



**CARIBBEAN  
EXAMINATIONS  
COUNCIL**

**CSEC<sup>®</sup> PRINCIPLES OF  
BUSINESS**



**Subject Report**

*May/June 2025*

**CARIBBEAN EXAMINATIONS COUNCIL**

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

**MAY/JUNE 2025**

**PRINCIPLES OF BUSINESS  
GENERAL PROFICIENCY**

**Copyright © 2025 Caribbean Examinations Council  
St Michael, Barbados  
All rights reserved.**

## Table of Contents

<b>INTRODUCTION</b> .....	1
<b>PAPER 01 — MULTIPLE CHOICE</b> .....	2
<b>PAPER 02 — STRUCTURED ESSAY</b> .....	3
PROFILE 1: ORGANIZATIONAL PRINCIPLES.....	3
QUESTION 1.....	3
Recommendations.....	5
QUESTION 2.....	6
Recommendations.....	8
PROFILE 2: PROMOTION AND LOGISTICS.....	9
QUESTION 3.....	9
Recommendations.....	11
QUESTION 4.....	12
Recommendations.....	13
PROFILE 3: FINANCE, GOVERNMENT AND TECHNOLOGY.....	14
QUESTION 5.....	14
Recommendations.....	15
<b>PAPER 032 — ALTERNATIVE TO SCHOOL-BASED ASSESSMENT (SBA)</b> .....	16
Profile 1 — The Operational Plan (Question 1 to Question 4).....	16
Question 1: Nature and Type of Business.....	16
Question 2: Organizational Structure.....	17
Question 3: Stakeholders of the Business.....	18
Question 4: Labour Requirements.....	19
Profile 2 — The Marketing Plan (Question 5–8).....	20
Question 5: Target Market.....	20
Question 6: Promotion.....	21
Question 7: Terms of Sales.....	22
Question 8: Customer Service.....	23
Profile 3 — The Financial Plan.....	24
Question 9: Sources of Capital.....	24
Question 10: Financial Services.....	25
Question 11: Quality of Life.....	26
Question 12: Executive Summary.....	27
Recommendations.....	27

## INTRODUCTION

In May/June 2025, approximately 33 148 candidates wrote the Principles of Business General Proficiency examination.

The examination comprised the following papers.

- Paper 01 — Multiple Choice
- Paper 02 — Structured Essay
- Paper 031 — School-Based Assessment
- 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 on this paper was commendable. The mean mark was 40.16 out of 60. The marks ranged from 0 to 60.

Paper 02 comprises five compulsory structured essay questions drawn from across the syllabus. Each question is worth 20 marks. The mean mark was 45.07 out of 100. The marks ranged from 0 to 98.

Paper 03 comprises a single guided research project for school candidates. The mean mark was 33.80 out of 0. The marks ranged from 0 to 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 24.03 out of 40, and the marks ranged from 0 to 39.

Generally, candidates' performance was very good. Approximately 87 per cent of candidates earned acceptable grades (Grades I–III).

## PAPER 01 — MULTIPLE CHOICE

Candidates performed excellently in the areas relating to the following topics.

- Functional areas of a business
- Characteristics of a good leader
- Role of entrepreneur
- Natural resources of the Caribbean
- Links in the chain of distribution
- Supply chain operations
- Suitability of transportation modes
- Stock market
- Roles and functions of financial institutions
- Responsibilities of government in an economy

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

- Forms of business organizations
- Types of business documents
- Forms of government assistance
- Direct taxes
- Definition of GDP

## PAPER 02 — STRUCTURED ESSAY

This paper consisted of five compulsory essay type questions drawn from the three profiles in the syllabus. Question 1 and Question 2 tested the objectives in Profile 1 (Organizational Principles). Question 3 and Question 4 were drawn from Profile 2 (Promotion and Logistics) and Question 5 was drawn from Profile 3 (Finance, Government and Technology). Each question was worth 20 marks. Overall, the performance of candidates was fair.

