CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE®
EXAMINATION

06 JANUARY 2025 (p.m.)

[redacted]

FILL IN ALL THE INFORMATION REQUESTED CLEARLY IN CAPITAL LETTERS.

TEST CODE | 0 | 1 | 2 | 4 | 0 | 0 | 2 | 0 |

SUBJECT PRINCIPLES OF BUSINESS – Paper 02

PROFICIENCY GENERAL

REGISTRATION NUMBER | | | | | | | | | | |

SCHOOL/CENTRE NUMBER					

NAME OF SCHOOL/CENTRE

CANDIDATE'S FULL NAME (FIRST, MIDDLE, LAST)

DATE OF BIRTH | D | D | M | M | Y | Y | Y | Y |

SIGNATURE _____



FORM TP 02025032

TEST CODE 01240020

JANUARY 2025

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

PRINCIPLES OF BUSINESS

Paper 02 – General Proficiency

2 hours

047

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.**

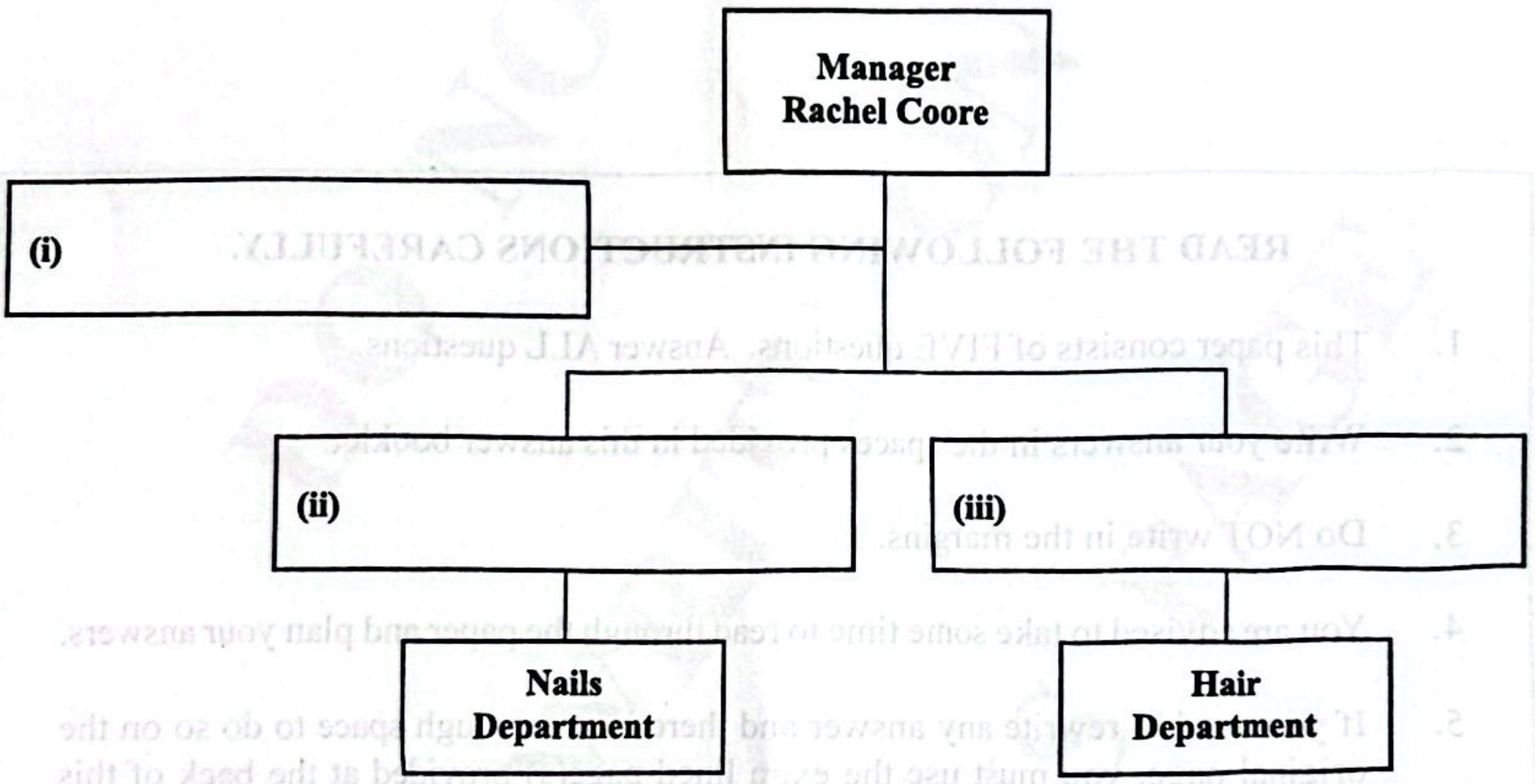
A001

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Answer ALL questions.

