



**CARIBBEAN
EXAMINATIONS
COUNCIL**

PRINCIPLES OF BUSINESS



Subject Report

June/July 2022

CARIBBEAN EXAMINATIONS COUNCIL

**REPORT ON CANDIDATES' WORK IN THE
CARIBBEAN SECONDARY EDUCATION CERTIFICATE®
EXAMINATION**

JUNE/JULY 2022

**PRINCIPLES OF BUSINESS
GENERAL PROFICIENCY**

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INTRODUCTION

This guide has been compiled based on candidate responses to the 2022 June/July examination in CSEC Principles of Business.

This year, there was a slight improvement in the overall performance of candidates with approximately 80.4 per cent of candidates achieving acceptable grades, Grades I–III, compared with 79.4 per cent in 2021, 88.7 per cent in 2020, 87.3 per cent in 2019 and 85.8 per cent in 2018.

The examination comprised the following papers.

- Paper 01 – Multiple Choice
- Paper 02 – Structured Essay
- Paper 031 – School-Based Assessment (SBA)
- Paper 032 – Alternative to School-Based Assessment (for Private Candidates)

Paper 01 comprises 60 multiple-choice items taken from the three profiles of the syllabus. Performance of candidates on this paper was commendable. The mean mark was 37.57 out of 60.

Paper 02 comprises five compulsory structured essay questions drawn from across the syllabus. Each question is worth 20 marks. The mean mark was 49.5 out of 100.

Paper 031, the School-Based Assessment (SBA), is usually done by school candidates. The mean mark was 31.38 out of 40.

Paper 032, the Alternative to SBA, is an examination offered to private candidates. Candidates were required to respond to questions based on a business plan, using a given template. The mean mark was 22.45 out of 40.

PAPER 01 – MULTIPLE CHOICE

The general performance on this paper was satisfactory with approximately 82 per cent of candidates earning acceptable grades, Grades I–III.

PAPER 02 – STRUCTURED ESSAY

This is one of three papers that candidates are required to write in order to satisfy the requirements for the subject. Paper 02 consists of five structured-essay type compulsory questions drawn from the three Profiles of the syllabus: Organizational Principles, Promotion and Logistics and Finance, Government and Technology. It is typical that the questions are broken into a number of parts covering different aspects of the sections of the syllabus, allowing the candidates to pull on a wide area, making the examination very accessible.

Question 1

This question examined the following sections and objectives of the CXC CSEC POB Syllabus for 2022. The question was based on Section 3 of the syllabus – Establishing a Business. The following specific objectives were examined.

- Parts (a) (i) and (ii) – Objective 10
- Part (b) – Objective 06
- Part (c) – Objective 07
- Part (d) – Objective 12

Overall, candidates performed very well on this question. A majority of the candidates displayed knowledge of the relevant syllabus content and applied their knowledge as required. This was particularly so for Part (b).

Candidates were presented with the following stimulus.

“Joanne wants to set up a cosmetic store in her community and therefore needs to collect data to determine the feasibility of this type of business.”

The question was divided into four parts and candidates were required to display their knowledge, understanding, and ability in order to apply the relevant principles by responding to the parts of the question.

Part (a)

This was subdivided into two parts — Parts (a) (i) and (a) (ii).

Responses to Part (a) (i) were fair in general. Candidates were expected to identify the two main types of research data which Joanne needed to gather in order to establish her business. The correct response was *primary* and *secondary*; however, a significant number of candidates opted to list actual examples of research such as ‘market research’ and ‘feasibility studies’.

In Part (a) (ii), most candidates who responded correctly to (a) (i) were also able to state one source of each type of data as required for part (ii) of the question.

Part (b)

Candidates were expected to state four reasons why Joanne may want to set up her own business. This was the part of the question where candidates performed best. The modal score was four of a possible four. Only the very weak candidates failed to earn at least two marks.

Among the most common responses were *self-actualization, desire to be her own boss, to increase her income and fulfilling a lifelong dream*. The main weakness identified among candidates who failed to earn at least three marks was the tendency to repeat the reasons stated. For example, “to be her own boss” and “to not work for someone else” were cited as separate reasons.

Part (c)

Performance was generally fairly good. Candidates were required to outline three steps that Joanne must take in setting up the cosmetic business. Among the steps most commonly cited were *conduct feasibility study; conceptualization; conduct market research; and acquire resources*. The main weakness noted was the failure of candidates to outline the steps identified, thereby earning only one of the two marks available for each step. The very weak candidates suggested management functions such as ‘organizing’ and ‘motivating’.

