



**CARIBBEAN  
EXAMINATIONS  
COUNCIL**

**CSEC® PRINCIPLES OF  
BUSINESS**



**Subject Report**

*January 2025*

**CARIBBEAN EXAMINATIONS COUNCIL**

**REPORT ON CANDIDATES' WORK IN THE  
CARIBBEAN SECONDARY EDUCATION CERTIFICATE<sup>®</sup>  
EXAMINATION**

**JANUARY 2025**

**PRINCIPLES OF BUSINESS  
GENERAL PROFICIENCY**

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# INTRODUCTION

In January 2025, approximately 1034 candidates wrote the Principles of Business General Proficiency examination.

The examination comprised the following papers.

- Paper 01 — Multiple-choice paper
- Paper 02 — Structured-essay paper
- Paper 032 — Alternative to School-Based Assessment (Private Candidates)

Paper 01 comprises 60 multiple-choice items taken from the three profiles of the syllabus. The performance of candidates was commendable. The mean mark was 38 out of 60. The marks ranged from 0 to 59.

Paper 02 comprises five compulsory structured-essay questions drawn from across the syllabus. Each question is worth 20 marks. The mean mark was 40 out of 100. The marks ranged from 0 to 98.

Paper 032, the Alternative to the 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 24 out of 40 and marks ranged from 0 to 40.

## Paper 01 — MULTIPLE CHOICE

Generally, candidates performed well. Approximately 88 per cent of candidates earned acceptable grades (Grades I–III).

Candidates performed excellently the areas relating to the following topics.

- Types of business organizations
- Types of economic systems
- Potential sources of conflict within an organization
- Conditions of offer and acceptance
- Cottage industries
- Marketing activities — sales promotion
- Methods of transport
- Roles and functions of financial institutions
- Ways of managing personal income

However, candidates performed poorly in areas relating to the following topics.

- Resolution of conflict within an organization — trade unions
- Elements of business plan
- Linkage industries
- Definition of supply chain

## PAPER 02 — STRUCTURED ESSAY

This paper consisted of five compulsory essay type questions drawn from across the syllabus. Each question was worth 20 marks.

The general performance of candidates was fair. Approximately 39 per cent of candidates earned acceptable grades (Grades I–III).

### PROFILE 1: ORGANIZATIONAL PRINCIPLES

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#### QUESTION 1

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This question tested candidates' understanding of Section 2 — Organizational Environment in Profile 1 of the syllabus. The specific objectives tested were: 2.3, 2.4, 2.5, 2.6, 2.7 and 2.9.

Overall, candidates performed fairly well, as they demonstrated in their responses that they were knowledgeable of the relevant syllabus content being tested. The mean score was 10.45 out of 20 marks.

##### **Part (a)**

For Part (a), candidates were required to use information provided from a given scenario to complete an organizational chart for a named service business (Good Care Beauty Salon) by labelling three positions on the chart. Candidates were advised that the titles and employees' names were required.

This part was well done. Most candidates scored the three marks available, as they accurately stated the title and name of the employees in the respective parts — Parts (a) (i), (a) (ii) and (a) (iii). The main weakness identified among candidates who did not perform well was a failure to include the job titles in their responses.

##### **Part (b)**

In Part (b) (i) candidates were required to state the span of control of the manager of Good Care Beauty Salon. This part was poorly done, as very few candidates gave the correct response of three. Weaker candidates stated a number other than three but most candidates gave responses that suggested that they lacked knowledge of the concept of span of control. Some of these responses included 'line organization', 'the manager makes all the decisions' and 'delegation'.

For Part (b) (ii), candidates were required to identify two potential sources of conflict that can occur between the manager and employees of Good Care Beauty Salon. Most candidates identified two plausible potential sources of conflict.

### **Part (c)**

In Part (c), candidates were required to describe two stated strategies that could be used in the resolution of conflict in an organization, namely mediation and arbitration. Responses were generally unsatisfactory. Stronger candidates correctly referred to the involvement of a third party in each of the two strategies. However, most candidates failed to give full descriptions of the strategies. They omitted the fact that in mediation, the recommendations of the mediator do not have to be accepted by one or both parties in the dispute; however, in arbitration, the outcome is binding on the parties.

