

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE®
EXAMINATION

11 JANUARY 2022 (p.m.)



FILL IN ALL THE INFORMATION REQUESTED CLEARLY IN CAPITAL LETTERS.

TEST CODE

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SUBJECT PRINCIPLES OF BUSINESS – Paper 032

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

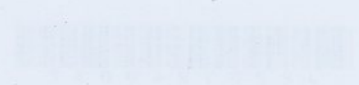
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SIGNATURE _____

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11 JAN 2013 (AM)

FILL IN ALL THE INFORMATION REQUESTED EARLY IN CAPITAL LETTERS

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TEST CODE 012403202

SUBJECT: PHYSICS - PAPER 1

MODE: GENERAL

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REGISTER NUMBER

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CANDIDATE FULL NAME (PRINT NAME)

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DATE OF BIRTH

SIGNATURE



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FORM TP 2022032



TEST CODE 01240032

JANUARY 2022

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.



INSTRUCTIONS: The following case study contains information for a business plan. Read the case and answer the questions that follow each section.

CASE STUDY

All Hairs

SECTION A

All Hairs is a full-service beauty salon located in a very busy, densely populated area. The owner, Michelle Coombs, caters to the entire family, styling all types of hair and providing manicures, pedicures and facials. Michelle is a university graduate who was tired of working for others and decided three years ago to be her own boss. She is an excellent manager, having worked for over ten years in various areas of management in different organizations. She manages all of the functional areas of her business. The firm employs one receptionist who does the scheduling of appointments as well as the basic cleaning of the salon. There is also an hourly paid part-time stylist. Michelle's staff is well trained and receives a commission for attracting new clients. The demand for the firm's services has tripled and this has resulted in Michelle having to spend a great deal of time at the salon. She believes that she is heading for a burnout.

OPERATIONAL PLAN

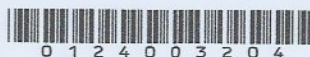
1. Nature and Type of Business

- (a) Identify the type of business carried out by All Hairs.

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(1 mark)

- (b) Describe the type of operation conducted by All Hairs.

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.....
(2 marks)

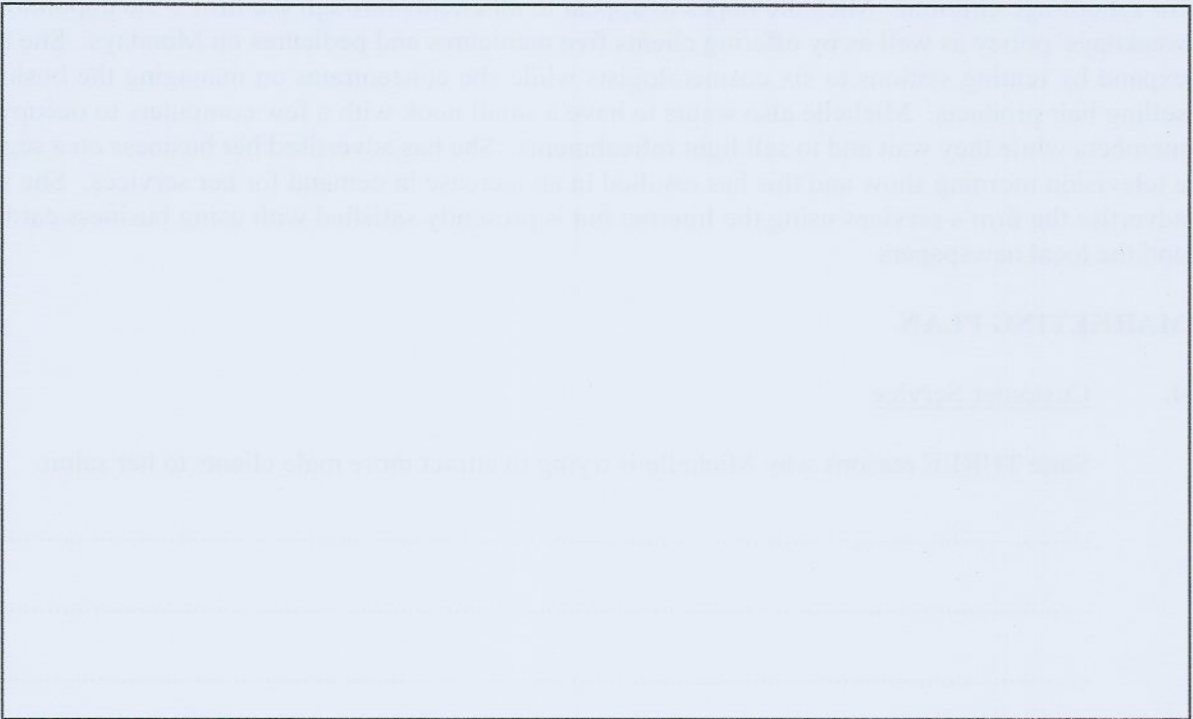


2. Internal Organizational Structure

(a) Identify the type of organizational structure of the firm.

