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ENTERPRISE **0454/12**

Paper 1 **May/June 2026**

INSERT **1 hour 30 minutes**

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INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

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Malik's enterprise

The background

After leaving college, Malik did not know which career to choose. He agreed to work part-time at his parents' business while he searched for a job. His parents asked him to work with the office manager to help improve the efficiency of the business.

One of Malik's tasks was to reorganise the system used for financial records. Malik's new system was so efficient that financial tasks could be completed in much less time.

The start

Malik's aunt, Sanvi, visited his parents' business. Sanvi owns an enterprise supplying grocery items to stores. She offers trade credit to existing customers. Sanvi was worried because a customer had not made a large payment at the end of their trade credit period. This was causing a serious cash flow problem for her enterprise. Sanvi thought that a reminder to pay may not have been sent to the customer. Malik explained how his new financial records system was helping to avoid this problem in his parents' business. He offered to design a similar system for Sanvi and she agreed.

The idea

Sanvi was impressed with the financial records system Malik created for her enterprise. At her next business network meeting, Sanvi explained how Malik had helped her. Some of the entrepreneurs asked for Malik's phone number and email address. Sanvi knew it would not be ethical to share personal information without permission. She texted Malik to ask for permission to share his details and he agreed.

Malik started to receive emails from entrepreneurs wanting him to improve their systems. He could see that there was a demand for his services. Malik therefore thought that he may be able to start a new enterprise. He decided to discuss the idea with his parents.

The planning

Malik decided to complete some planning for the new enterprise. His first task would be to write a business plan. He found a template on the internet and started to complete it. Malik believed that some sections of the business plan would not be needed as his enterprise would have no costs.

While completing the business plan, Malik remembered Sanvi's cash flow problem. His parents had told him that many new enterprises fail due to a lack of cash. He decided that as a sole trader it may be helpful to consider a source of finance.

Malik's parents were concerned about the risk of him starting a new enterprise. They knew that the demand for this type of service could quickly change. His parents suggested that he continue to work part-time in their business until the new enterprise was established. Malik agreed, although he was convinced his enterprise would be a success.

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The next steps

Malik asked his parents to review his completed business plan. After reviewing the plan, his parents asked him which methods of market research he had used. They then asked Malik the following questions:

1 Are there any competitors offering similar services?
2 Would he offer an after-sales service?
3 How many customers could he work with each month?
4 How much would the customers be willing to pay?
5 How would he attract new customers?

Malik could answer the questions about competitors and the after-sales service he would offer. However, he had not researched the number of customers, and he had assumed that the entrepreneurs that had emailed him would pay the price he wanted. Malik had not considered how to attract new customers as he expected to rely on word-of-mouth marketing.

Malik realised he had more work to do if he wanted a successful enterprise. He needed some help and advice. Malik wondered if he should ask an experienced entrepreneur to join him as a partner. He decided to complete an action plan, although he realised that this might need to be updated in the future.

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