

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE®  
EXAMINATION

23 MAY 2019 (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  

--	--	--	--	--	--

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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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**

Boka Discount Store

**SECTION A**

Boka is a small community discount store owned by two business partners and college friends, Rory Banks and Denny Skills. They are both trained in all aspects of business but Denny excels in marketing and Rory in finance. The store provides a variety of merchandise at very low prices. The partners hope to expand the business to another location by leasing a retail store about half a mile from Boka's main city centre. They intend to hire a skeleton staff for this branch, which may mean that the staff has to work overtime until the business grows. Rory and Denny are mindful that the government is serious about property insurance and insurance for employees, fair wages and good working conditions.

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**OPERATIONAL PLAN**

**1. Description of the Business**

Identify the type of business structure of the firm and state ONE of its features.

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.....

**(2 marks)**

**2. Management Functions**

Outline TWO reasons why Rory and Denny may likely succeed in their business venture.

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**(4 marks)**

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3. Trade Union Activities

State TWO aspects of workers' welfare for which trade unions could bargain.

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(2 marks)

4. Insurance Policies

Name TWO types of insurance policies that may be required for the business.

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(2 marks)

**Total 10 marks**



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**SECTION B**

The firm sells a variety of low-priced household and gift items, educational and pharmaceutical products, and the staff is dedicated to good customer service. The marketing plan is geared towards the unique needs of clients on fixed incomes such as low income earners, the elderly and students. These clients are offered special discounts on a wide variety of household items, electronics, appliances, haberdashery items and stationery. This business model allows the firm to build its inventory from a number of seasoned manufacturers, generic brands and new product lines. In addition, Boka does a great deal of promotion on the Internet, television and radio, and has become a favourite among customers. Boka hopes that competitive pricing, its ideal location and the variety of goods it will stock will give it the edge over its competitors.

**MARKETING PLAN**

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**5. Target Market**

(a) Identify TWO groups in Boka's target market.

.....  
.....  
(2 marks)

(b) Name TWO products that would likely be of interest to the firm's target market.

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(2 marks)

**6. Industry Analysis**

Suggest THREE areas of the firm's business model, **other than a variety of products**, which would interest customers.

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(3 marks)

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7. Competition

(a) Define the term 'competitive pricing'.

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(2 marks)

(b) Outline TWO reasons why the firm would likely succeed among its competitors.

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(4 marks)

8. Marketing and Sales Strategy

Outline TWO advantages of the firm selling its products via the Internet.

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(4 marks)



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9. Inventory Management

Explain why it is important for the firm to maintain an adequate stock of goods.

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(3 marks)

**Total 20 marks**

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**SECTION C**

Denny provided the majority of the capital that was needed to establish the business. The remainder was obtained through short-term loans from a commercial bank to cover the expenses of marketing, consultancy fees, store design layout, minor renovations and inventory. The firm has been able to remain financially viable due to its sound business practices. Boka is equally serious about paying taxes on a timely basis and complying with environmental laws and regulations.

**FINANCIAL PLAN**

**10. Source and Purpose of Finance**

(a) Identify TWO expenses that the firm should consider in operating the business.

.....  
.....

**(2 marks)**

(b) State the TWO ways in which the firm obtained capital for the business.

.....  
.....

**(2 marks)**

**11. Taxation and Government Regulations**

(a) Name ONE type of tax that the government is likely to collect from Boka.

.....

**(1 mark)**

(b) Identify TWO regulations the government expects the firm to obey.

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**(2 marks)**



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**CANDIDATE'S RECEIPT**

**INSTRUCTIONS TO CANDIDATE:**

1. **Fill in all the information requested clearly in capital letters.**

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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: \_\_\_\_\_



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