Part (d)

In Part (d), candidates were expected to explain one benefit of short-term planning and one benefit of long-term planning to the successful operations of a business. This part posed the most difficulty for candidates. Stronger candidates explained the concepts of short-term and long-term planning, then stated a benefit of each and expounded on the benefit. A significant number of candidates who did not do well on this part seemed to believe that “short-term” and “long-term” referred to the time periods taken to prepare the plans instead of the time taken to implement the plans.

Recommendations

Teachers should do the following.

- Assist students in learning the syllabus content examined in this question by
 - inviting entrepreneurs to share their experiences with students
 - giving students assignments to develop different types of plans.

Question 2

This question examined the following section and objectives of the CXC CSEC POB Syllabus for 2022. The question was based on Section 4 of the syllabus – Legal Aspects of a Business. The following specific objectives were examined.

Parts (a) (i) and (ii)	–	Objective 02
Parts (b) (i) and (ii)	–	Objective 03
Part (c)	–	Objective 06
Parts (d) (i), (ii) and (iii)	–	Objective 07

Overall, candidates performed satisfactorily on this question.

Part (a)

This part was sub-divided into two.

- (i) Define the term ‘simple contract’.
- (ii) Describe the three characteristics of specialty contracts.

Responses to Part (a) (i) indicated that most candidates had some knowledge of a simple contract as being an agreement between two or more parties. These candidates noted that a simple contract is legally enforceable, contains elements such as offer and acceptance, and consideration. They also knew that a contract can be in writing, expressed orally or implied. Weaker candidates tended to only mention that a contract is an agreement.

Performance on Part (a) (ii) was fairly good. Candidates were generally able to identify the characteristics of specialty contracts. However, the failure to describe one or more of the characteristics prevented a significant number of candidates from earning the maximum six marks.

Part (b)

Part (b) was sub-divided into two parts which were based on the conditions of offer and acceptance relating to a contract. Candidates were required to outline what is meant by (i) offer and (ii) counteroffer. These were the most challenging parts of the question. Responses generally showed that candidates did not possess the required knowledge regarding these conditions. A common response to (b) (i) was ‘an offer is something that you offer to someone’.

Part (c)

In this part, candidates were required to give a brief explanation of one way in which a contract may be terminated or discharged. This was the part of the question on which candidates performed best. The most frequent correct responses were *death* and *breach*. A common incorrect approach was to identify elements that would have prevented the formation of a valid contract as a means of termination. These included illegality and absence of capacity.

Part (d)

Candidates were presented with the following case.

Doris offers to sell Mark one of her cars. She intends to sell him the red five-year-old Tomato Excel but Mark thinks she is selling him the yellow three-year-old Scotch Bonnet Deluxe, which he told Doris he liked very much. Mark sends his mechanic to check the car. The mechanic returns and tells him that the car is in very good working condition. Mark pays Doris for the car by way of a manager's cheque. However, when the car is delivered, it is the Tomato Excel instead of the Scotch Bonnet Deluxe. Mark is convinced that Doris tricked him and plans to sue her.

Part (d) was sub-divided into three parts. In Part (d) (i), the responses suggest that candidates generally found the case interesting. However, in responding to the question, most candidates were not able to correctly state that the legal term applicable to the case was *mutual mistake*. 'Misrepresentation', 'fraud', and 'miscommunication' were among the most common incorrect responses.

Candidates fared better in Part (d) (ii) where they were required to suggest three actions that either of the parties in the case could have taken to prevent the situation. All but the very weak candidates were able to suggest at least two plausible actions. These included *the parties could have been more precise in their discussion prior to the sale, Mark could have examined the vehicle himself, and Doris could have written out the specifications of the car she was selling.*

Part (d) (iii) required candidates to recommend two ways the situation could be settled without Mark having to resort to legal action. As with (d) (i), most candidates were able to propose two plausible courses of action. Among those candidates who did not perform well, the main weakness was a tendency to suggest actions that could have averted the situation from occurring rather than recommendations to bring about a resolution.

Recommendations

Teachers should do the following.

- Utilize case studies relevant to elements of contracts.
- Emphasize to students the importance of following question cues such as state, outline and explain.

Question 3

This question examined the following section and objectives of the CXC CSEC POB Syllabus for 2022. The question was based on Section 5 of the syllabus – Production. The following specific objectives were examined.

