FORM TP 2015106

TEST CODE **01240020**

MAY/JUNE 2015

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

PRINCIPLES OF BUSINESS

Paper 02 – General Proficiency

2 hours

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. Answer the THREE questions in Section I, ONE in Section II and ONE in Section III as indicated.
2. Write your answers in the spaces provided in this answer booklet.
3. Do NOT write in the margins.
4. Take some time before you start writing to read through the papers and plan your answers
5. EACH question is worth 20 marks.
6. 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.**
7. **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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SECTION I

Answer the THREE questions in this section.

1. (a) Define EACH of the following business concepts:

(i) Profit

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(2 marks)

(ii) Enterprise

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(2 marks)

(iii) Specialization

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(2 marks)

(b) Identify the names of TWO franchises in the Caribbean.

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(2 marks)

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(c) State TWO characteristics of EACH of the following forms of business organizations:

(i) Partnership

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(2 marks)

(ii) Co-operatives

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(2 marks)

(iii) Sole Proprietorship

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(2 marks)

(d) Describe ONE role of EACH of the following stakeholders in business:

(i) Employers

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(3 marks)

(ii) Employees

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(3 marks)

Total 20 marks

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2. (a) (i) List FOUR functions of a manager.

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(4 marks)

(ii) State THREE guidelines for establishing good relations between management and employees.

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(3 marks)

(b) (i) Identify THREE characteristics of a good leader.

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(3 marks)

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(ii) Differentiate between 'participatory leadership style' and 'autocratic leadership style'.

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(4 marks)

(c) Explain TWO ways in which an organization can benefit from teamwork.

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(6 marks)

Total 20 marks

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

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(2 marks)

(ii) State ONE positive effect and ONE negative effect of migration.

Positive:

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Negative:

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(2 marks)

(iii) Outline TWO reasons for migration.

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(4 marks)

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(b) (i) List TWO characteristics of subsistence production.

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(2 marks)

(ii) Explain how 'capital-intensive production' differs from 'labour-intensive production'.

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(4 marks)

(c) Explain ONE advantage and ONE disadvantage of computer-aided design (CAD) in the production process.

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(6 marks)

Total 20 marks

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SECTION II

Answer EITHER Question 4 OR Question 5. Do NOT answer both.

4. (a) Define the term 'consumer protection'.

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(2 marks)

(b) (i) List TWO rights of the consumer.

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(2 marks)

(ii) Outline TWO roles of the Bureau of Standards.

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(4 marks)

(c) (i) State TWO characteristics of the wholesaler as a distributor.

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(2 marks)

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(ii) Outline ONE advantage and ONE disadvantage of e-commerce as a method of retailing.

Advantage:

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(2 marks)

Disadvantage:

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(2 marks)

(d) (i) Identify TWO problems related to the distribution of goods.

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(2 marks)

(ii) Outline ONE measure that producers could take to avoid **each** problems identified.

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(4 marks)

Total 20 marks

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5. (a) Define the term 'overdraft'.

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(2 marks)

(b) (i) List TWO forms of investment.

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(2 marks)

(ii) Outline TWO principles of insurance.

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(4 marks)

(c) (i) State TWO characteristics of ordinary shares.

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(2 marks)

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(ii) Outline ONE advantage and ONE disadvantage of the sou sou (meeting turn) as a form of saving.

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(4 marks)

(d) Describe TWO measures which a central bank may use to influence the behaviour of commercial banks.

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(6 marks)

Total 20 marks

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SECTION III

Answer EITHER Question 6 OR Question 7. Do NOT answer both.

6. (a) (i) Identify TWO economic problems facing Caribbean countries.

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(2 marks)

(ii) Outline ONE way in which EACH problem identified may be solved.

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(4 marks)

(b) (i) Define the term 'foreign direct investment' (FDI).

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(2 marks)

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(ii) Outline THREE factors that are LIKELY to discourage foreign investors from investing in the Caribbean.

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(6 marks)

(c) Explain TWO ways in which Caribbean countries benefit from foreign direct investment (FDI).

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(6 marks)

Total 20 marks

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7. (a) (i) Outline TWO ways in which governments can regulate business activity.

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(4 marks)

(ii) Describe TWO measures which governments can take to protect consumers.

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(4 marks)

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(b) Outline THREE ways in which your country can benefit from improved roads and transportation.

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(6 marks)

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(c) Explain TWO ways in which government could improve the education sector.

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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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