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(1 mark)

(b) Draw and label the current organizational chart of the business, showing THREE levels and THREE positions.



(3 marks)

3. Management Functions

Suggest THREE reasons why Michelle Coombs' business model is likely to be successful.

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(3 marks)

Total 10 marks

GO ON TO THE NEXT PAGE



SECTION B

Although All Hairs is the only full-service salon in the area, it faces a high level of competition and its clients are not loyal. Michelle believes that by catering to the entire family and by providing superior customer service, she will give clients incentives to return. Her main clientele are women but she wants to increase the number of male clients, as less time is spent in providing services for them and they require these services far more frequently than women. A market research showed that men are less demanding in their choice of styles, and once their trust is earned, they are more loyal than women. The market research also revealed that the firm could increase the prices for providing natural hair styles, especially for school-age children. Michelle hopes to appeal to all clients through the firm's 'no appointments on weekdays' policy as well as by offering clients free manicures and pedicures on Mondays. She hopes to expand by renting stations to six cosmetologists while she concentrates on managing the business and selling hair products. Michelle also wants to have a small nook with a few computers to occupy family members while they wait and to sell light refreshments. She has advertised her business on a segment of a television morning show and this has resulted in an increase in demand for her services. She wants to advertise the firm's services using the Internet but is presently satisfied with using business cards, flyers and the local newspapers.

MARKETING PLAN

4. Customer Service

State THREE reasons why Michelle is trying to attract more male clients to her salon.

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(3 marks)



5. Marketing Strategy

Identify the marketing strategy Michelle intends to use to attract clients and state the TWO ways in which she will use this strategy.

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(3 marks)

GO ON TO THE NEXT PAGE



6. Industry and Marketing Trends

(a) List THREE trends that the market research revealed.

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(3 marks)

(b) Explain ONE way in which Michelle can use the information obtained from the market research to better market All Hairs.

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(2 marks)

(c) Suggest TWO actions the firm should take to ensure it maintains a good share of the market.

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(2 marks)



7. Packaging

Outline ONE reason why the services offered by All Hairs will MOST likely appeal to customers.

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(2 marks)

8. Market Analysis

Suggest TWO reasons why All Hairs is likely to succeed.

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(2 marks)

9. Promotional Strategies

List THREE ways in which the firm advertises its services.

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(3 marks)

Total 20 marks

GO ON TO THE NEXT PAGE



SECTION C

Michelle used her personal savings, a loan from her mother and her credit union to start her business. She is now seeking funding to refurbish and expand the salon and is weighing her options. She can seek a loan from a commercial bank, the government's small business loan scheme or a private limited company with friends and family. All Hairs broke even in the sixth month of operation and has been making steady profits. The business ratio showed that sales in Years 1, 2 and 3 were 8%, 7% and 10% respectively. Profits before interest and taxes were 20%, 18 % and 15% for the first three years respectively. Michelle is preparing the financial statements for her business plan. These include cash flow, profit and loss accounts, the balance sheet and breakeven analysis. Michelle has been operating the business legally and is confident that she will be able to get the funding needed to expand the business. Recently, the government has been clamping down on illegal businesses that operate without licences and insurance, and that avoid the payment of taxes.

10. Sources of Finance

(a) Identify TWO sources of finance Michelle used as start-up capital for the business.

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(2 marks)

(b) Recommend, to Michelle, the source of funding available that would provide the firm with the **cheapest** source of capital for its refurbishment and expansion. Justify your answer.

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(2 marks)

(c) State ONE disadvantage of utilizing the source of funding recommended in (b).

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(1 mark)

GO ON TO THE NEXT PAGE



11. Projected Performance

State TWO reasons why Michelle would be able to access a loan from any of the financial institutions that are available.

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(2 marks)



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THIS PAGE**



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 032

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: _____