Parts (a) (i) and (ii)	–	Objective 08
Part (b)	–	Objective 10
Part (c)	–	Objective 07
Part (d)	–	Objective 13
Part (e)	–	Objective 12

Overall, candidates' performance on this section was very good.

Part (a)

This part of the question was divided into two parts. In Part (a) (i), candidates were required to identify the characteristics of cottage industries and for Part (a) (ii), they were expected to state two examples of products manufactured by cottage industries in the Caribbean.

For Part (a) (i), the majority of candidates were able to list four characteristics of cottage industries. However, some candidates provided benefits instead of characteristics while others confused cottage industries with sole traders and gave characteristics of a sole trader.

For Part (a) (ii), most candidates were able to identify two examples and several were able to earn full marks. Candidates provided a wide range of examples such as handmade or woven products, natural juices, baked goods, (bread, cakes or pastries, pottery or preserves). Many candidates were only able to list one example and a few were unable to list any. Also, some candidates seemed confused and responded by listing natural resources such as bauxite or oil instead of manufactured products.

Part (b)

This part required candidates to outline one way in which stakeholders in the tourism industry benefit from cottage production. Some candidates confused stakeholders with shareholders; therefore, their responses reflected the substitution of "shareholders" for "stakeholders" and provided 'earning dividends' as a benefit. Less than half of the candidates earned full marks for this question while the majority earned one mark.

Some candidates were able to identify one benefit but were unable to develop the point adequately to earn full marks. Marks were awarded for responses that mentioned tourists being interested in the culture and wanting to take souvenirs home to remember their holiday. Candidates were also awarded marks for mentioning financial benefits such as tourist attractions that entice tourists to return, thus positively impacting the foreign exchange earned or tourists purchasing cultural items to take home to remember the holiday.

Part (c)

This part required candidates to differentiate between primary production and secondary production, giving one example of each. Candidates who earned full marks were able to describe primary and secondary production very well. In some instances, candidates mixed up type of production with level of production. Some candidates also confused natural resources in primary production with raw materials, but were able to identify the extractive industries, and listed mining, farming or fishing. Candidates listed examples such as oil, natural gas, bauxite, and gold as the most common responses. Very few identified the country where the natural resources came from.

Most candidates were able to state that the resources from primary production were the raw materials used in secondary production, and that there was conversion or manufacturing involved in using the raw materials from primary production to make a finished product. Candidates listed many different finished products and were able to show the connection between primary and secondary production. For example, they gave mining for gold as an example of primary production and gold jewelry as an example of secondary production. Very few candidates gave complete responses such as *oil drilling in Trinidad* or *sugar cane production in Barbados*.

Part (d)

This part required candidates to outline one benefit of increased capital on the growth of a business. Most candidates were unable to earn full marks but earned at least one mark. Candidates stated *the increase in machinery or better quality machinery, which would result in more efficient production, or which would produce better quality goods*. They also referred to *expansion because of increased production, which would allow for new branches and better locations*. Candidates who did not earn full marks responded without any reference to the benefit of increased capital on the growth of the business.

Part (e)

This part required candidates to explain two ways in which linkage industries assisted in the economic development of a country. Many candidates were able to identify two ways in which linkage industries assist in the economic development of the country but were unable to develop the responses to earn three marks. Candidates who earned full marks were able to make a clear point and fully develop the response. Some candidates defined backward and forward linkages but did not explain how they can be used for economic development. Also, candidates' responses showed linkage between wholesaler and retailer for their specific benefits but did not link it to economic development. Many candidates' responses were not focused on economic development but on social development.

Recommendations

Candidates should do the following.

- Access online resources such as you-tube videos on the relevant subject matter, for example, Ministry of Education and CXC online content as well as local newspaper articles and case studies.
- Read the questions carefully to avoid confusing the concepts in the question, for example, types of production versus levels of production.
- Learn to observe the number of marks allocated to a question so that they can gauge their answers. For example, where two marks are awarded, the candidate should put two points or more in the response.
- Review all areas of the syllabus as they prepare for the examination.

Question 4

Question 4 examined the following section and objectives of the CXC CSEC POB Syllabus for 2022. This question was based on Section 7 of the syllabus – Logistics and the Supply Chain. The following specific objectives were examined.

Parts (a) (i) and (ii)	–	Objective 02
Part (b)	–	Objective 10
Part (c)	–	Objective 10
Part (d)	–	Objective 08

The overall performance on this question was good, as candidates' responses demonstrated a substantial knowledge of the relevant syllabus content. A minority of candidates were unable to competently apply their knowledge to the objectives in all the areas that were tested in this question.