### PROFILE 1: ORGANIZATIONAL PRINCIPLES

---

#### QUESTION 1

---

This question tested candidates' understanding of Section 1 (The Nature of Business) of the syllabus. Generally, the performance of candidates was satisfactory. The mean percentage score was 46 and marks ranged from 0 to 20.

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

Candidates' performance in Part (a) (i) was very good. They were required to define the term *barter*. Most candidates correctly stated that barter was *the exchange of goods for other goods or the exchange of goods without the use of money*.

In Part (a) (ii), candidates were asked to outline one disadvantage of barter. Most candidates scored at least one mark by stating disadvantages such as *the need for a double coincidence of wants, the indivisibility of goods and the absence of a common medium of exchange*. However, many candidates only stated the disadvantage and their responses lacked sufficient development to earn the second mark.

In Part (a) (iii), candidates were required to state two characteristics of money. Common correct responses included *portability, divisibility and universal acceptability*. Weaker candidates gave responses such as 'store of value and medium of exchange', confusing functions of money with characteristics of money. Overall, candidates performed well on this part.

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

Candidates were required to identify the drawer of the cheque in Part (b) (i) and the drawee in Part (b) (ii). Responses to both Parts (b) (i) and (b) (ii) were generally unsatisfactory. This indicated that candidates lacked knowledge of the parties to a cheque. The drawer is the party who issues the cheque and whose signature appeared on the cheque while the drawee is the party institution (the bank) on which the cheque was drawn.

Part (b) (iii) was very well done. Candidates were required to list three instruments of payment, other than cheques, used in modern economies. Most candidates scored a maximum of three marks. Common instruments listed included cash, credit cards, debit cards, and direct transfers.

### **Part (c)**

For this part, candidates were required to differentiate between specific pairs of terms.

In Part (c) (i), candidates were asked to distinguish between the *private sector* and the *public sector*. The performance of candidates was generally satisfactory. Most candidates indicated that *the private sector consisted of firms owned and operated by private individuals while the public sector consisted of government owned businesses and agencies*.

In Part (c) (ii), candidates were required to differentiate between private limited companies and public limited companies. Candidates' performance was generally unsatisfactory. *Private limited companies and public limited companies are both private sector entities with the main distinguishing feature being that there is a restriction on the issuance of shares in private companies while shares of public companies are available to members of the general public*. Many candidates combined public limited companies with the public sector and private companies with the private sector.

### **Part (d)**

This part was the most challenging for candidates. They were required to explain one advantage and one disadvantage to society in a mixed economy compared with a free enterprise (capitalist) economy. Many candidates did not attempt this part. It was clear that most candidates were unfamiliar with the essential features of both a free enterprise economy and a mixed economy. Although some candidates displayed partial knowledge of both economic systems, most were unable to make comparisons or present a relative advantage and disadvantage.

Some candidates cited access to social services as an advantage and greater regulation as a disadvantage of a mixed economy when compared to a free enterprise economy. Both points were sufficiently developed and so the candidate earned a maximum of six marks.

## Recommendations

Teachers are encouraged to use the following strategies when teaching the objectives assessed in this question.

- Incorporate visual aids and graphic organizers. Diagrams can help students visualize the types of entities in the private and public sectors.
- Use quizzes and puzzles to help students learn the features of different types of business units.
- Use guided brainstorming activities to help students do comparative analyses of different types of business units.
- Encourage students to pay attention to key words such as *list*, *identify*, *outline*, *describe* and *explain*.

---

## QUESTION 2

---

This question was based on Section 4 of the syllabus — Legal Aspects of Business. Candidates were required to demonstrate their knowledge and understanding of

- documents utilized in the operations of a business
- reasons for maintaining proper records of business transactions
- types of insurance policies
- principles of insurance
- application of a principle of contract to a given case.

Overall, the performance of candidates was fair. The mean percentage score was 32 and marks ranged from 0 to 20.