1. Rachel Coore is the owner of Good Care Beauty Salon. The salon consists of two departments, nails and hair. The nails department comprises five technicians and is supervised by Julian Jones. The hair department comprises seven stylists and is supervised by Kayleigh Scott. Rachel Coore manages the business and is assisted by an accounting clerk, Maxine Stamp.

(a) Use the information in the scenario above to complete the following organizational chart for Good Care Beauty Salon. The title and name of employees must be stated in EACH case. An example has been provided for you.



(3 marks)

(b) (i) State the span of control of the manager of Good Care Beauty Salon.

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(1 mark)

(ii) Identify TWO potential sources of conflict that may occur between the manager and employees of Good Care Beauty Salon.

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(2 marks)

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(c) Describe EACH of the following strategies used in the resolution of conflict in an organization.

(i) Mediation

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(2 marks)

(ii) Arbitration

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(2 marks)

(d) List FOUR characteristics of a good leader.

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(4 marks)

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(e) Explain TWO benefits of a manager adopting a democratic style of leadership rather than an authoritarian style of leadership.

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2. **(a)** **(i)** **Define the term 'entrepreneur'.**

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(2 marks)

(ii) **State TWO characteristics of a typical entrepreneur.**

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(2 marks)

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(b) Describe EACH of the following functions of an entrepreneur in a business.

(i) Conceptualizing

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(2 marks)

(ii) Bearing of risks

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(2 marks)

(iii) Accessing resources

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(2 marks)

(c) Outline TWO roles of entrepreneurship in the development of Caribbean economies.

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(4 marks)

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A001

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(d) Karim wants to open a restaurant to sell fried chicken in the capital city of San Leo.

Explain how Karim could comply with TWO government regulations or policies for the protection of the environment and/or public health when establishing and operating the business.

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3. Caribbean economies benefit significantly from the contribution of cottage industries.

(a) (i) State THREE characteristics of cottage industries.

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(3 marks)

(ii) List THREE types of goods or services that are often produced within cottage industries.

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(3 marks)

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A001

(b) (i) State TWO advantages of small business operations.

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(2 marks)

(ii) State TWO disadvantages of small business operations.

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(2 marks)

(c) Jerome operates a small fruit juice manufacturing business in Spice Town. Recently, he has seen opportunities for the growth of the business and has been considering expanding.

(i) State ONE way in which Jerome's business could grow internally.

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(1 mark)

(ii) State ONE way in which Jerome's business could grow externally.

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(1 mark)

(iii) Explain the likely effect that expansion could have on the organizational structure of Jerome's business.

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(3 marks)

(d) (i) **Define the term 'linkage industries'.**

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(2 marks)

(ii) **Explain ONE backward or ONE forward linkage in which Jerome's business could engage.**

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(3 marks)

Total 20 marks

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4. **(a)** **List FOUR methods of retailing.**

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(4 marks)

(b) Describe EACH of the following terms of sales.

(i) Hire purchase

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(2 marks)

(ii) Consignment

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(2 marks)

(iii) Layaway

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A001

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(c) State FOUR functions of consumer organizations.

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(4 marks)

047

A001

(d) Venus Communications Ltd provides mobile phone services to the citizens of Peanut Island. The management of the company is concerned that the business is often openly criticized for its poor customer service.

(i) Explain ONE way in which poor customer service is likely to affect the success of Venus Communications Ltd.

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(3 marks)

(ii) **Explain how online chats or surveys could be used by the management of Venus Communications Ltd to improve the company's customer service.**

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(3 marks)

Total 20 marks

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5. (a) Define the term 'business technology'.

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(2 marks)

(b) List FOUR factors that determine a country's standard of living and/or the quality of life of its citizens.

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(4 marks)

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(c) Define EACH of the following terms.

(i) Gross domestic product (GDP)

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(2 marks)

(ii) Gross national product (GNP)

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(2 marks)

(d) Low levels of production is a major economic problem facing Caribbean countries.

Outline TWO possible solutions, other than education, to this economic problem.

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(4 marks)

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A001

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(e) Explain TWO ways in which investment in education by Caribbean governments can lead to an increase in the production of goods and services in the region.

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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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