Part (a)

This part contained two parts and carried a total of six marks.

In Part (a) (i), candidates were required to identify the two missing links in a diagram of a distribution chain. This was worth two marks. Overall, candidates demonstrated a very good understanding of a distribution chain.

The majority of candidates were able to identify the two missing links in the distribution chain, thereby scoring the full two marks. These candidates were able to correctly state that the first link (A) was a manufacturer/producer while the second answer (B) was a retailer. Examples of incorrect responses provided were 'managers', 'employees', 'consumers', and 'transport' while a few others did not provide any response for this question.

In Part (a) (ii), candidates were expected to provide a description of the functions of any two links in the supply chain. This part carried a total of four marks. This part of the question was handled very well by most candidates.

The better performing candidates explained the role of the consumer as buying and using the product for their satisfaction while the role of the producer was to create goods from the use of raw materials. The role of the wholesaler was to buy goods in bulk to sell at lower prices. Some of the incorrect responses given were that 'the wholesaler deals with turning raw materials into finished goods', 'the retailer is the one who produces the good' and 'the consumer provides finished goods to customers. There were a few candidates who did not provide any response to this part of the question.

Part (b)

Candidates performed well on Part (b) which required that they list four forms of technology utilized in logistics and supply chain operations.

Most candidates gained the maximum four marks. Some of the accepted responses included the following. *Global Positioning Systems (GPS), Geographic Information System (GIS), Portnet, Telemarketing, Computer Aided Manufacturing (CAM) and Global Logistics.* A few candidates provided incorrect responses such as 'wholesaler', 'retailer', 'suppliers', 'goods and services' while a few others did not attempt this part.

Part (c)

Candidates were required to outline two benefits of information technology to logistics and supply chain operations. This part carried a total of four marks and proved to be a bit challenging for quite a few of the candidates.

Some candidates were able to correctly outline the benefits and were awarded full marks. The better performing candidates provided accurate responses such as *utilizing tracking systems such as Global Positioning System (GPS) to find the best routes in order to transport the goods or using it to assist in the tracking of goods by both the company and the customers, and faster retrieval of important information or documents for business operations.* Other candidates gave basic definitions instead of outlining and focusing on the benefits. Several candidates either provided incorrect responses or did not attempt the question.

Part (d)

This part carried a total of six marks. Overall, candidates performed well.

In Part d (i), candidates were required to explain two problems that Alex, who is an importer of exotic foods, would encounter when obtaining foods from his distributors around the world. This was answered, as the majority of candidates provided problems that may be encountered by the importer such as *spoilage, delayed shipment, and misdirection of goods.*

In Part (d) (ii), for each problem identified in (d) (i), candidates were required to provide a measure which could be implemented to reduce or prevent its occurrence. Several candidates who performed well on this part fully explained the measure or means that would reduce or prevent the identified problem from recurring. Some candidates gave responses that did not relate to the solving of the problem they identified in d (i) whilst others misinterpreted the question to mean that Alex was preparing food for sale.

Recommendations

Teachers should do the following.

- Ensure that students become familiar with the Principles of Business syllabus and the general expectations of the exam.
- Encourage students to spend time answering past paper questions as it will allow them to become more acquainted with the general expectations of the exam.
- Use suitable YouTube videos and animations to support the teaching of the challenging concepts of logistics and supply chain operations.
- Make greater use of cooperative learning strategies to engage the students in activities that require critical thinking, especially for the marketing and logistic components of the syllabus.

Question 5

Question 5 examined the following Section and Objectives of the CXC CSEC POB Syllabus for 2022. This question was based on Section 10 of the syllabus – Technology and the Global Business Environment. The following specific objectives were examined.

Parts (a) (i) and (ii)	–	Objective 13
Parts (b) (i) and (ii)	–	Objective 14
Parts (c) (i) and (ii)	–	Objective 15

Overall performance on this question was good, as candidates’ responses demonstrated a substantial knowledge of the relevant syllabus content.

Part (a)

This part of the question contained three parts.

Part (a) (i) required candidates to define unemployment. The majority of candidates scored one out of two marks for saying that individuals were out of a job. The second mark was obtained by candidates who were able to show that individuals were actively seeking employment. Approximately half of the candidates were able to obtain the second mark.

For Part (a) (ii), candidates were asked to list three types of unemployment. This question was attempted by most candidates, however, less than half of the candidates accurately listed the types. Marks were given if candidates explained the types without listing the name. Candidates were not penalized for incorrect spelling of the types of unemployment.