### **Part (a)**

In Part (a) (i), candidates were required to list three documents used in business operations. Most candidates scored at least two of the three marks available by listing at least two appropriate documents. Common correct responses included

- invoice
- credit note
- purchase requisition
- debit note
- cheques
- statement of accounts
- bill of lading
- stock cards.

Weaker candidates provided vague responses such as ‘business documents’, ‘legal documents’ and ‘financial records’.

For Part (a) (ii), candidates were required to state three reasons why it is necessary to keep proper records of business transactions. Overall the performance of candidates was good as most of them provided at least two plausible reasons. Many candidates earned full marks by identifying three appropriate reasons. Common correct responses included

- ensuring accountability
- enhancing decision making
- evaluating business performance
- providing proof of transactions
- complying with regulatory requirements (such as taxation)
- satisfying requirements for auditing.

## **Part (b)**

This part was particularly challenging and candidates' performance on both Parts (b) (i) and (b) (ii) was generally unsatisfactory. Most candidates lacked the required knowledge of the two types of insurance policies assessed.

Part (b) (i) required candidates to describe a public liability insurance policy. Only stronger candidates provided accurate descriptions. A correct response was *the provision of compensation to members of the public who are injured or suffer damage while on the business compound due to the negligence of the business*. Common errors made by candidates included confusing public liability insurance with public limited companies and suggesting that members of the public cause harm to business operations.

In Part (b) (ii), candidates were required to describe employers' liability insurance policy. The expected answer was *a policy purchased by employers to compensate employees for claims arising from injuries sustained on the job*. Most candidates were unable to meet the requirements of Part (b) (ii). Frequent incorrect responses included references to employers being responsible for employees or employees causing damage on the job.

## **Part (c)**

This part tested candidates' knowledge of two principles of insurance: insurable interest and indemnity. Candidates were required to define each principle and provide an example. Overall, the performance of candidates was generally poor.

In Part (c) (i), many weaker candidates misinterpreted the term *interest*. They made reference to paying or receiving interest on insurance; such answers were incorrect. The expected response was *the principle of insurable interest means that the insurer must be in a position to suffer loss should the risk materialize*.

In Part (c) (ii), common incorrect responses included describing indemnity as the cause of the loss or suggesting that the principle relates to honesty between parties. The expected response was *the indemnity principle means that insurance is not intended for the insured to profit but rather to be restored to their financial position prior to the occurrence of the risk. For example, an insured party incurred \$10 000 worth of damage. That sum is the maximum the insurance company will pay in compensation*.

## **Part (d)**

Part (d) focused on contract law. It consisted of a case and three parts which were worth a total of six marks. Most candidates scored at least two of the six marks.

For Part (d) (i), candidates were required to identify the principle of contract relevant to the case. Overall, candidates performed poorly. Very few candidates correctly identified the principle as *capacity or competence of the parties*. Most candidates listed other principles such as offer and acceptance or incorrectly stated that it was 'a simple contract' or a 'breach of contract'.

Part (d) (ii) required candidates to explain whether the party who threatened to sue for breach of contract was likely to succeed if he/she pursued the suit. Opinions on the likelihood of success were almost evenly divided; however, most explanations were inadequate because candidates did not make them relevant to the case. A common error made by candidates was citing the absence of a written document as the basis for their opinion.

In Part (d) (iii), candidates were asked to suggest two actions the parties could take to settle the dispute peacefully without going to court. Candidates performed best on this part. However, 'arbitration' and 'termination' were among the most frequently stated suggestions that were inappropriate.

## Recommendations

Teachers are encouraged to do the following.

- Utilize case studies relevant to elements of contracts and insurance.
- Invite resource personnel such as insurance agents to make presentations to students.
- Practise more past paper questions to become familiar with the content and general expectations of the syllabus.
- Engage students in research on documents utilized in the operations of a business.

