CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN SECONDARY EDUCATION CERTIFICATE®
EXAMINATION

PRINCIPLES OF BUSINESS

HYBRID

Paper 02 – General Proficiency

2 hours

08 JANUARY 2026 (p.m.)

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. This paper consists of FIVE questions. Answer ALL questions.
2. **All responses MUST be written in the answer booklet provided.**
3. Your responses MUST be written in English.
4. You are advised to take some time to read through the paper and plan your answers.
5. It is an offence to share your keycode with any other candidate or to log in with another candidate's details.
6. Any attempt to change the configuration of this machine, connect external devices, connect to external networks or to in any way initiate communication with resources other than the URL provided will result in your disqualification, you being shut out of the system and the cancellation of your entire test.

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Answer ALL questions.

1. (a) Maria is a student at Happy Valley High School. She wants to pursue business education but is uncertain of the career choices in the field of business.

List THREE careers in the field of business that Maria could pursue. **(3 marks)**

(b) List THREE stakeholders involved in business activities. **(3 marks)**

(c) Describe EACH of the following functional areas of a business.

(i) Production **(2 marks)**

(ii) Research and development (R&D) **(2 marks)**

(d) The adoption of a code of ethics is important for the successful operation of a business organization.

Define the term 'code of ethics'. **(2 marks)**

(e) (i) State TWO legal and or ethical practices that business owners are expected to adopt in the operations of a business. **(2 marks)**

(ii) Explain ONE negative effect that could occur if a business fails to engage in EACH practice stated in (e) (i). **(6 marks)**

Total 20 marks

2. (a) (i) Define the term 'collateral'. **(2 marks)**

(ii) List THREE examples of collateral. **(3 marks)**

(b) List THREE elements of a business plan. **(3 marks)**

(c) Juan wants to establish a fast-food business. He has been advised to conduct a feasibility study.

(i) Outline TWO reasons why it is important for Juan to conduct a feasibility study. **(4 marks)**

(ii) Identify ONE primary and ONE secondary source of information that Juan could use when conducting the feasibility study.

Primary source

Secondary source

(2 marks)

(d) Explain TWO factors Juan should consider when determining the location of his fast-food business. **(6 marks)**

Total 20 marks

3. (a) (i) Identify TWO factors of production. **(2 marks)**

(ii) Identify TWO **major** natural resources of the Caribbean. **(2 marks)**

(iii) Name ONE industry developed from EACH of the natural resources identified in (a) (ii). **(2 marks)**

(b) Define EACH of the following levels of production and state ONE example of EACH level of production.

(i) Subsistence **(2 marks)**

(ii) Domestic consumption **(2 marks)**

(c) Differentiate between 'production' and 'productivity'. **(4 marks)**

(d) The construction industry in Cocoa Island is experiencing a boom but builders have reported a shortage of construction workers to meet the demand.

Explain TWO factors that may have contributed to the shortage of construction workers in Cocoa Island. **(6 marks)**

Total 20 marks

4. (a) (i) Define the term 'marketing'. **(2 marks)**

(ii) List the FOUR elements of the **traditional** marketing mix. **(4 marks)**

(b) (i) Describe the marketing activity known as 'branding'. **(2 marks)**

(ii) Colour is a critical component of a brand.

Identify TWO **other** components that should be considered when creating a brand. **(2 marks)**

(c) Flavourful Distribution Co. is about to launch a new fruit-based, non-dairy ice cream. However, the managers are undecided as to the most appropriate type of packaging for the new product.

(i) Outline TWO factors the firm should consider in determining the most suitable packaging for the new ice-cream product. **(4 marks)**

(ii) Explain TWO factors that could influence consumers' response to Flavourful's new ice cream. **(6 marks)**

Total 20 marks

5. (a) (i) Define the term 'business technology'. **(2 marks)**

(ii) Identify TWO forms of technology and state how EACH form has influenced the services offered by commercial banks to their customers. **(4 marks)**

(b) List FOUR types of productivity tools and/or specialist ICT applications used in business operations. **(4 marks)**

(c) Define EACH of the following terms.

(i) E-commerce

(ii) E-business **(4 marks)**

(d) In recent years, online shopping has increased significantly in the Caribbean.

Explain ONE advantage and ONE disadvantage of online shopping to Caribbean citizens and or Caribbean economies. **(6 marks)**

Total 20 marks

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