For Part (a) (iii), candidates were required to outline one way in which governments could assist in reducing unemployment. The majority of candidates was able to state one way and show its effect on employment or unemployment and earned a full two marks. Candidates who scored one mark simply listed the way without an explanation or listed the way with a further explanation that did not include a link to employment or unemployment.

Part (b)

Part (b) (i) required candidates to state three reasons why Caribbean nationals migrate to countries outside of the region. Most candidates were able to score full marks by citing three relevant reasons such as *to improve the quality of life, for educational purposes, health reasons, and to unite with family members*. A few candidates gave erroneous responses such as ‘farm work’, which suggests a contractual arrangement lasting for a short period of time or other experiences which also are not or do not have to be permanent or long-term.

For Part (b) (ii), candidates were asked to outline one negative effect of migration on Caribbean countries. The majority of candidates scored one out of the two marks allotted for this part. These candidates were able to name a negative effect but were unable to adequately explain how that negative effect has impacted the region. Some candidates stated a negative effect such as *brain drain* and earned one mark but then, they defined the term ‘brain drain’ rather than explain the impact of the brain drain. In such instances, candidates did not score the additional one mark.

Part (c)

Part (c) (i) required that candidates define the term ‘foreign investment’. This part was answered by most candidates. Many were able to give complete and accurate definitions that considered both countries in the concept and so scored the full two marks. However, a few candidates gave partial definitions that took only one country into consideration. These candidates were awarded only one mark.

Part (c) (ii) asked candidates to explain two ways in which foreign investment could have a positive impact on Caribbean countries. The majority of candidates responded. Responses that listed two positive impacts of foreign investment on Caribbean countries and gave full explanations of each point gained the full six marks. Some candidates gave partial explanations after stating the impact and scored a total of four marks. A few candidates merely listed the impacts without any explanation and therefore only gained a maximum of two marks.

Recommendations

Teachers should do the following.

- Provide students with exercises that will allow them to better understand how to handle words such as ‘list’, ‘outline’, ‘distinguish’ and ‘explain’, in preparation for the exam.
- Provide students with greater opportunities to practise expressing themselves when asked to explain or support/justify their stated points.

PAPER 031 – SCHOOL-BASED ASSESSMENT (SBA)

This year marks the fourth year of the new syllabus and the use of the new format of the School-Based Assessment (SBA) component of the CSEC Principles of Business examination.

Most of the SBA scripts were presented in compatible formats and there were fewer exceptions raised as compared to previous years.

The overall performance of students for the CSEC 2022 SBA was satisfactory and there was an overall improvement in the quality of work presented. A significant number of students were able to score satisfactory marks in all three profiles. Most samples met the required standard as set out in the mark scheme. One major issue that was observed was the fact that centres seemed to have a set script that individual groups or students simply modified and presented as individual SBAs. It must also be noted that some candidates are still presenting projects using the format from the previous syllabus.

The following summarizes students' submissions, broken down under the subheadings established in the mark scheme for SBA projects.

Table of Contents

Improvement was noted in this area. Students generally performed well and were able to gain full marks because they accurately linked the items in the Table of Contents to the related pages in the project. A minority still did not execute this task accurately. It is recommended that students utilize the technology at their disposal and generate an automatic Table of Contents for this area of the work.

Topics

According to School-Based Assessment (SBA) guidelines, students are to be guided by their teachers who should ensure that the topics selected are related to the subjects in the Business cognate. This year, most students selected topics that were related to the current COVID-19 pandemic and the impacts and effects on various stakeholders. Most students gained full marks in this area since the topics selected were relevant to the subjects in the Business cognate. However, some of the topics presented were vague and some problem statements were too lengthy. A few students presented topics outside the scope of the content area.

Objectives

Most students attained full marks for this component. There was a noted decrease in the number of objectives stated. The quality of stated objectives improved, resulting in objectives that were both achievable and measurable. There were still students who presented too many objectives that were not reflected in the project.

Background/ Overview

There was a notable improvement in this section and overall, students were able to provide a good description of the topics/issues or problems they identified. Most students scored full marks in this section. A number of students, however, did not develop their topics satisfactorily and did not directly address the importance of the research nor discuss the impact of the researched topic on society.

Methodology

Overall, this component is still a challenge for many students. A significant number of them were able to very clearly describe the instrument used and included data collection instruments that were reflective of the objectives and appropriate for the type of data that was being collected, thereby gaining full marks in this area.