### **Part (d)**

For Part (d), candidates were required to list four characteristics of a good leader. This part was very well done as many candidates were able to score all four marks by listing four appropriate characteristics.

### **Part (e)**

In Part (e) candidates were required to explain two benefits of a manager adopting a democratic style of leadership rather than an authoritarian style. Overall, candidates' performance was fair. Stronger candidates gave full responses citing two benefits of the democratic style of leadership and their ripple effect on the organization and contrasted these with an autocratic style of leadership.

The main weaknesses detected in responses were candidates citing only one benefit of the democratic style of leadership, failure of candidates to adequately develop points raised and the tendency of candidates to list benefits of the democratic style of leadership without making contrasts to the autocratic style.

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## QUESTION 2

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This question was based on Section 3 of the syllabus — Establishing A Business. The specific objectives tested were: 3.1, 3.2, 3.3, 3.4, 3.13. Candidates' performance was fair. The mean score was 8.55 out of 20 marks.

The question tested candidates' ability to

- define the term *entrepreneur*
- state two characteristics of a typical entrepreneur
- describe three given functions of an entrepreneur
- outline two roles of entrepreneurship in the development of Caribbean economies
- explain government regulations or policies for the protection of the environment and/or public health when establishing and operating a business.

### **Part (a)**

For Part (a) (i), candidates were required to define the term *entrepreneur*. Most candidates scored two marks as they were able to define the term correctly. Correct definitions included *someone who identifies business opportunities and is willing to bear the risks associated with the business* and *a person who organizes the factors of production with the expectation of making a profit*. Weaker candidates defined an entrepreneur as 'a person who owns their own business'.

In Part (a) (ii), candidates were required to state two characteristics of a typical entrepreneur. Candidates performed very well, as most of them were able to correctly state two characteristics of a typical entrepreneur. Correct responses included *innovative*, *goal-oriented*, *persistent*, *flexible* and *highly motivated*.

Many of the weaker candidates stated the reasons for establishing a business as the characteristics of a typical entrepreneur.

### **Part (b)**

Overall, candidates' performance on this part was unsatisfactory. Candidates were required to describe the following functions of an entrepreneur in a business.

#### **Part (b) (i) — Conceptualizing**

Most candidates were unable to give a correct description of conceptualizing. An example of a good response is *coming up with the business idea and ways to make the idea materialize*. Many of the weaker candidates gave responses that suggested that they were confusing conceptualizing with planning.

### **Part (b) (ii) — Bearing of risks**

Candidates generally fared better in their attempt at describing bearing of risks. A correct response was *the entrepreneur must be aware of the risks associated with the business' operations as there is no guarantee that the business will be profitable*. However, there was a general tendency to merely repeat the words bearing of risks without adequately describing the term.

### **Part (b) (iii) — Accessing resources**

Most candidates demonstrated an understanding of the function of accessing resources and were awarded at least one of the two marks. The stronger candidates described accessing resources as *the entrepreneur having to access funds and other materials for the smooth running of the business. Funds can be from personal savings and/or from other parties*. Weaker candidates merely stated that 'accessing resources is getting resources' and so they were not awarded any marks.

### **Part (c)**

For Part (c), candidates were required to outline two roles of entrepreneurship in the development of Caribbean economies. Most candidates were able to score at least two of the four marks available. Correct responses included *creating jobs, providing goods and services for customer satisfaction, developing linkages, increasing competition in markets and contributing to national development*. Weaker candidates merely listed the roles and scored only one mark for each role listed.

### **Part (d)**

In Part (d), a scenario was provided in which an aspiring entrepreneur, Karim, was considering opening a fried chicken restaurant. Candidates were required to explain how Karim could comply with two government regulations or policies for the protection of the environment and/or public health when establishing and operating the business.

Overall, responses to this part were satisfactory. Most candidates showed some understanding of government regulations or policies for the protection of the environment and/or public health. Correct responses included

- proper disposal of waste
- Karim should ensure that his business has covered garbage bins
- he should also dispose of oil according to environmental regulations
- He should obtain food permits/food badges from the relevant local health authorities which indicate that the business is fit to handle food.

