

FORM TP 2017028



TEST CODE 01240020

JANUARY 2017

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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01240020/JANUARY/F 2017



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Answer ALL questions.

1. (a) Define EACH of the following terms:

(i) Barter

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(2 marks)

(ii) Specialization

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(2 marks)

(b) State TWO characteristics of cooperatives.

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(2 marks)



(c) Distinguish between EACH of the following pairs of concepts:

(i) Sole traders and partnerships

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(4 marks)

(ii) Private sector and public sector

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(4 marks)

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(d) Explain ONE way in which each of the following stakeholders is important to a retail business:

(i) Producers

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(3 marks)

(ii) Consumers

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(3 marks)

Total 20 marks

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2. (a) (i) List FOUR characteristics of a good leader.

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(4 marks)

- (ii) Outline TWO types of leadership styles.

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(4 marks)

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- (b) (i) Explain the importance of the 'grapevine' in informal communication.

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(2 marks)

- (ii) Describe TWO strategies for effective communication within an organization.

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(4 marks)



3. (a) Define EACH of the following terms:

(i) Production

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(2 marks)

(ii) Productivity

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(2 marks)

(b) (i) Describe TWO factors which contribute to the efficiency of labour.

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(4 marks)



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- (ii) List TWO factors of production used in the creation of goods and services.

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(2 marks)

- (c) Identify TWO industries in the Caribbean that were developed from **each** of the following activities:

- (i) Agriculture

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(2 marks)

- (ii) Mining

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(2 marks)

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4. (a) (i) Define the term 'marketing'.

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(2 marks)

(ii) List TWO elements of the marketing mix.

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(2 marks)

(b) Differentiate between 'perfect competition' and 'monopolistic competition'.

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(4 marks)

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5. (a) (i) State TWO responsibilities of governments.

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(2 marks)

(ii) List TWO sources of government income.

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(2 marks)

(b) State FOUR ways in which businesses can protect the environment.

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(4 marks)



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