A few students presented generic definitions of the data collection instrument rather than a description of their own instruments. Some students presented sample data collection instruments but offered no description of the instruments. The expectation is that students would present sample instruments and not the hyperlink to the Google Form.

There was an increase in the number of students who presented a checklist or observation guide as part of the methodology when they used observation as a method of data collection. Many students who stated the use of secondary sources of data collection did not utilize these sources in the discussion.

There was a significant improvement as it relates to the explanation of the data collection procedure, as a significant number of students adequately described the process, the sample selection, and the distribution and collection of data.

Students were required to discuss the limitations of the methods used. The majority adequately presented this component. Students identified problems encountered while conducting the research and some identified the challenges of the instruments used. Students must be encouraged to explain the impact of the limitations on the research. The components required for Methodology are areas that need careful review by teacher and student.

Presentation and Analysis of Data

There was a slight improvement in this area but generally, students are not scoring full marks for this component. There was an improvement in the Data Presentation section, as many students presented data using appropriate graphs, charts, texts and tables. However, overall, the data analysis was inadequately presented and discussed.

Most students presented data relevant to their specific topic and objectives. A significant number of students simply described the graphs presented. Data analysis remains a challenge. There was no integration of data from the various sources presented. A significant number of students failed to effectively utilize statistical analysis in the discussion of the data. Many students who conducted interviews did not adequately present nor did they make use of the qualitative data collected from the interviews. A small percentage of students were able to present statistics such as percentages, averages, and ratios, which allowed them to score some of the allotted marks. However, in some instances, the statistical analysis was not suitable the topics and methods used. The data

from some interviews, for example, could not be analysed using statistics. Nevertheless, some students still attempted to utilize the required statistical tools in the data analysis.

Students must be encouraged to calculate the mean, median, and mode and to use those measures correctly in the discussion. This aspect remains a challenge for a significant number of students, as the measures of central tendency were calculated incorrectly and did not add value to the data analysis. Teachers should ensure that they carefully review the data analysis component with their students as well as the associated marking guidelines.

Findings

This year, a significant number of students presented their findings as a separate component. A minority were unable to summarize the main points from the data discussion or data integration. In some cases, findings presented were not supported by data presentation and analysis. Students are advised to present the findings directly and as an identifiable component under its own subheading.

Conclusion

Most students did not include a logical conclusion that would succinctly summarize the project and allow them to score full marks for this section. Students generally stated their findings as a conclusion. Students should be encouraged to write a summary that reflects the entire project. The conclusion should be concise in summarizing the issue/problem, the research process and the findings.

Recommendations

The recommendations were generally well discussed and presented. Overall, most students scored full marks for this component of the project. Most students were able to make recommendations based on their findings. However, some students included recommendations that were not connected to the data analysis and findings.

Teachers are encouraged to assist students to ensure that the recommendations they advance are related to their topics and are based on the discussion presented in data presentation and analysis.

Bibliography

A significant number of students gained full marks in this area, as the bibliographies they presented followed the guidelines in the syllabus. Most students who utilized secondary sources such as the internet provided a link but did not state the names of the articles nor the authors. There is much room for improvement in this component.

Teachers should carefully review this area with students and encourage them to present a bibliography in their projects using the proper format.

Overall Presentation

Most students consistently spelled words and used grammar correctly. As a result, they scored full marks in this area. There is still a need for improvement as some students do not follow SBA instructions and present projects outside the stated guidelines.

Recommendations for Improvement in the Quality of the SBA Projects.

- All centres should use the updated syllabus and SBA guidelines to ensure that students prepare their projects following the current syllabus guidelines.
- The word limit is specified in the SBA guidelines. Teachers and students should ensure that the limit is observed.

PAPER 032 – ALTERNATIVE TO THE SCHOOL-BASED ASSESSMENT (SBA)

This paper consisted of the case study of a failing chicken farm that was bought with the intention of transforming it into a profitable business. Candidates were required to answer eleven questions covering the three profiles in the syllabus and to prepare an executive summary based on the case.

PROFILE 1 — OPERATIONAL PLAN

The questions in this section tested objectives drawn from Profile 1 of the syllabus. The specific objectives tested were 1.6, 2.2, 3.6, 4.8, and 4.9. This profile was worth a total of ten marks.

The candidates' performance on this section was very good.

