FORM TP 2024116

TEST CODE **01240020**

MAY/JUNE 2024

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.

Copyright © 2023 Caribbean Examinations Council
All rights reserved.



Answer ALL questions.

1. Joanna recently graduated from university with a degree in management studies and wants to operate her own business.

(a) List FOUR management functions that Joanna would be expected to perform in the business.

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(b) State TWO responsibilities that Joanna's business would have to EACH of the following stakeholders.

(i) Employees

.....

.....

.....

.....

(2 marks)

(ii) Customers

.....

.....

.....

.....

(2 marks)

(iii) Government

.....

.....

.....

.....

(2 marks)

(c) State FOUR guidelines, other than effective communication, that Joanna should follow in order to establish and maintain good management and staff relations.

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(d) Explain TWO strategies for effective communication that Joanna should utilize in the management of the business.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Total 20 marks

947

2. Paul and Josh exchanged the following text messages.

Paul: Need a deejay for my party on 15th August. Are you available?
Will pay $6000.

Josh: Yes, I am available and would love to do it. Can you increase the payment to $6500?

Paul: Glad you're available. Will get back to you regarding the fee.

There was no further communication between Paul and Josh and on 15th August, Josh arrived at the party ready to perform. Josh was furious when Paul informed him that another deejay was hired and he threatened to sue Paul for breach of contract.

(a) (i) Define the term 'contract'.

.....

.....

.....

.....

(2 marks)

(ii) Identify the characteristic of a simple contract highlighted in the case above.

.....

(1 mark)

(iii) Describe TWO characteristics of a simple contract, other than that cited in the case above.

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(b) (i) State whether Josh is likely to succeed if he takes legal action against Paul.

.....

.....

(1 mark)

(ii) Provide an explanation to support your answer in (b) (i).

.....

.....

.....

.....

.....

.....

(3 marks)

(c) List THREE characteristics of a specialty contract.

.....

.....

.....

.....

(3 marks)

947

(d) Explain, with the use of suitable examples, TWO ways by which a contract may be terminated or discharged.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Total 20 marks

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

3. (a) State TWO factors of production.

.....

.....

.....

(2 marks)

(b) (i) Identify ONE **major** natural resource found in the Caribbean.

.....

(1 mark)

(ii) State ONE industry developed from the natural resource identified in (b) (i).

.....

.....

(1 mark)

(c) The table below describes four different production activities.

Complete the table to show the classification of EACH activity by type of production and level of production. An example has been provided for you.

	Activity	**Type of Production**	**Level of Production**
Example	Oakwood Furnishing Ltd makes wooden furniture for sale to retail stores throughout the country.	Manufacturing	Domestic consumption
(i)	Prince Mackie, a Caribbean soca artiste, performs across the Caribbean, Europe and North America.		
(ii)	Blue Waters Fishing Cooperative, located in the parish of St Theresa, supplies fresh fish and other seafood to restaurants and supermarkets in St Theresa and adjoining parishes.		
(iii)	Justin makes school uniforms for his children and other relatives.		

(6 marks)

GO ON TO THE NEXT PAGE

(d) The general manager of Premium Chocolate Factory made the following statement to the board of directors.

> "Production for the year 2021 was up 15% over the previous year, but overall productivity declined by 10%".

Explain the meaning of the statement above, clearly differentiating between 'production' and 'productivity'.

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

(e) A recent survey indicated that there was a significant increase in the productivity of the staff of Sunshine Beach Resort when compared with the previous two years.

Explain TWO likely reasons for the increased productivity of the staff of Sunshine Beach Resort.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Total 20 marks

4. (a) Define EACH of the following terms.

(i) Market

.....

.....

.....

(2 marks)

(ii) Marketing

.....

.....

.....

(2 marks)

(b) List the FOUR elements of the traditional marketing mix.

.....

.....

.....

.....

(4 marks)

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

(c) Describe EACH of the following marketing activities. State ONE example of EACH activity.

(i) Branding

.....

.....

.....

.....

.....

.....

(3 marks)

(ii) Sales promotion

.....

.....

.....

.....

.....

.....

(3 marks)

(d) The COVID-19 pandemic presented Pat with a business opportunity to manufacture and sell hand sanitizers. Initially she was extremely optimistic, as she thought that the demand for her product would have been great. After one year in operation, Pat was disappointed that the sales of her hand sanitizers were not as she expected.

Explain TWO factors that may have influenced the consumers' response to Pat's hand sanitizers.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Total 20 marks

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

5. (a) (i) State FOUR ways in which information and communications technology (ICT) has influenced banking and finance operations.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(ii) Identify TWO computer software programs designed for use in business.

.....

.....

.....

(2 marks)

GO ON TO THE NEXT PAGE

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

(b) Distinguish between 'e-business' and 'e-commerce'.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(c) State FOUR ways in which ICT could improve the operations of a business.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(4 marks)

(d) The unethical use of ICT poses a significant challenge to businesses. One such issue is that of privacy.

Explain TWO issues related to privacy that have arisen due to the unethical use of ICT.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

Total 20 marks

END OF TEST

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

