CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

05 JANUARY 2017 (p.m.)

J1701240032

FILL IN ALL THE INFORMATION REQUESTED CLEARLY IN CAPITAL LETTERS.

TEST CODE | 0 | 1 | 2 | 4 | 0 | 0 | 3 | 2 |

SUBJECT PRINCIPLES OF BUSINESS – Paper 032

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 _____

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TEST CODE **01240032**

JANUARY 2017

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE® EXAMINATION

PRINCIPLES OF BUSINESS

Paper 032 – General Proficiency

1 hour 15 minutes

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. 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. You may use a silent, non-programmable calculator to answer questions.
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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INSTRUCTIONS: The following case study contains information for a business plan. Read the case study and answer the questions that follow.

CASE STUDY

Altogether Jerk Ltd

SECTION A

Altogether Jerk Ltd will be a competitive privately owned 50-seat restaurant offering home-cooked food that is popular in that area of the Caribbean. It will provide grilled and steamed foods: pork, chicken, fish and baked yams, potatoes and other breadstuffs, along with vegetables and an assortment of natural fruit drinks. The restaurant will be owned and operated by Karl and Krystal Bennett who have owned and managed a number of other successful businesses. The management team collectively has over 20 years' experience in the restaurant business. The owners intend to employ an operations manager, a chef, several kitchen assistants, several waiters and two cleaners. While the firm hopes to provide in-house dining, it would also specialize in takeouts. The managers are aware of the importance of proper documentation and transparent business practices. Together they have created a detailed plan which includes all the elements for success.

Complete the following business plan using information from the case.

OPERATIONAL PLAN

1. Nature and Type of Business

Identify the type of business and state the reason for your choice.

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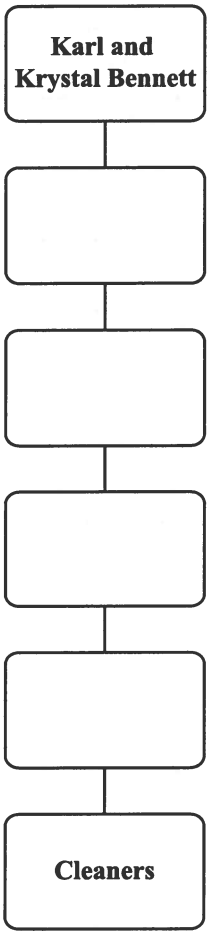
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2. Internal Structure of the Organization

Complete the following organizational chart to show the relationship between the persons who will work at Altogether Jerk Ltd.



(3 marks)

3. Management Functions

State TWO qualities which the managers possess that are likely to lead to the success of the business.

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(2 marks)

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4. Ethical Issues

Explain ONE ethical issue that the managers would need to address and therefore should include in the plan.

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(3 marks)

Total 10 marks

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SECTION B

The managers would like to use the smell of jerk, healthy, large sized platters, Caribbean background music and the Friday evening band to attract patrons to the restaurant. The restaurant will be tastefully decorated with local wood and steel, and painted in bright tropical colours. The chairs and tables will be made from metal and wood, giving a rustic look. Carefully conducted market research and evaluation of the target market revealed that the firm was poised to cater to a segment that was not being served. Despite this, the firm intends to use technology to intensely market its products and services. The managers would also draw on their many years of marketing experience and aim to be proactive, building sales volume over profit especially in the first three years of operation. They recognize that they would require a delivery van and possibly a bike.

MARKETING PLAN

5. Marketing

(a) Outline TWO marketing strategies that the managers hope to use to attract customers.

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(4 marks)

(b) Describe how "building sales volume over profit" can help the firm to succeed.

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(2 marks)

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6. Competition

(a) Identify TWO likely competitors of Altogether Jerk Ltd.

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(2 marks)

(b) Outline TWO advantages that Altogether Jerk Ltd will have over its competitors.

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(4 marks)

7. Target Market

Identify TWO factors in the market research that suggest that the proposed business is likely to succeed.

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(2 marks)

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8. Promotional Strategies

Describe TWO ways in which the firm can use technology to advertise its products and services.

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(4 marks)

9. Distribution Strategies

Identify TWO methods that the firm intends to use to distribute its products.

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(2 marks)

Total 20 marks

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SECTION C

The total amount of capital required to start the business is $1 100 000. $200 000 of this amount will be contributed by Karl and Krystal Bennett. They hope to obtain the additional capital via a bank loan. They project that the business will attract 2000 customers per week with sales of $45 000. Altogether Jerk Ltd hopes to provide a great product, employ persons from the community and expand the business locally and internationally.

FINANCIAL PLAN

10. Sources of Finance

(a) List TWO sources from which Altogether Jerk Ltd hopes to obtain financing for the business.

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(2 marks)

(b) Calculate the additional amount of capital which the firm will need to start its operations.

(2 marks)

11. Government Regulations

Identify ONE government regulation with which Altogether Jerk Ltd must comply.

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(1 mark)

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12. Economic/Social Benefits

State TWO benefits that Altogether Jerk Ltd will provide to the community or country.

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(2 marks)

13. Executive Summary

Write a summary of the business which must include information from the three sections of the business plan.

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(3 marks)

Total 10 marks

END OF TEST

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

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EXTRA SPACE

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Question No. ☐

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CANDIDATE'S RECEIPT

INSTRUCTIONS TO CANDIDATE:

1. **Fill in all the information requested clearly in capital letters.**

TEST CODE: | 0 | 1 | 2 | 4 | 0 | 0 | 3 | 2 |

SUBJECT: PRINCIPLES OF BUSINESS – Paper 032

PROFICIENCY: GENERAL

REGISTRATION NUMBER: | | | | | | | | | | |

FULL NAME: _____

(BLOCK LETTERS)

Signature: _____

Date: _____

2. **Ensure that this slip is detached by the Supervisor or Invigilator and given to you when you hand in this booklet.**

3. **Keep it in a safe place until you have received your results.**

INSTRUCTION TO SUPERVISOR/INVIGILATOR:

Sign the declaration below, detach this slip and hand it to the candidate as his/her receipt for this booklet collected by you.

I hereby acknowledge receipt of the candidate's booklet for the examination stated above.

Signature: _____
Supervisor/Invigilator

Date: _____

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