

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE®
EXAMINATION

12 JANUARY 2021 (a.m.)



FILL IN ALL THE INFORMATION REQUESTED CLEARLY IN CAPITAL LETTERS.

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SUBJECT PRINCIPLES OF BUSINESS – Paper 02

PROFICIENCY GENERAL

REGISTRATION NUMBER

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SCHOOL/CENTRE NUMBER

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NAME OF SCHOOL/CENTRE

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CANDIDATE'S FULL NAME (FIRST, MIDDLE, LAST)

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DATE OF BIRTH

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FORM TP 2021031



TEST CODE **01240020**

JANUARY 2021

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/J/CSEC 2021



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Answer ALL questions.

1. (a) List FOUR essential characteristics of a good leader.

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(4 marks)

- (b) Outline TWO techniques for effective communication in the classroom.

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(4 marks)

- (c) The coaches of the football and cricket teams of Sunnyside High School were very concerned about the high levels of indiscipline and poor performance displayed by members of their respective teams. In seeking to address the problem, the coach of the football team drafted a new set of rules and informed team members that anyone who failed to comply with the rules would be dismissed from the team. The coach of the cricket team sought to address the problem by calling a meeting with the players and their parents, inviting them to suggest solutions to the problem.

- (i) Identify the style of leadership displayed by EACH coach.

Football coach

Cricket coach

(2 marks)

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- (ii) State ONE advantage and ONE disadvantage of EACH style of leadership identified in (c) (i).

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(4 marks)

- (iii) Outline THREE strategies that could be used by the coaches to motivate team members.

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(6 marks)

Total 20 marks

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2. (a) (i) List FOUR steps that should be taken in establishing a business.

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(4 marks)

(ii) Identify the TWO **main** sources of information necessary for conducting research into the establishment of a business.

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(2 marks)

(b) State FOUR reasons for preparing a business plan.

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(4 marks)



- (c) Outline TWO differences between 'short-term planning' and 'long-term planning'.

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(4 marks)

- (d) Explain ONE benefit of collateral to the borrower and ONE benefit to the lender, in the establishment of a business.

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(6 marks)

Total 20 marks

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3. (a) (i) Define the term 'factors of production'.

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(2 marks)

(ii) List the FOUR factors of production.

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(4 marks)

(iii) Define the term 'extractive production'.

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(2 marks)

(b) Identify TWO industries that could be developed from agricultural produce in the Caribbean.

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(2 marks)



(c) Outline TWO benefits of developing backward linkage industries.

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(4 marks)

(d) Explain how TWO factors could affect a country’s supply of labour.

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(6 marks)

Total 20 marks

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4. Anne operates a wholesale ice-cream and yogurt business. She wants to introduce a new ice-cream flavour to the market.

(a) Identify FOUR factors which could determine the packaging and presentation of this new ice-cream flavour.

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(4 marks)

(b) Describe THREE methods which Anne could use to promote the sale of the new ice-cream flavour.

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(c) List FOUR techniques of selling which could be used to encourage consumers to purchase the new ice-cream flavour.

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(4 marks)

(d) Explain TWO terms of sale which Anne may use to encourage other businesses to purchase the new ice-cream flavour.

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(6 marks)

Total 20 marks

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5. (a) (i) State TWO indicators of a country's standard of living.

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(2 marks)

(ii) State TWO indicators of a country's quality of life.

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(2 marks)

(b) Define EACH of the following terms:

(i) Gross domestic product (GDP)

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(ii) Gross national product (GNP)

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(4 marks)

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(c) Outline THREE ways in which a country could benefit from international trade.

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(6 marks)

(d) Explain ONE negative effect of EACH of the following factors on the economy of a developing country.

(i) Migration

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(ii) Unemployment

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(6 marks)

Total 20 marks

END OF TEST

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



EXTRA SPACE

If you use this extra page, you MUST write the question number clearly in the box provided.

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:

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SUBJECT: PRINCIPLES OF BUSINESS – Paper 02

PROFICIENCY: GENERAL

REGISTRATION NUMBER:

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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: _____