## PROFILE 2: PROMOTION AND LOGISTICS

---

### QUESTION 3

---

This question was based on objectives in Section 6 of the syllabus — Marketing. Overall, the performance of candidates was fair. The mean percentage score was 35 and marks ranged from 0 to 20.

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

Candidates were required to state three forms of public relations. Overall, this question was fairly well done. The forms most frequently cited by candidates in correct responses included sponsorship of *community events*, *donations* and *charitable contributions*. Some candidates confused public relations with other marketing activities and provided responses such as ‘advertising’, ‘promotion’ and ‘selling’.

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

This question was divided into two sub-parts, for which candidates were required to describe two methods of promoting sales. Candidates’ performance on Part (b) (i) was generally satisfactory. An appropriate response would be that *loyalty points are earned when customers purchase products from a particular business or brand and may be redeemed later for other purchases or for cash*. However, a common misconception made by weaker candidates was making reference to loyal workers.

Candidates were required to provide a description of bundling in Part (b) (ii). A correct response would be that bundling is *the combining of similar or complementary products to be sold at one price, which is usually less than the sum of the prices of the individual items*. Many of the stronger candidates enhanced their responses by explaining that bundling encourages the sale of slow-moving products or by citing examples such as combining milk and cereal.

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

In Part (c), candidates were asked to describe marketing activities. For Part (c) (i), they were asked to describe the term *pricing*. The correct answer was *pricing refers to the assignment by the producer or seller of a monetary value for customers to purchase a product. This value should allow the producer or seller to cover costs and make a profit*. Some candidates correctly noted that the price should be attractive to consumers.

For Part (c) (ii), candidates were required to describe the term *distribution*. A correct response would be that *distribution refers to the activities involved in the movement or transportation of goods from the manufacturer to the final consumer. Among the activities are the selection of the channels in the supply chain and the mode(s) of transportation*.

Overall, the responses given by candidates were unsatisfactory. One of the main weaknesses identified was the tendency of candidates to repeat the words price/pricing and distribution in their attempts to describe the terms.

### **Part (d)**

This part was the most challenging for candidates. They were presented with a table containing descriptions of three pricing strategies and were required to complete it by identifying each strategy. Candidates' performance was poor, as most candidates failed to score. This suggested that candidates were unfamiliar with the relevant syllabus content. The expected answers were as follows.

- Part (d) (i) — A new line of products was introduced at a price below that of similar products. The expected response was penetration pricing.
- Part (d) (ii) — The same product was sold at the same price by all companies within an area. The correct response was competitive pricing.
- Part (d) (iii) — Admission prices varied based on different customer groups. The expected response was discriminatory pricing.

### **Part (e)**

Candidates were presented with an advertisement and required to respond to questions. The correct responses were as follows.

- Part (e) (i) — Candidates were asked to identify the type of advertisement. The expected response was persuasive advertising.
- Part (e) (ii) — Candidates were required to state the main objective of this type of advertisement. A correct response was its purpose was to convince potential customers to sign up by emphasizing benefits and guarantees.
- Part (e) (iii) — Candidates were required to identify one group targeted by the advertisement. An expected response was a target group was students preparing for the POB exam.
- Part (e) (iv) — Candidates were required to suggest one effective communication medium that could be used to present the advertisement to the target market. An expected response would have been social media platforms such as TikTok or Instagram.
- Part (e) (v) — Candidates were required to outline one reason for the communication medium suggested in the previous question. An example of a response for which candidates earned full marks was that social media is widely used by students and teenagers, making it an effective way to reach the target audience quickly and directly. It also allows for interactive and visually appealing advertisements, which can increase engagement and response.

Overall, candidates' performance was satisfactory. Part (e) (i) proved to be the most challenging, as many candidates appeared to have confused the type of advertising with the communication medium. In contrast, candidates' responses to Parts (e) (iv) and (e) (v) were generally good. Most candidates recommended social media and provided plausible justifications for its use.

