FORM TP 2019109

TEST CODE **01240020**

MAY/JUNE 2019

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 QUESTIONS

1. (a) (i) Define the term 'stakeholder' as it relates to a business.

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(2 marks)

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(ii) Identify TWO stakeholders who are involved in a business.

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(2 marks)

(b) Outline ONE function of EACH of the stakeholders identified in (a) (ii).

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(4 marks)

(c) Describe ONE activity that may be carried out in EACH of the following functional areas of a business.

(i) Marketing

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(ii) Finance

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(iii) Personnel/human resources (HR)

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(6 marks)

(d) Explain TWO legal or ethical principles that business owners should adopt in the establishment and operation of a business. In your explanation, include relevant examples of EACH priniciple.

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(6 marks)

Total 20 marks



2. (a) (i) State TWO functions of management in a business organization.

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(2 marks)

(ii) Describe EACH function stated in (a) (i).

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(4 marks)

(b) State TWO responsibilities of management to EACH of the following groups.

(i) Employees

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(ii) Government

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(4 marks)

(c) (i) Define the term 'teamwork'.

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(2 marks)

(ii) State ONE advantage and ONE disadvantage of teamwork within an organization.

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(2 marks)

(d) For some time now, there has been a breakdown in communication between the managers and employees of ABC Plastic Co. Ltd.

Explain TWO strategies the management of ABC Plastic Co. Ltd. could implement to improve communication within the organization.

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(6 marks)

Total 20 marks

3. (a) (i) Define the term 'production'.

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(2 marks)

(ii) Identify TWO factors of production, **other than capital**, used in the manufacture of goods and provision of services.

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(2 marks)

(b) (i) Define the term 'capital'.

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(2 marks)

(ii) Differentiate between 'fixed capital' and 'working capital' and give an example of EACH type.

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(4 marks)

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(c) Outline ONE benefit of the growth of a company to EACH of the following groups.

(i) Customers

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(ii) Shareholders

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(4 marks)

(d) Explain TWO ways in which increased productivity may be advantageous to a business.

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(6 marks)

Total 20 marks

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4. (a) Outline TWO functions of consumer organizations.

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(4 marks)

(b) Outline TWO benefits of good customer service.

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(4 marks)

(c) Describe EACH of the following forms of customer service.

(i) Warranties

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(ii) Toll free numbers/toll free call centres

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(iii) Suggestion boxes

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(6 marks)

(d) A trademark is a firm's brand that allows it certain benefits in the marketplace.

Explain TWO ways in which trademarks are beneficial in the conduct of a business.

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(6 marks)

Total 20 marks

5. (a) Define the term 'information and communications technology' (ICT).

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(2 marks)

(b) Describe ONE way in which computer-aided design (CAD) is used in a business organization.

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(2 marks)

(c) Outline THREE ways in which the use of automatic teller machines (ATMs) or automated banking machines (ABMs) could assist a business.

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(6 marks)

(d) Outline TWO ways in which electronic commerce (e-commerce) can improve the performance of a business.

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(4 marks)

(e) Explain TWO ways in which businesses can demonstrate the ethical use of ICT in the conduct of their operations.

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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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