A general weakness among candidates who failed to score maximum marks was the failure to adequately explain the points raised. Incorrect responses included government regulations or policies that did not relate to the protection of the environment and/or public health. An example of such included protection of the rights of employees and customers.

## PROFILE 2: PROMOTION AND LOGISTICS

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### QUESTION 3

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This question tested candidates' knowledge and understanding of objectives in Section 5 of the syllabus — Production. The specific objectives tested were: 5.8, 5.10, 5.11, 5.12 and 5.13.

The general performance of candidates on the respective parts of this question was inconsistent. Performance ranged from very good on Part (a) (ii) to unsatisfactory on Part (c) (iii). Overall, candidates' performance was satisfactory. The mean score obtained was 7.85 out of 20 marks.

#### **Part (a)**

In Part (a) (i), candidates were required to list three characteristics of cottage industries. Most candidates displayed knowledge of the concept and listed at least two correct characteristics.

Part (a) (ii) was the part on which candidates performed best. Many candidates were able to list three types of goods or services produced within cottage industries. Some popular response choices included services such as hair dressing, nail care and massage services.

#### **Part (b)**

Part (b) tested candidates' understanding of small business operations. It consisted of two sub-parts. For Part (b) (i) and Part (b) (ii), candidates were required to state two advantages and two disadvantages of small business operations, respectively. Candidates' performance on both parts was fairly good. However, one of the main weaknesses identified among candidates who failed to score maximum marks was the tendency to conflate small businesses with sole proprietorships. While many small businesses are operated by sole proprietors, the two are not identical. Therefore, candidates who focused on the features of sole traders such as unlimited liability, the owner making all the decisions and lack of continuity were not awarded marks for such answers.

#### **Part (c)**

In Part (c), candidates were given a situation regarding a small business owner considering expansion. There were three sub-parts. Overall, candidates' performance was less than satisfactory.

For Part (c) (i), candidates were required to state one way in which the business could grow internally. Most candidates showed an understanding of internal growth and gave acceptable responses such as *investing in technology leading to increased output* and *increasing the number of employees*.

In Part (c) (ii), candidates were required to state one way in which a business could grow externally. Stating examples of external growth seemed to be more challenging for candidates, as fewer of them were able to give appropriate responses such as *merging with another firm* or *entering into a joint venture relationship with another firm/other investors*. A popular incorrect approach was to cite the export of goods or entry into international markets as a way the business could grow externally.

Candidates were required to explain the likely effect that expansion could have on the organizational structure of the business in Part (c) (iii). Many candidates were able to score a mark by stating that more employees would be required to operate in the business. However, only the stronger candidates went on to explain the impact of this on the organizational structure.

### **Part (d)**

Part (d) was designed to test candidates' knowledge of the concept of linkage industries and their ability to apply that knowledge to the business cited in Part (c). There were two sub-parts.

For Part (d) (i), candidates were required to define the term *linkage industries*. Responses were generally fair. Most candidates scored at least one of the two marks available

In Part (d) (ii), candidates were required to explain either one backward or one forward linkage in which the business could engage. Overall, this part was not well done. However, most candidates who demonstrated some knowledge of the concept of linkages in Part (d) (i) were able to give at least a partially acceptable explanation in Part (d) (ii).

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## QUESTION 4

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This question was drawn from Section 6 — Marketing. The specific objectives tested were: 6.7, 6.8, 6.9, 6.10 and 6.11. Overall, the performance of candidates was unsatisfactory, as there was insufficient demonstration of mastery of the relevant syllabus content. The mean score obtained was 7.21 out of 20 marks.

### **Part (a)**

Candidates were required to list four methods of retailing. Generally, responses to this part were less than satisfactory, as most candidates were unable to score two or more of the four marks available. Some of the weaker candidates incorrectly listed functions of the retailer such as 'breaking bulk'.

Most of the other incorrect responses were unrelated to the topic. Such responses included promotional strategies such as 'advertising' and 'functions of management'.

