

OCR A-Level

Enterprise and Innovation in Product Development (1.2b)

Materials required for questions

- Pencil
- Rubber
- Calculator

Instructions

- Use black ink or ball-point pen
- Try answer all questions
- Use the space provided to answer questions
- Calculators can be used if necessary
- For the multiple choice questions, circle your answer

Advice

- Marks for each question are in brackets
- Read each question fully
- Try to answer every question
- Don't spend too much time on one question

Good luck!

Q1. How does entrepreneurship most commonly help drive innovation in product development?

- A** By outsourcing production to reduce costs
- B** By applying government pressure to increase sales
- C** By turning original ideas into marketable products

Q2. Which of the following best describes a commercial partnership?

- A** A government body funding student inventions
- B** Two or more businesses working together to develop or market a product
- C** An entrepreneur setting up a business alone

Q3. Why might a start-up seek support from a venture capitalist?

- A** To receive free equipment for prototyping
- B** To gain funding and expert guidance in exchange for equity
- C** To avoid any financial risk or commitment

Q4. What is a key benefit of using a crowdfunding platform for product development?

- A** It guarantees government approval
- B** It provides large loans with low interest
- C** It allows public support and small contributions from many backers

Answers

Q1. C

Q2. B

Q3. B

Q4. C

Q5.

- Highly visible way of reaching interested parties/investors. (1)
- Raise awareness of cause. (1)
- Linked to social media to maximise exposure. (1)
- Uses the internet for exposure so is a global way of raising funds. (1)
- No need for 'cold calling'. (1)
- Does not require big investors, but does require many. (1)
- Little financial risk associated with big start-up costs. (1)
- Good way for entrepreneurs to raise funds without having to go and find backers directly. (1)
- A fast way to raise money with no up-front fees. (1)

Q6.

Possible responses of the role of business enterprise in developing new product ideas could include:

- Entrepreneurship The process of designing, launching and running a new business, which has huge implications on the entrepreneur who is responsible not only for the success but the failure of decisions made.
 - Richard Branson started with selling records from his home using his own money and self-determination, learning from his mistakes and developed his brand to be very successful.
- Commercial Partnerships Creating partnerships that can be mutually beneficial, sharing ideas, expertise and gaining access to new technologies and markets. This can create problems if different parties have conflicting ideas or principles.
 - 2004 Anglepoise lamp, developed by Sir Paul Smith from engineer George Carwardine's original.
 - Coca-Cola and Emeco collaborating to up cycle waste bottles
 - Coca- cola sharing plant bottle technology with Ford and Heinz
 - Nike and Apple to create active wear that tracks activities.

- Venture capitalists and crowd funding websites Investment into small businesses or people with great ideas from venture capitalists and crowd funding.
 - Dragons den
 - Kickstarter
 - Quirky

Any other valid suggestion.