## Recommendations

Teachers are urged to

- ensure that they include information on pricing strategies when teaching the content in this section of the syllabus
- engage students in assignments that require them to utilize higher order thinking skills rather than simple recall
- emphasize the meanings of examination terms such as *outline*, *explain* and *describe*. A list of these terms can be found on pages 70–71 of the CXC Principles of Business syllabus.

---

## QUESTION 4

---

This question assessed content drawn from Section 7 of the syllabus — Logistics and Supply Chain. Overall, candidates' performance was fairly good. Most candidates demonstrated an acceptable level of knowledge of the relevant syllabus content and were able to competently apply that knowledge in their responses. The mean percentage score was 54 per cent with marks ranged from 0 to 20.

### **Part (a)**

Candidates were required to outline two roles of transportation in the marketing of goods. This component proved to be particularly challenging for many candidates. Two of the most popular roles accurately outlined were the facilitation of the movement of goods from the point of production to the point of consumption and the use of transit advertising on company vehicles as a means of promoting goods and influencing consumer purchasing decisions. However, many candidates did not fully comprehend Part (a) as they listed the forms and types of transportation used by businesses, mistakenly presenting these as roles.

### **Part (b)**

Candidates were given four scenarios involving movement of products from specific points of origin to their destinations. They were required to identify the most suitable mode of transportation for each scenario. The correct answers were as follows.

- Part (b) (i) — In the scenario, vaccines were transported from Canada to Grenada. The correct response was air.
- Part (b) (ii) — In the scenario, lumber was moved between two parishes on an island. The expected response was land/ road or waterway.
- Part (b) (iii) — In the scenario, the statistics on CXC® results were sent from Barbados to Saint Lucia. The correct response was internet or digital electronic mail.
- Part (b) (iv) — In the scenario, crude oil was transported from Trinidad to Tobago. The expected response was pipeline or sea transportation.

A general weakness was candidates' tendency to list types of transport such as trucks, ships and airplanes instead of identifying the most suitable mode of transport as required.

### **Part (c)**

In Part (c) (i), candidates were required to state two problems that may be encountered in the distribution of mangoes from the Caribbean to the United States of America. This part was generally well-handled, as most candidates demonstrated a sound understanding of the challenges associated with the international distribution of mangoes. The most frequently stated challenges included *spoilage of the mangoes*, *damage to the goods*, *delays in shipment*, *misdirection of the goods* and *theft*. Candidates who failed to score the full two marks either did not provide a response or they stated only one problem.

For Part (c) (ii), candidates were required to outline two measures, other than the use of Global Positioning Systems (GPS) technology, that firms could adopt to reduce problems encountered in the global distribution of goods. Candidates performed fairly well, as most of them were able to identify two appropriate measures. These included

- obtaining insurance coverage
- ensuring careful labelling and documentation
- utilizing reliable handling services or carriers
- establishing distribution units in various countries.

However, some responses were inadequate because candidates identified measures but they did not sufficiently outline them.

### **Part (d)**

In Part (d), candidates were required to explain two benefits that the business in a given scenario could gain from utilizing GPS in the management of its transportation. Overall, candidates' performance was reasonably good, as they demonstrated that they had a sound understanding of the benefits of GPS in a business context. Common and appropriate benefits included the following.

- Vehicle tracking
- Improved delivery times and time management
- Enhanced delivery accuracy
- Real-time fleet monitoring
- Increased security for company vehicles

Candidates scored up to three marks for each benefit that they adequately explained.

## **Recommendations**

Teachers are urged to

- emphasize the difference between modes of transport and types (method) of transportation
- utilize visual aids and graphic organizers when teaching distribution of goods
- incorporate case studies while teaching the content tested in this question
- design activities that require students to sort or match problems with solutions, encouraging logical connections between concepts
- use guided brainstorming activities by presenting problems or scenarios and asking targeted questions to help students develop logical solutions.

