

TEST CODE 000892

FORM TP 99134

MAY/JUNE 1999

CARIBBEAN EXAMINATIONS COUNCIL

SECONDARY EDUCATION CERTIFICATE
EXAMINATION

PRINCIPLES OF BUSINESS

Paper 02 - General Proficiency

2½ hours

04 JUNE 1999 (a.m.)



Answer ALL THE QUESTIONS in Section I and THREE in Section II as indicated.

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99134

Answer ALL THREE questions in this section.

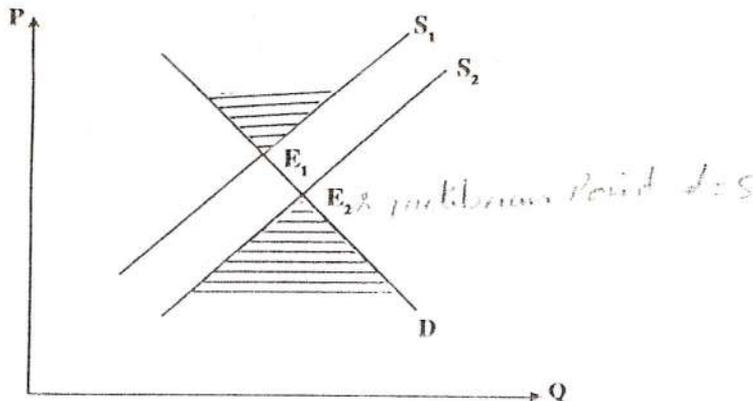
1. (a) List TWO types of economic systems. (2 marks)
- (b) Explain the differences between the types of economic systems listed in (a) above. (4 marks)
- (c) Suggest TWO ways in which your government may assist the two economic systems in (a) above to enable them to be more productive. (4 marks)

Total 10 marks

2. (a) List FIVE natural resources of the Caribbean. (5 marks)
- (b) (i) Define the term 'capital'.
(ii) Discuss the role of capital in the development of THREE resources listed in (a) above. (5 marks)

Total 10 marks

3.



- (a) (i) Define the terms 'demand' and 'supply'. (2 marks)
- (ii) Identify THREE factors influencing demand and THREE factors influencing supply. (6 marks)
- (b) Identify THREE factors which can cause the supply curve to shift from S_1 to S_2 and THREE factors which can cause the supply curve to shift from S_2 to S_1 . (6 marks)
- (c) (i) Name and define the shaded areas above E_1 and below E_2 . (4 marks)
- (ii) Identify TWO differences between E_1 and E_2 . (2 marks)

Total 20 marks

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SECTION II

Answer THREE questions in this section as indicated.

ORGANISATIONAL PRINCIPLES

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

4. Darien has a used car to sell. Marlene approaches Darien who offers the car for sale at US\$10 000.

Marlene argues that the US\$10 000 is too much money, but she could pay US\$8 000. Marlene stated that if she did not hear from Darien within two days, she would consider the deal settled and would send US\$8 000 to Darien by bearer to pay for the car. Two days later, Marlene sends a bearer with US\$8 000 to pay for the car. Darien refuses the money, stating that the car had already been sold. Marlene decides to sue Darien.

- (a) Explain briefly the term 'contract'. (2 marks)
- (b) (i) Explain THREE features of a simple contract. (6 marks)
- (ii) State THREE differences between a speciality contract and a simple contract. (3 marks)
witness, invoice, signature
- (c) (i) Discuss whether or not Marlene is likely to win her suit in a court of law. (5 marks)
- (ii) Advise Marlene on the steps she should take in the future in order to minimize the problem she encountered. (4 marks)

Total 20 marks

5. For the last several years, the government of your country has failed to honour its obligation with the Nurses Union. After some long meetings between the Nurses Union and Government, the government decided to offer a three per cent salary increase instead of fifteen, as requested by the nurses. The management team of the Nurses Union recommended that the nurses go on strike.

- (a) Identify FIVE functions of management. (5 marks)
- (b) Outline FOUR responsibilities of management. (4 marks)
- (c) (i) Discuss the role of the Nurses Union with regard to its members. (5 marks)
- (ii) Discuss THREE ways management may communicate to a group of nurses who are on strike for better working conditions. (6 marks)

Total 20 marks

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

6. (a) Classify THREE types of productive activities. (3 marks)
- (b) Identify THREE types of productive activities that are carried out in the Caribbean and list ONE country in which EACH is carried out. (6 marks)
- (c) (i) State FIVE factors which determine the location of an industry. (5 marks)
- (ii) Discuss THREE economic and social implications of technological development. (6 marks)

Total 20 marks

7. (a) Differentiate between the terms 'market' and 'marketing'. (2 marks)
- (b) List FOUR marketing activities. (4 marks)
- (c) Identify FOUR factors influencing the behaviour of consumers in their choice of local hamburgers over foreign hamburgers. (8 marks)
- (d) Discuss THREE methods a local business may use to promote local hamburgers. (6 marks)

Total 20 marks

FINANCE AND INTRODUCTION TO ECONOMICS

Answer EITHER Question 8 OR Question 9. Do NOT answer both.

8. (a) Define FOUR of the following aggregates: GDP, GNP, NNP, disposable income, personal income. (4 marks)
- (b) Give FOUR reasons why national income statistics is not a very good indicator of the standard of living. (8 marks)
- (c) Discuss FOUR factors that determine the standard of living of a country. (8 marks)

Total 20 marks

9. (a) Identify FOUR major economic problems of the Caribbean. (4 marks)
- (b) State TWO solutions to EACH of the problems identified in (a) above. (8 marks)
- (c) Discuss FOUR ways in which education may help economic development in the Caribbean. (8 marks)

Total 20 marks

END OF TEST