Question 1: Nature of Business

This question had two parts. Part (a) required candidates to identify the type of business structure of Winclar Chicken Farm. For the most part, candidates were able to identify the business as a partnership. However, several were unable to, and incorrectly answered 'sole trader', or other types of business. Even though some of the candidates were unable to correctly answer the type of business in (a) as *a partnership*, they were however able to correctly identify the characteristics of a partnership and as result, scored well in this question. Most candidates were able to state at least one characteristic of a partnership. Some candidates, however, confused partners with members or shareholders and did not use the correct term "partner". The more common responses were "shared ownership", "shared capital", and "shared responsibilities". Where the use of the word "members" was given in responses that described the number of partners in a business, no marks were awarded.

For Part (b), candidates were required to state two characteristics of the type of business given in Part (a), that is, a partnership business. Several candidates incorrectly gave the advantages of a partnership instead of the characteristics.

Question 2: Management Responsibilities

This question required candidates to state two responsibilities of the management of Winclar Chicken Farm to the employees.

Candidates performed well in this question and the majority scored full marks. The candidates who were unsuccessful tended to confuse management functions (such as leadership) with the responsibilities of management. The common response of 'to run the business smoothly' was awarded no marks. Some candidates also put one-word responses such as 'equipment', to which they gave no explanation and were also not awarded.

Question 3: Establishing a Business

Question 3 required candidates to suggest two personal reasons why Clare made the decision to start her business.

The majority of candidates performed well in this question. A significant number of candidates were able to describe the two reasons and scored full marks in this question and provided a variety of acceptable responses including “self-actualization”, “independence”, “to be her own boss”, and “to earn an income”. Responses such as “having a love for chickens”, or “to gain knowledge on chickens” were awarded the mark.

Question 4: Documentation

This question had two parts. Part (a) required candidates to state one reason why accurate documentation is important to the success of Winclar Chicken Farm. This question posed the greatest challenge to candidates. The most popular correct responses were *for legal reasons, to prove ownership, to monitor the business operations (profit/loss), to secure loans/get investors, and for taxation purposes.*

A few candidates were not able to link the documentation to the success of the business.

Incorrect responses such as ‘the business to run smoothly’ and ‘for future purposes’ were not awarded marks. Additionally, responses repeating the question itself such as ‘to prepare business documents’ or ‘to keep accurate records’ were not awarded marks.

Part (b) required candidates to identify two business documents that would be used by the firm in carrying out its business transactions.

The candidates were able to identify at least one business document. The more common correct responses included *pro forma invoices, invoices, credit notes or contracts.*

A few candidates identified documents that would not normally be used by the firm in carrying out its business transactions. They gave incorrect responses such as ‘standing order’, ‘accounting books’, or parts of a business plan such as ‘executive summary’ or ‘marketing plan’. These were not awarded any marks. However, the response *business plan* was accepted and awarded a mark.

Recommendations

Candidates should do the following.

- Access online resources such as YouTube videos as well as local newspaper articles and case studies on relevant subject matter.
- Read the questions carefully to avoid confusing the concepts in the question.
- Observe the number of marks allocated to the relevant parts of questions so that they can gauge their answers accordingly. For example, where two marks are being awarded, candidates should write two or more points when responding to these questions requiring them to outline something or provide a description.
- Read the subject report on CXC's website in order to avoid repeating errors.
- Examine the syllabus as well as past papers and examples (provided online on the CXC website) to note the nature of the questions in the various sections of the paper and practise writing responses to these.

PROFILE 2 — MARKETING PLAN

Profile 2 dealt with the marketing section of the syllabus and allowed the candidates to apply their knowledge and understanding of marketing concepts that related to the case study.

The questions in this section tested the following specific objectives 5.1, 5.09, 5.10, 6.11 and 7.5. This profile was worth a total of twenty marks. Overall, candidates performed well in this profile.

Question 5: Production

This question was subdivided into three parts. For Part (a), candidates were expected to identify two factors of production involved in the operation of Winclar Chicken Farm. Many candidates were able to provide the correct factors of production such as *land, labour, capital, and enterprise*, thereby gaining the full two marks. Other candidates were not able to identify the factors and gave incorrect responses such as ‘promotion techniques’, and ‘customer service’.

Part (b) required candidates to state two advantages and two disadvantages of a small business. This part was done well, with most candidates giving appropriate responses. Correct responses provided for the advantages included that *the business would have a close relationship with their customers and decision making would be easier in a small business*. For the disadvantages, examples of suitable responses included *small businesses have difficulty accessing funds and credit from financial institutions and the business owner may lack certain skills/expertise in complex areas of the business*.