## PROFILE 3: FINANCE, GOVERNMENT AND TECHNOLOGY

---

### QUESTION 5

---

This question examined content from the Finance, Government and Technology profile of the syllabus. It was designed to test objectives in Section 8 — Finance. Overall, candidates' performance was good. The mean percentage score was 59 per cent and marks ranged from 0 to 20.

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

Candidates' performance was fairly good. Candidates were required to list three financial institutions, other than commercial banks. Common correct responses included *credit unions, central banks and micro lending agencies*. The main weaknesses observed were the tendency of candidates to name commercial banks and to list non-financial entities such as schools, hospitals and clinics.

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

Candidates were required to list four services offered by commercial banks. Candidates' performance was very good. Most candidates scored at least three of the four marks by demonstrating that they had sound knowledge of the activities carried out by commercial banks. Weaker candidates listed services of the central bank such as the issuance of notes and coins.

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

In Part (c) (i), candidates were required to outline one difference between savings and investments. Overall, candidates' performance was good. Most of them stated a fact about each concept and scored full marks. An example of an appropriate response was *savings represents portions of disposable income set aside for future use while investments are funds used to acquire assets with the intention of making a profit*. Weaker candidates tended to give answers such as 'savings is money saved up and investments is investing in something'. Such responses were inadequate.

In Part (c) (ii), candidates were expected to identify one form of savings and one form of investments. This was fairly well done. Popular correct responses for savings included *money in bank accounts* and *sou-sou* while examples of forms of investment given included *starting a business* and *purchasing shares*.

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

Part (d) tested candidates' ability to list three personal sources of capital that may be used to start a business. Candidates' performance was generally very good, as most candidates were able to list at least two appropriate sources. Popular responses included *personal savings, inheritances* and *loans from friends and family*.

### **Part (e)**

Candidates were required to explain two benefits the family in the scenario could gain from preparing a personal budget. Overall, candidates' performance was generally satisfactory. Most candidates demonstrated knowledge of the relevant syllabus content and were able to identify plausible benefits. However, a significant number of them failed to score the maximum six marks because they were unable to sufficiently develop the points raised.

### **Recommendations**

Teachers are encouraged to incorporate the following.

- Have students complete a matching exercise where they pair services and key features with the corresponding financial institutions. This activity will reinforce knowledge of the various financial institutions that exist and the services that they provide.
- Have students visit a commercial bank in their area, then write a report on the services that they see carried out in the bank.
- When teaching this section of the syllabus, begin with an overview of the various forms of capital, then focus on those used to start a business and those for expansion. To reinforce and test their knowledge of these aspects of capital, teachers can administer a pop quiz and discuss related past paper questions.
- Teachers can use chain or sequence games to help students understand the links between benefits and their impact.

## PAPER 032 — ALTERNATIVE TO SCHOOL-BASED ASSESSMENT (SBA)

This paper consisted of a case study of a small gym, Fitness Vibz, owned and operated by a husband and wife who decided to expand their business. Candidates were required to respond to 11 questions covering all three content profiles and to prepare a brief summary citing information from all three profiles. The paper was worth 40 marks. Overall, candidates performed creditably. The mean score was 24.03.

### Profile 1 — The Operational Plan (Question 1 to Question 4)

Questions in this section tested objectives drawn from Profile 1 of the syllabus. This section was worth ten marks, and the mean score was 5.34.

---

#### Question 1: Nature and Type of Business

---

This question was divided into two parts. Part (a) required candidates to identify the form of business. This was very well done as most candidates correctly identified the business as a partnership.

In response to Part (b), candidates were required to outline one benefit the owners are likely to gain from the type of business identified. Correct responses included *shared responsibility so neither one would have the burden of the full workload*, and *combining their knowledge, skills and experience to contribute to business success*. Most candidates were able to identify a valid benefit.

However, some candidates failed to develop further and scored only one of the two marks available. Weaker candidates incorrectly referred to benefits such as ‘a healthy lifestyle’. Candidates should have focused on the benefits of the type of ownership.

