FORM TP 2017105

TEST CODE **01240020**

MAY/JUNE 2017

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

PRINCIPLES OF BUSINESS

Paper 02 – General Proficiency

2 hours

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. This paper consists of FIVE questions. Answer all questions.
2. Write your answers in the spaces provided in this answer booklet.
3. Do NOT write in the margins.
4. You are advised to take some time to read through the paper and plan your answers.
5. If you need to rewrite any answer and there is not enough space to do so on the original page, you must use the extra lined page(s) provided at the back of this booklet. **Remember to draw a line through your original answer.**
6. **If you use the extra page(s) you MUST write the question number clearly in the box provided at the top of the extra page(s) and, where relevant, include the question part beside the answer.**

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

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ANSWER ALL THE QUESTIONS

1. (a) Define EACH of the following terms:

(i) Enterprise

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(ii) Entrepreneurship

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(4 marks)

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(b) (i) State TWO economic benefits and TWO social benefits of a business to the community in which it is located.

Economic benefits

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Social benefits

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(4 marks)

(ii) Identify TWO stakeholders of a business and explain the role of EACH.

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(6 marks)

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(c) Describe TWO challenges that a business could encounter when trying to satisfy its ethical role in a community.

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(6 marks)

Total 20 marks

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2. (a) (i) State TWO activities performed by EACH of the following managers:

Marketing

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Production

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(4 marks)

(ii) Distinguish between the 'finance' and 'human resource' (HR) areas of a business.

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(4 marks)

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(b) Describe EACH of the following functions of management:

(i) Delegating

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(2 marks)

(ii) Motivating

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(2 marks)

(iii) Coordinating

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(2 marks)

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(c) Explain ONE way in which management fulfils its responsibility to EACH of the following groups of persons:

(i) Customers

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(3 marks)

(ii) Employees

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(3 marks)

Total 20 marks

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3. (a) (i) List THREE examples of technology used by businesses.

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(3 marks)

(ii) Outline TWO ways in which technology may be used to enable businesses to grow.

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(4 marks)

(b) (i) List THREE functions of a small business.

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(3 marks)

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(ii) State TWO challenges and TWO benefits associated with the growth of a business.

Challenges

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Benefits

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(4 marks)

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(c) Explain TWO ways in which the growth of a business affects its organizational structure.

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Total 20 marks

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4. (a) (i) Define the term 'brand name'.

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(2 marks)

(ii) Identify TWO forms of packaging.

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(2 marks)

(iii) State TWO purposes of packaging.

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(2 marks)

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(b) (i) Describe TWO techniques used in selling.

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(4 marks)

(ii) Outline TWO methods which vendors can employ to promote sales.

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(4 marks)

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(c) Explain TWO ways in which the existence of copyright is likely to influence the actions of producers and consumers.

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(6 marks)

Total 20 marks

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5. (a) Define the term 'standard of living'.

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(2 marks)

(b) State THREE factors that can be used to determine

(i) quality of life

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(3 marks)

(ii) standard of living.

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(3 marks)

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(c) Describe TWO programmes that Ministries of Education could put in place to foster economic growth and development.

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(6 marks)

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(d) Identify TWO methods that are used to measure a country's national income and explain how EACH method is used.

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(6 marks)

Total 20 marks

END OF TEST

IF YOU FINISH BEFORE TIME IS CALLED, CHECK YOUR WORK ON THIS TEST.

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