For Part (c), candidates were expected to describe one linkage that Winclar Chicken Farm could create with other businesses. This part of the question was fairly done as some candidates were able to fully explain the linkage. However, other candidates misunderstood the question and provided incorrect responses such as ‘providing a service for the customers’, thus failing to show a linkage between the farm and other firms.

Question 6: Marketing and Promotion

There were three parts to this question. Part (a) required the candidates to identify two groups in Winclar Chicken Farm's target market. This part was handled very well. Most candidates who attempted the question were able to gain full marks. Examples of appropriate and popular responses offered were *schools, hospitals, supermarkets, and households*.

For Part (b), candidates were required to recommend three strategies that Winclar Chicken Farm could use to improve its customer service. Some candidates were able to correctly identify three strategies that would improve customer service such as *training for staff members, employee recognition programmes, customer reviews, online chats, and customer appreciation days*. Other candidates who were not able to gain full marks incorrectly focused their responses on promotional techniques and advertising.

Part (c) required the candidates to state three ways, other than improving customer service, in which the firm could gain a competitive advantage over other businesses. This part was well managed by the majority of candidates, as they were able to provide appropriate responses such as *having promotional strategies such as discounts, providing quality goods for customers, offering free delivery, having competitive pricing, advertising on various media and selling online via a website*.

Question 7: Transport and Distribution

Candidates were required to explain two measures that Winclar Chicken Farm could use to reduce problems in the transportation and distribution of its perishable products.

Many candidates gained full marks in this section as they were able to provide complete and appropriate explanations. Popular responses were *implementing a tracking system, using proper storage and refrigeration techniques, utilizing vehicles equipped with storage facilities, and offering deliveries to its customers.*

Recommendations

Candidates should do the following.

- Thoroughly review this area of the syllabus in preparation for the examination.
- Make greater use of YouTube videos to assist with their understanding of concepts tested in this profile.
- Review and practise past paper questions to be more familiar with the nature of the examination.

Profile 3 — THE FINANCIAL PLAN

The questions in this section were taken from Profile 3 — Finance, Government and Technology section of the syllabus. The specific objectives examined were 8.1, 8.2, 9.1, and 10.5. This profile was worth a total of ten marks. Generally, the performance of candidates in this section was good.

Question 8: Sources of Capital

This question was subdivided into two parts. Part (a) required candidates to identify one financial institution that could provide funding for Winclar Chicken Farm. This part was done well with most candidates being able to identify one financial institution and therefore, obtaining the one mark.

Part (b) required candidates to state two services, apart from loans, that Winclar Chicken Farm could access from the financial institution identified in (a). Most candidates were able to identify two services provided and scored two marks.

Question 9: Government Regulations

This question required candidates to identify one government regulation governing the chicken rearing industry and state one way in which Winclar Chicken Farm could comply with this regulation.

Most candidates who attempted the question were able to either name the regulation or give a description of the regulation. As a result, they were awarded one mark. Additionally, these candidates were able to explain how the business complied with the regulation for which they were awarded the other mark.

Question 10: Information and Communications Technology

This question required candidates to explain one way in which Winclar Chicken Farm could use Information and Communications Technology (ICT) to improve the performance of the business.

Most candidates attempted this question but only a few of them were able to score the full two marks. Those who scored the full marks were able to give an example of the use of Information Communications Technology and showed how it could be used to improve the performance of the business. For example, some candidates indicated that *ICT can be used to advertise the business, allowing more persons to know about and support the business so that it could gain more profits*. Partial responses that gained one mark were, for example, those that mentioned that ICT could be used to advertise the business but did not explain how this could improve the performance of the business.

Question 11: Executive Summary

This question required that candidates utilize information from all three areas of the case to develop a suitable executive summary of Winclar Chicken Farm to get funding for new technologies and to expand the business.

This question demonstrated the difficulty some candidates experienced in their ability to write a paragraph giving a description covering all three areas of the business plan. A few candidates were able to score the full three marks having covered all three areas of the plan. Most candidates scored between one and two marks, having covered only one or two areas of the plan. Those candidates who scored zero could not develop an executive summary in the style required or write in the active tense.

Recommendations

Candidates should do the following.

- Learn about the Information Communications Technology (ICT) part of the syllabus; it would be beneficial for candidates to relate what is in theory to what is happening in the real world.
- Utilize field trips to business places that use ICT in their operations.
- Learn how to write an executive summary by using a case study and analysing those elements that can be utilized in the three areas of the executive summary.