FORM TP 2026–116

TEST CODE 01240020

MAY–JUNE 2026

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) The following table shows four management functions. Each function is assigned a unique letter code.

Letter Code	Function
A	Planning
B	Coordinating
C	Delegating
D	Controlling

Complete the table below by writing the letter code of the function BEST described in EACH statement.

Description of Function	Letter Code
(i) Targets are set and performance is measured against them and where necessary, corrective measures are put in place.	
(ii) Goals are set, the resources are identified and procedures are outlined to achieve objectives.	
(iii) Different individuals and units are brought together in a structured way to ensure harmony in the pursuit of goals.	

(3 marks)

(b) Outline TWO strategies that managers should implement to ensure effective communication in the workplace.

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(4 marks)

(c) State FOUR guidelines, other than effective communication, for establishing good relations between managers and employees.

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(4 marks)

(d) A conflict has arisen between the management and employees of Eclipse Manufacturing Ltd.

(i) Identify ONE strategy that the management of Eclipse Manufacturing Ltd could utilize and TWO strategies that the employees could utilize to gain the upper hand.

- Management strategy

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- Employees' strategies

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(3 marks)

(ii) A business consultant recommends that the management of Eclipse Manufacturing Ltd utilize teamwork as a strategy for improving the working environment of the organization.

Explain TWO advantages of adopting teamwork as a strategy for improving working conditions at Eclipse Manufacturing Ltd.

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(6 marks)

Total 20 marks

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

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(2 marks)

(ii) Identify TWO characteristics of a simple contract.

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(2 marks)

(iii) Identify TWO characteristics of a specialty contract.

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(2 marks)

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(b) The table below consists of four scenarios. Complete the table by indicating whether EACH scenario is an example of a simple contract, a specialty contract or no contract.

Scenario	Type of Contract/ No Contract
(i) Malia, a professional athlete, has a $1.5 million agreement with the makers of Galactic smartwatches, to act as a spokesperson for the brand.	
(ii) Sunil agreed with his parents that he would help his younger siblings with their homework in exchange for an increase in his weekly allowance.	
(iii) Anya went to the bus terminal, boarded a bus, paid her fare and the bus took her to school.	
(iv) Mr Jones bought a desk by entering into a hire purchase agreement with Sunshine Furnishing Company.	

(4 marks)

(c) List FOUR ways in which a contract may be terminated or discharged.

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(4 marks)

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(d) Harry sent the following email to Stephen.

I'm selling my bicycle for $1000 cash. If you're interested, give me a call by tomorrow.

Stephen was not interested but he forwarded Harry's email to Erica, who then sent Harry the following email a week later.

Harry, I am interested in purchasing your bicycle. Will pay $500 now and $500 next month.

By making reference to TWO rules of offer and acceptance, explain whether Erica's actions could constitute acceptance of Harry's offer.

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(6 marks)

Total 20 marks

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3. (a) Describe EACH of the following methods used to promote sales.

(i) Sales promotion

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(2 marks)

(ii) Personal selling

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(2 marks)

(b) List FOUR methods of retailing.

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(4 marks)

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(c) (i) State THREE roles of customer service.

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(3 marks)

(ii) State THREE functions of consumer organizations.

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(3 marks)

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(d) Four types of intellectual property rights are listed below.

Copyright Industrial design Patent Trademark

From the list above, select the intellectual property right BEST described in EACH of the following scenarios. Write your responses in the table provided below.

	Scenario	Intellectual Property Right
(i)	Grant Botanicals has the exclusive right to produce and sell a type of aloe vera-based shampoo.	
(ii)	All the products in the line of cosmetics distributed by Wonder Girl Inc. bear the same symbol.	
(iii)	Javed has ensured that no other manufacturer can produce toy cars with the same physical features as the car he created.	

(3 marks)

(e) John went to see a popular movie at the cinema. He attempted to use his mobile phone to record the movie. The usher told him it was illegal to do so and asked him to put away his phone immediately.

Explain why it is illegal for John to record the movie.

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(3 marks)

Total 20 marks

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4. (a) Identify the MOST suitable mode of transport for EACH of the following products.

(i) A supply of medicine from Cuba to St Vincent and the Grenadines

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(ii) Lumber from Dominica to Grenada

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(iii) Documents from Barbados to Kenya

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(iv) Furniture from Port of Spain, Trinidad to San Fernando, Trinidad

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(4 marks)

(b) The information below summarizes a recent transaction evidenced on a business document.

Rhoades Motors, a used car dealer in Saint Lucia, contracted Straight Freight Co. to arrange for a shipment of motor cars to Jamaica via the vessel, Blue Waves. On arrival in Jamaica, the goods were cleared by Jolly Joes Inc. before being delivered to the customer.

(i) Name the **main** business document used in the transaction above.

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(1 mark)

(ii) Identify EACH of the following parties in the scenario above.

- The carrier

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- The consignor

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- The consignee

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(3 marks)

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(c) Outline THREE ways in which transport facilitates domestic trade.

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(d) Cozy Corner Furnishings produces household furniture in Bluebird Island. The firm purchases its raw materials from a single local supplier.

Explain TWO ways in which logistics and supply chain operations could benefit Cozy Corner Furnishings.

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(6 marks)

Total 20 marks

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5. (a) State TWO reasons why governments impose taxes.

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(2 marks)

(b) (i) Outline ONE difference between a 'direct tax' and an 'indirect tax'.

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(2 marks)

(ii) Identify TWO examples of a direct tax.

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(2 marks)

(iii) Identify TWO examples of an indirect tax.

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(2 marks)

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(c) A responsibility of governments is to provide assistance to businesses.

Describe THREE forms of assistance offered by Caribbean governments to businesses.

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(6 marks)

(d) Explain how Caribbean citizens have benefited from EACH of the following social services provided by their governments.

(i) National insurance/social security

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(3 marks)

(ii) Healthcare services

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(3 marks)

Total 20 marks

END OF TEST

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

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