---

## Question 2: Organizational Structure

---

Candidates were asked to determine the span of control that the managing partner would have when the business expands. The correct response was five (narrow). Candidates' performance was generally poor. This indicated that candidates lacked knowledge of the concept tested.

---

### Question 3: Stakeholders of the Business

---

Candidates were required to state one function of each of three named stakeholders. This question was fairly well done, as most candidates were able to state the roles of at least two of the three positions. The expected functions for each stakeholder were as follows.

- Part (a) Manager — Ensures that the business is running smoothly/delegates responsibilities
- Part (b) Receptionist — Greets the clients as they enter the gym
- Part (c) Accounts clerk — Prepares the payroll/provides information about income and expenses

---

## Question 4: Labour Requirements

---

Candidates were required to suggest three additional categories of employees that would need to be hired to ensure the smooth operation of the gym. Common correct responses included *cleaner*, *security guard* and *yoga instructor*. Weaker candidates suggested positions already in the gym such as accounts clerk or roles not appropriate for a gym of that size, for example, a human resource manager.

## Profile 2 — The Marketing Plan (Question 5–8)

Profile 2 covered the marketing section of the syllabus and required candidates to apply their knowledge and understanding of marketing concepts related to the case study. This section was worth 20 marks and the mean score was 13.74.

---

### Question 5: Target Market

---

This question required candidates to identify two groups of potential customers who would likely be interested in joining Fitness Vibz, a fitness-oriented enterprise. This question was worth two marks; one mark awarded for each correctly identified and relevant group. Most candidates provided appropriate responses. Common responses included *health-conscious individuals, young adults, senior citizens, people classified as obese, athletes, office workers* and *families*. These answers reflected that candidates had a sound understanding of market segmentation and consumer targeting within the context of the fitness industry.

---

## Question 6: Promotion

---

This question was divided into three parts.

In Part (a), candidates were expected to identify two social media platforms on which Fitness Vibz could advertise its business. This item was worth two marks, with one mark awarded for each correctly identified platform. Most candidates responded accurately, citing widely used platforms such as *Facebook*, *Instagram*, *TikTok* and *YouTube*. Candidates had a general awareness of contemporary digital marketing channels relevant to the fitness industry. However, a few candidates identified traditional media outlets such as radio and television. These answers did not satisfy the requirements.

In responding to Part (b), candidates were required to explain one benefit that Fitness Vibz would gain from advertising the business on social media platforms. This item was worth three marks. Overall, candidates demonstrated a clear understanding of the potential benefits of social media advertising. However, in some cases, responses lacked the depth and development required to earn the full three marks. While relevant benefits were identified, explanations were often vague or insufficiently elaborated. The most frequently cited benefits included a wider reach of potential customers, increased profitability, and improved brand recognition or company exposure.

In Part (c), candidates were expected to list three sales promotion techniques that Fitness Vibz could use to promote its services, excluding the gym/dance package deals and free one-month membership already mentioned in the case. Part (c) was worth three marks; one mark was awarded for each correctly identified technique. Overall, candidates demonstrated a fairly good understanding of sales promotion strategies and were able to identify appropriate responses such as *discounts*, *free gifts* and *loyalty points*. Weaker candidates confused methods of promotion with sales promotion techniques and incorrectly suggested means of promotion such as ‘advertising’ and ‘public relations’.

---

## Question 7: Terms of Sales

---

Candidates were required to identify two terms of sales that Fitness Vibz could implement to ensure the effective collection of revenue. This item was worth two marks; one mark awarded for each correct term.

This question was particularly challenging for most candidates. While acceptable responses included terms such as *cash*, *credit* and *cash on delivery*, many candidates had limited or no understanding of the concept of terms of sales within a business context.

---

## Question 8: Customer Service

---

This question was divided into two parts. In Part (a), candidates were required to outline one likely benefit that Fitness Vibz could gain from using each of the following communication tools.