### **Part (b)**

In Part (b), candidates were required to describe three terms of sales namely *hire-purchase*, *consignment* and *layaway*.

Candidates performed best in describing hire-purchase. Most candidates had some knowledge of this term of sale and were able to give at least a partial description of the term.

Consignment was the term that seemed to have been the most challenging. There were several instances of candidates not offering a response and most of those who responded displayed a general lack of understanding of the term. Candidates' descriptions of the term *layaway* were generally unsatisfactory.

### **Part (c)**

For Part (c), candidates were required to state four functions of consumer organizations. Overall, candidates' performance on this part was satisfactory. Generally, most candidates who displayed knowledge of consumer organizations were able to score all four marks by correctly stating four functions of these organizations. However, most candidates either did not attempt this part or gave responses that did not relate to the question.

### **Part (d)**

Candidates performed best on Part (d). There were two sub-parts, each worth a total of three marks. Generally, candidates' responses to Part (d) (i) were fairly good. Many candidates were able to identify one way in which poor customer service is likely to affect a firm's success. However, many candidates failed to score maximum marks because they did not give adequate explanations of the points raised.

Overall, responses to Part (d) (ii) were also fairly good. Most candidates displayed some understanding of online chats or surveys as means of improving customer service.

## PROFILE 3: FINANCE, GOVERNMENT AND TECHNOLOGY

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### QUESTION 5

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This question tested objectives in Section 10 — Technology and the Global Business Environment. The specific objectives tested were: 10.1, 10.7, 10.8, 10.9 and 10.14.

Overall, candidates performed unsatisfactorily. The mean score obtained was 6.21 out of 20 marks.

#### **Part (a)**

Part (a) was designed to test candidates' knowledge of the term *business technology*. Generally, this was not well done, as very few candidates gave responses that adequately defined the term. Some of the common weaknesses identified included candidates repeating the words business and technology, for example, 'business technology is technology used to run and operate a business' or stating that 'business technology is e-commerce'.

#### **Part (b)**

In responding to Part (b), candidates were required to list four factors that determine a country's standard of living and/or the quality of life of its citizens. This was the part on which candidates performed best, as most of them listed at least three accurate factors. These factors included the quality of social services, per capita income and access to technology.

#### **Part (c)**

Part (c) posed the greatest challenge to candidates. Candidates were required to define gross domestic product (GDP) and gross national product (GNP). Overall, candidates' performance on both sub-parts was poor.

In attempting to define GDP, several candidates gave responses that suggested they were referring to a physical product produced within an industry.

Candidates performed even worse in Part (c) (ii). They were required to define GNP. Some of the stronger candidates correctly stated that GNP is a measure of what was produced within a country during a one-year period but failed to state that it also takes into account production by firms owned by nationals overseas.

#### **Part (d)**

For Part (d), candidates were required to outline two possible solutions, other than education, to the economic problem of low levels of production. Overall, candidates' performance was below satisfactory. Many candidates proffered solutions that included education, despite it being explicitly disqualified in the stem of the question. Other weaknesses included candidates suggesting implausible solutions such as 'preventing citizens from migrating' and 'changing the government'. There was also a tendency of

candidates to list possible solutions without developing their points and therefore these candidates scored only one of the two marks for each solution.

**Part (e)**

Candidates were required to explain two ways in which investment in education by Caribbean governments can lead to an increase in the production of goods and services in the region. Overall, most candidates displayed some understanding of the syllabus content tested. However, only very strong candidates scored maximum marks by adequately explaining two connections between investments in education and an increase in production across the region. Some of the weaker candidates seemed to have misinterpreted the question and focused on ways governments can invest in education.

## RECOMMENDATIONS

Teachers are encouraged to assist students in learning the contents tested in this paper by incorporating the following strategies.

- Assign tasks to students that will assist them in developing higher order skills. These include engaging in debates and oral presentations.
- Coach students to understand what is required by verb cues such as *explain*, *describe* and *outline*. A list of these cues and their definitions is included on pages 70 and 71 of the Principles of Business syllabus.
- Utilize guest speakers and field trips to generate and sustain students' interest in the topics and concepts they find difficult.
- Direct students to online resources such as those available via the CXC website