SOUTH AFRICAN BUSINESS STUDIES OLYMPIADS

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Business Studies Olympiad GRADE 12

DATE: 5-8 AUGUST 2024

TIME: 90 MINUTES

INSTRUCTIONS:

1. This booklet has 30 multiple choice and 10 open ended questions.
2. Use the answer sheet provided.

   Circle the letter corresponding to your answer.
3. All working details must be done in the space provided.
4. Calculators are permitted.
5. Diagrams are not necessarily drawn to scale.
6. The first 30 questions carry 1 mark each and the next 10 carry 2 marks each.
7. You have 90 minutes for the paper which works out to an average of 2.25 minutes per question.
8. Read the questions carefully before answering.
9. Visit the website: www.saolympiads.co.za.

ENJOY THE OLYMPIAD.

Grade 12 Business Studies Olympiad 2024

SECTION A

Indicate the most correct answer by indicating the correct letter on the answer sheet provided.

Read the article and answer the questions that follow.

State collapse and load shedding – what executives fear most in South Africa

The biggest perceived risk to South Africa in 2024 is load shedding, with fears over a state collapse easing over the last year.

According to independent energy analyst Pieter Jordaan, South Africans will likely experience 2.5 blackout hours per day – down from the 4.8 hours in 2023.

Fears over an energy supply shortage are not uncommon among the nations queried in the report, with this factor also emerging as the greatest risk to Bangladesh, Chad, Honduras and Uzbekistan. At the same time, the UK ranks energy shortages as its third biggest risk, and Belgium ranks it second.

Rank	2023 SA Biggest Risks	2024 SA Biggest Risks
1	State Collapse	Energy supply shortage
2	Debt Crisis	Economic downturn
3	Collapse of services and public infrastructure	Unemployment
4	Cost-of-living crisis	State Fragility
5	Employment and livelihood crisis	Water-Supply Shortage

[Downloaded from https://businesstech.co.za/news/business/741871/state-collapse-and-load-shedding-what-executives-fear-most-in-south-africa/accessed 18 January 2024]

1. According to the text, where is there an improvement in the 2024 SA outlook?

A Other countries are also worried about energy supply
B South Africans will experience 2.5 hours of load shedding per day
C There is a potential for a water supply shortage
D High levels of unemployment (1)

2. How would the installation of a solar-based energy system impact the operational costs of Mr Price?

A Operational costs remained unchanged.
B Operational costs increase due to the new system.
C Operational costs decrease.
D Operational costs increase due to power shortages. (1)

3. What role does government policy play in influencing the energy landscape for clothing retailers in South Africa?

A Government policies only affect large-scale industries.
B Poor policy results in greater power shortages.
C Government policy has no impact on the energy supply for retailers.
D Strict regulations limit retailers options. (1)

4. What does the high threat of substitute products within the clothing retail industry imply in Porters Five Forces Model?

A Increase profitability for retailers.
B Low bargaining power of suppliers.
C Reduced demand for clothing products.
D Higher intensity of competitive rivalry. (1)

5. How might the socio-cultural environment in South Africa influence the bargaining power of buyers for clothing retainers?

A Decreased buyer power due to lower disposal income.
B Technological advancements decrease buyer power.
C Higher demand for unique fashion items increase buyer power.
D Limited cultural diversity has no impact. (1)

Study the information below from Mr Price's Integrated Report 22/23 and answer the questions that follow:

Financial summary		FY2023	FY2022	% Change
Revenue	R'm	**32 853**	28 083	17.0
GP%	%	**39.5**	41.0	-150bps
EBITDA margin	%	**22.2**	24.7	-250bps
Profit from operating activities	R'm	**4 920**	4 946	-0.5
Group operating margin	%	**15.1**	17.7	-260bps
Profit attributable to shareholders	R'm	**3 115**	3 347	-6.9
Headline earnings per share	cents	**1 205.7**	1 282.1	-6.0
Diluted headline earnings per share	cents	**1 178.4**	1 254.0	-6.0

Statement Of Financial Position

R'm	1 April 2023	2 April 2022
Non Current Assets	**17 003**	11 296
Current Assets	**11 778**	11 381
Inventories	**7 321**	3 956
Trade and other receivables	**2 733**	2 551
Cash and cash equivalents	**1 442**	4 612
Other assets	**282**	262
Total Assets	**28 781**	22 677
Shareholders equity	**13 928**	12 056
Total Liabilities	**14 853**	10 621
Total equity and liabilities	**28 781**	22 677

6. According to the financial statements above, how would you describe Mr Price's solvency?

A Excellent as the ratio is higher than 2 : 1
B Ideal at 2 : 1
C Slightly below ideal at 1,9 : 1
D Poor less than 1 : 1 (1)

7. According the income statement, what happened to the total revenue and gross profit percentage in 2023?

A Total revenue decreased, gross profit decreased
B Total revenue decreased, gross profit increased
C Total revenue increased, gross profit increased
D Total revenue increased, gross profit decreased (1)

8. Which investment strategy are you using if you allocate the majority of your investments to equities such as Mr Price?

