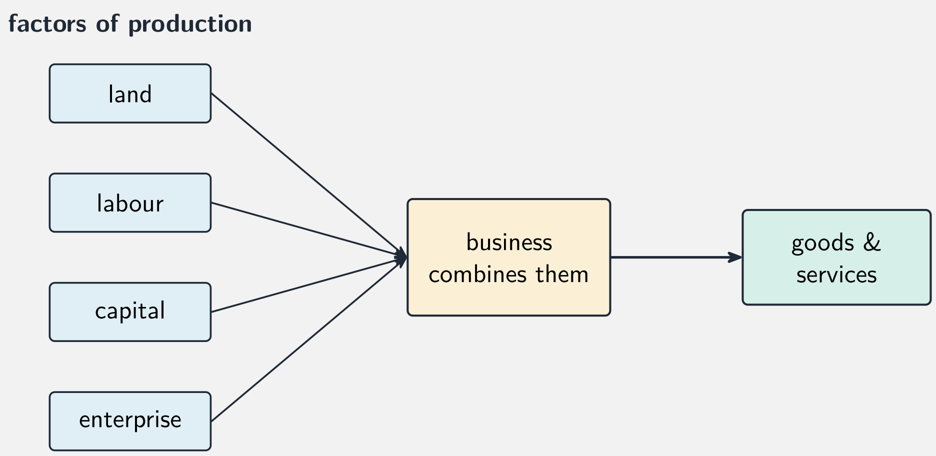
You must be able to:

- define enterprise terms and calculate **value added** 增值
- explain the role and qualities of an entrepreneur and the purpose of a business plan
- analyse benefits and evaluate a judgement to a supported conclusion

1 Worked examples

The key ideas of enterprise

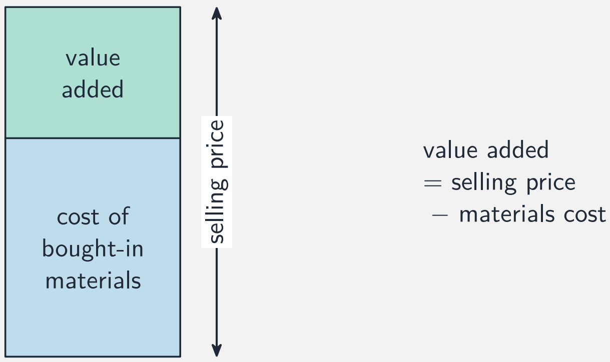
A business combines the four **factors of production** 生产要素—**land, labour, capital and enterprise** 土地、劳动力、资本、创业精神—to turn scarce resources into goods and services, and to **add value**.



Business activity combines the four factors of production

- **Adding value** 增值 = selling price − cost of bought-in materials. A baker buys materials for \$0.40 and sells a loaf for \$1.50 → value added = \$1.50 − \$0.40 = \$1.10.

- An **entrepreneur** 企业家 takes the risk to set up a business; an **intrapreneur** 内部创业者 acts like one *inside* a larger firm.



Adding value: selling price minus the cost of bought-in materials

■ How to answer the four command words

Business answers are marked on four **assessment objectives** 评估目标 (AOs):

- **AO1 Knowledge** 知识—define the term correctly.
- **AO2 Application** 应用—link it to the business in the question.
- **AO3 Analysis** 分析—build a reasoning chain (*so*··· *which means*··· *leading to*···).
- **AO4 Evaluation** 评价—make a two-sided, supported judgement (*it depends on* ···).

Answer shapes (longer answers are marked by **level of response**, not point-by-point):

- **Explain one benefit [3]:** name the benefit (AO1), then develop *why* it helps **this** business (AO2).
- **Analyse two benefits [8]:** for each —identify (AO1) + apply (AO2) + a developed reasoning chain (AO3).
- **Evaluate [12]:** AO1 + AO2 + AO3, then weigh **both sides** and decide *in context* (AO4).

2 Practice

2.1 Define the term *adding value.* [2]

2.2 A firm buys materials for \$6 per unit and sells each unit for \$15. Calculate the value added per unit. [2]

2.3 Identify two characteristics of a successful entrepreneur. [2]

3 Exam-style questions

3.1 Explain one benefit to a business of writing a business plan. [3]

3.2 Analyse two qualities that help an entrepreneur to succeed when starting a new business. [8]

3.3 'A good business plan is the most important reason a new business succeeds.' Evaluate this view. [12]

4 Go further

You are now ready for the real exam questions on this subtopic. Open the **1.1 Enterprise** past-paper sheet in the Library, or try these in **Practice mode**:

- 9609/11 N25 —Q1 (benefit of a business plan)
- 9609/11 N25 —Q5 (qualities of an entrepreneur)
- 9609/11 J25 —Q5 (enterprise, evaluation)

Solutions

Business answers are marked by **level of response** against the assessment objectives, not with single M/A/B points: award **AO1** knowledge, **AO2** application (to the firm), **AO3** analysis (reasoning chains) and **AO4** evaluation (a supported judgement).

2.1 the amount by which the selling price is greater than the cost of bought-in materials (2 for a clear definition; 1 for a partial idea such as "price minus cost").

2.2 \$15 − \$6 = \$9 per unit (2; award 1 for a correct method with the wrong figure).

2.3 any two of: innovative; willing to take (careful) risks; hard-working / determined; self-confident; good decision-maker; good leader (1 + 1).

3.1 *[3]* **AO1** 1 mark —name a benefit (e.g. helps obtain finance; sets clear goals; lowers the risk of failure). **AO2** up to 2 —develop *why* it helps this business, e.g. a bank can read the cash-flow forecast and the plan to repay, so it is more willing to lend (2 developed / 1 limited).

3.2 *[8]* For **each** of two qualities: **AO1** 1 (name it) + **AO2** 1 (apply to running the business) + **AO3** up to 2 (developed reasoning chain L2 / limited L1). Example chains —*innovative*: new ideas → a product rivals do not have → competitive advantage → higher sales; *determined*: keeps going through early losses → survives long enough to reach break-even. Maximum 4 per quality, 8 total.

3.3 *[12]* **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6, awarded by the evaluation band:

- **L3 (5–6):** developed, supported judgement set *in context*.
- **L2 (3–4):** developed judgement *without context*.
- **L1 (1–2):** a limited or weak attempt to balance the arguments.

Both sides: a plan guides decisions, helps secure finance and lowers risk —**but** success also depends on a real market, enough finance, good execution and some luck, and a plan built on poor assumptions can mislead. Judgement: a plan helps, yet is rarely *the single* most important factor; it depends on the quality of the idea and the market it enters.