- Online chat
- Suggestion box

This question was worth four marks; two were marks allocated for the response on online chat and two marks for the suggestion box. Likely benefits of an online chat include faster resolution of problems, as real-time contact makes it easier to address issues. It also allows customers to communicate directly with the firm, providing a simple and cost-effective way for the business to obtain feedback on its services. Benefits of using a suggestion box include easier communication with customers and employees who are introverted and therefore reluctant to speak up in a public forum. The suggestion box allows their views to be taken into account. Overall, candidates performed reasonably well, demonstrating fair knowledge and understanding of the concepts.

In Part (b), candidates were required to outline two reasons why it is important for Fitness Vibz to offer good customer service. This part was worth four marks, with two marks allocated for each well-developed reason. Overall performance was fair. Most candidates were able to identify reasons for providing good customer service; however, many responses merely listed reasons without elaboration, limiting candidates' ability to score full marks. Common well-developed responses included *building customer loyalty*, *increasing customer recommendations and reviews*, *attracting more customers* and *improving the company's image*.

## Profile 3 — The Financial Plan

Questions in this section were taken from Profile 3 — Finance, Government and Technology section of the syllabus. This profile was worth a total of ten marks. Overall, candidates' performance was fair. The mean score was 4.94.

---

### Question 9: Sources of Capital

---

Candidates were required to identify two financial institutions, other than a commercial bank, from which Kay could secure funding for the gym's upgrades and expansion. Overall candidates' performance was fairly good. Relevant institutions included *insurance companies*, *credit unions* and *microlending agencies*. Most candidates accurately identified at least one institution. Stronger candidates scored the full two marks by naming two institutions, while weaker candidates either listed 'commercial banks' or other inappropriate entities such as 'the IMF', 'World Bank' and 'central banks'.

---

## Question 10: Financial Services

---

Candidates were required to suggest three additional banking services that Fitness Vibz could access through the local bank to support its operations. Most candidates scored the full three marks. Common correct responses included *ATM services, debit and credit card services, and deposit and withdrawal services*. Weaker candidates disregarded the instruction that services should exclude funding and instead gave responses such as loans.

---

## Question 11: Quality of Life

---

Candidates were asked to outline one way in which Fitness Vibz could contribute to the quality of life on the island. Most candidates attempted this question; however, their overall performance was fair. Less than 50 per cent of candidates earned the full two marks. They were required to explain how the gym impacts an economic variables and link this to citizens' quality of life. An example of a good response is *the business can create jobs for citizens which would increase their income and enable them to satisfy their needs leading to improvement in their quality of life*. Most candidates scored one mark for identifying an impact on citizens but they did not connect it to quality of life. For instance, the response 'a more healthy lifestyle' was insufficiently developed.

---

## Question 12: Executive Summary

---

This question tested candidates' ability to incorporate information from all three areas of the case to develop a suitable executive summary of Fitness Vibz for secure a loan. Candidates were required to write the summary in a paragraph. Overall, their performance was fair. An example of a correct response in which information from all three sections is incorporated is as follows.

Fitness Vibz is a small gym owned and operated as a partnership business by the husband and wife team of Liam and Kay. They desire to expand and improve the gym by making it more attractive and offering promotional deals to attract new customers while paying attention to customer service. The owners have done a financial projection of how much will be needed to finance their expansion and are planning to seek a loan from a local commercial bank for this purpose.

### Recommendations

- Pay attention to the following content areas.
  - Terms of sale
  - Sales promotion techniques versus methods of promoting sales
  - Benefits of specific communication tools
- When teaching this section, teachers should categorize sources of finance that are applicable to different businesses and situations.
- Teachers are encouraged to emphasize to students the importance of reading all parts of a question carefully, especially words or phrases in bold such as *other than*, as these provide critical guidance for acceptable responses. Practice questions could be given as assignments.
- A classroom activity could be done using simple case studies and isolating each area of the business plan to elicit the elements of that area.
- Encourage students to complete Paper 032 past papers and other case studies to build familiarity with the format and expectations.