



CARIBBEAN EXAMINATIONS COUNCIL
CARIBBEAN ADVANCED PROFICIENCY EXAMINATION®

MANAGEMENT OF BUSINESS

UNIT 2 – Paper 02

2 hours 30 minutes

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. This paper consists of THREE questions. Answer ALL questions.
2. Write your answers in the spaces provided in this booklet.
3. Do NOT write in the margins.
4. If you need to rewrite any answer and there is not enough space to do so on the original page, you must use the extra lined page(s) provided at the back of this booklet. **Remember to draw a line through your original answer.**
5. **If you use the extra page(s) you MUST write the question number clearly in the box provided at the top of the extra page(s) and, where relevant, include the question part beside the answer.**

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

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MODULE 1: PRODUCTION AND OPERATIONS MANAGEMENT

1. Furniture R Us makes and repairs furniture. Recently, there has been an increase in demand for the company's products. The company wants to maintain high quality products while meeting the demands of its customers. The management of the company is contemplating whether to continue to produce all of its products or to outsource in order to meet the increased demand.

(a) Distinguish between 'quality control' and 'quality assurance'.

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[4 marks]

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A005



MODULE 2: FUNDAMENTALS OF MARKETING

2. Mr Shake is the owner and manager of Healthy Shakes Enterprise which manufactures a variety of shakes. Mr Shake wants to add fruit juices to his product line. He is contemplating conducting market research to determine the viability of his new product.

(a) Outline TWO ways in which market research can help Mr Shake decide whether or not to add the natural juices to his product line.

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[4 marks]

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MODULE 3: SMALL BUSINESS MANAGEMENT

3. Vance graduated from business school with a BSc in Business Management but after two years he was still unable to find a job. He then decided to become an entrepreneur and so started a small business.

(a) (i) Define the term 'entrepreneur'.

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[2 marks]

(ii) Identify TWO characteristics which Vance is to possess if he is to be a successful entrepreneur.

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[2 marks]

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