CARIBBEAN EXAMINATIONS COUNCIL
SECONDARY EDUCATION CERTIFICATE EXAMINATION
PRINCIPLES OF BUSINESS
Paper 02 - General Proficiency
2½ hours

02 JUNE 2000 (a.m.)

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

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SECTION I

Answer ALL THREE questions in this section.

1. (a) Define the term 'Management Information System' (MIS). (2 marks)
   (b) Explain the term 'human resources'. (2 marks)
   (c) Explain THREE factors that led to the introduction of a MIS in an organization in your country. (3 marks)
   (d) Discuss THREE ways in which your school could benefit from the application of a MIS. (3 marks)

Total 10 marks

2. Ingrid McBean opened a youth-oriented bookstore in Mande Point. Mande Point is fifteen miles from both the city and the airport. All of the books are imported from the printers located in another Caribbean country.
   (a) What may be the MOST appropriate form of business structure for Ingrid to set up? (2 marks)
   (b) Identify FOUR problems that Ingrid may encounter in the setting up of the business. (4 marks)
   (c) Select TWO problems that may hamper the distribution of the books and explain how EACH may be resolved. (4 marks)

Total 10 marks

3. (a) (i) List FOUR measures of national income. (4 marks)
    (ii) Explain THREE of the measures of national income you listed in (a) (i) above. (6 marks)

(b) List TWO factors which might lead to an improvement in ONE of the measures listed in (a) (i) above. (2 marks)

(c) Use FOUR examples to explain why it is inappropriate to compare a national income measure of the USA with a similar measure in a Caribbean country. (8 marks)

Total 20 marks

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SECTION II

Answer THREE questions in this section as indicated.

ORGANIZATIONAL PRINCIPLES

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

4. The Jamdown Patties company was unionized after Sonia Jacks, the Manager, decided to downsize the establishment. She laid off workers without giving adequate notice.

(a) List TWO roles of a trade union. (2 marks)

(b) Discuss THREE ways in which a trade union can help its workers who were laid off from their jobs at Jamdown Patties. (6 marks)

(c) Mrs Jacks has decided to introduce a monthly newsletter which is intended to bring the staff up to date on company matters. The staff will be expected to make an input into the content of the newsletter.

(i) List TWO advantages and TWO disadvantages of the proposed newsletter. (4 marks)

(ii) Explain FOUR ways in which Sonia Jacks can establish good working relationships with her workers. (4 marks)

(d) Excluding the use of a newsletter, discuss ONE advantage of EACH type of working relationship identified in (c) (ii) above. (4 marks)

Total 20 marks

5. (a) List TWO characteristics of ONE of the following forms of business organizations:

(i) Sole trader
(ii) Partnership
(iii) Co-operatives (2 marks)

(b) Record Enterprise is in the music business. It sells compact disks, computer software and electronic organs to the public. The company has done very well since its formation five years ago. The company was formed by four friends who graduated from Manrovia High School, ten years ago.

(i) Suggest TWO forms of business organizations under which Records Enterprise could have been incorporated. (2 marks)

(ii) Explain ONE strength and ONE weakness of EACH form of business organization which you have identified in (b) (i) above. (4 marks)

(c) Identify TWO styles of leadership and discuss TWO characteristics of EACH style. (6 marks)

(d) Discuss THREE qualities which a good leader should display. (6 marks)

Total 20 marks

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PRODUCTION AND MARKETING

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

6. Survival Hamburgers Ltd. was recently launched in your home country. The hamburgers are packaged for long shelf-life. Many radio programs were used to advertise the product. The Consumer Service Association warned the population that greasy foods are bad for their health. A public relation campaign was mounted by Survival Hamburgers Ltd. to promote the hamburgers.

(a) Identify FOUR functions of packaging in the marketing of goods to consumers. (4 marks)

(b) Explain FOUR reasons why a firm marketing fast-food would need to advertise. (4 marks)

(c) (i) Define the term ‘public relations’.

(ii) Explain FOUR methods that public relation officers use to convey their messages. (4 marks)

(d) List SIX issues which consumers’ organizations seek to address. (6 marks)

Total 20 marks

7. (a) List THREE reasons why the growth of tourism is important to member states of CARICOM. (3 marks)

(b) Discuss FOUR sectorial linkages which tourism could make and which might lead to expansion in those sectors. (3 marks)

(c) A recent survey indicated that for the first time in the history of recorded tourism, more honeymooners spent more time in the Caribbean than in Hawaii.

(i) Explain THREE factors which could have accounted for the survey findings. (6 marks)

(ii) Identify THREE public relation strategies which any Caribbean government could implement in order to capitalize on the findings of the survey. (3 marks)

Total 20 marks
8. (a) Define TWO of the following terms:

(i) Assurance
(ii) Insurance
(iii) Indemnity

(b) Clairmont Fisheries Ltd. is a large Caribbean business with branches in five Caribbean countries. The company is in the fishing business (canned mackerel, herrings, fish etc.). It employs one thousand (1,000) persons and owns a fleet of fishing trawlers.

(i) Identify FOUR types of insurance policies to which Clairmont Fisheries Ltd. could subscribe to protect itself and its employees.

(ii) For EACH of the insurance policies identified in (b) (i) above, explain the type of protection or coverage it offers.

(c) Clairmont Fisheries Ltd. is seriously considering a merger with a competitor, Canneries Ltd. which operates in eight South American countries.

Explain THREE reasons why Clairmont Fisheries Ltd. would wish to merge with Canneries Ltd.

(d) Explain ONE reason why Canneries Ltd. might have reservations about the merger.

Total 20 marks

9. Many persons in the Caribbean criticize CARICOM because they may not understand CARICOM's functions.

(a) List THREE functions of CARICOM.

(b) List THREE major economic problems of Caribbean countries.

(c) For each of the THREE economic problems identified in (b) discuss how CARICOM seeks to resolve each problem.

(d) Discuss FOUR benefits which may flow to a business in your home country from your country's participation in CARICOM.

Total 20 marks

END OF TEST