A Growth strategy
B Conservative strategy
C Balance strategy
D Preservation strategy (1)

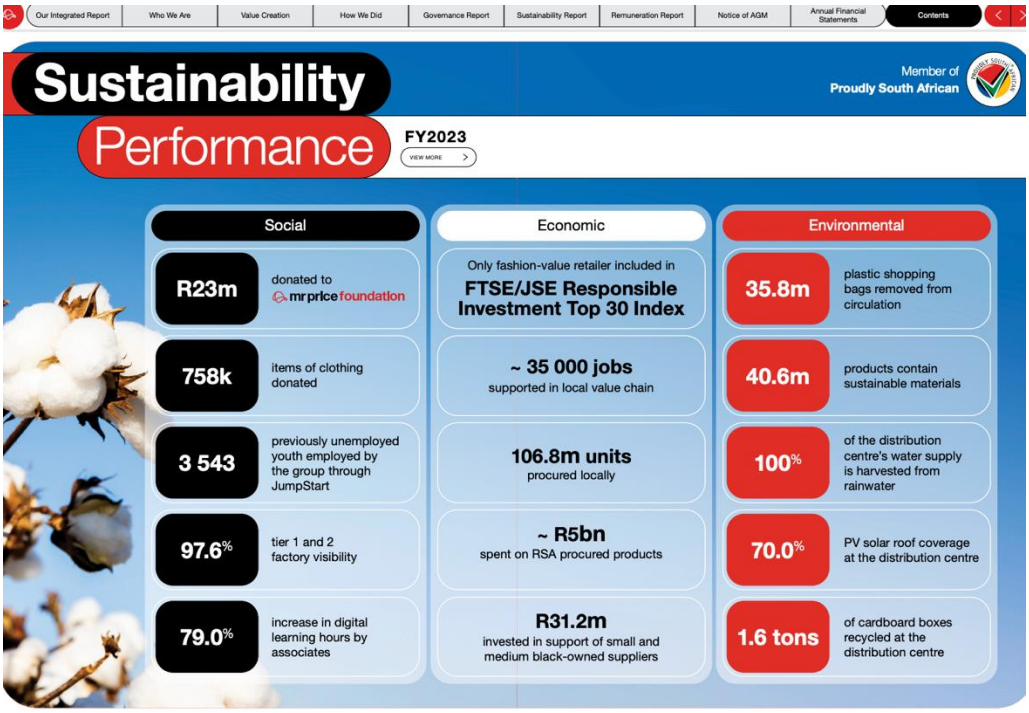
9. Which tax is incurred on investments that have grown such as the sale of an investment property for profit?

A PAYE
B CGT
C GST
D STC (1)

10. What is the maximum amount of money an individual South African can move offshore without tax clearance?

A R10 million
B R100 million
C Less than R100 000
D R1 million (1)

Study the information below from Mr Price's Integrated Report 22/23 and answer the questions that follow.



11. What does sustainability mean in the context of CSR programmes?

A Maximising profits
B Focusing solely on social initiatives
C Balancing economic, social and environmental considerations
D Promoting the benefits of the product to persuade people to buy. (1)

12. What is the purpose of the FTSE/JSE responsibility index?

A Maximise profits for investors.
B Identify companies with the highest debt ratios.
C Promote transparency in financial reporting.
D Protect investors from underperforming companies. (1)

13. Considering the unique socio-economic and competitive landscape of South Africa's clothing and textile industry, what multi-pronged approach could most effectively revitalize domestic production and reignite consumer demand for locally-made clothing?

A Greater investment into trade relations with other countries
B Increased import tariffs and promotion of the Proudly South African Campaign
C Increasing employment and lowering poverty
D Improving infrastructure and processing at the various ports (1)

14. How can conflicts related to customer complaints be addressed in a retailer to ensure customer satisfaction and employee well-being?

A Ignore customer complaints to avoid conflict.
B Encourage employees to blame each other.
C Train staff on how to deal with conflict effectively.
D Reduce customer interactions to avoid conflict. (1)

15. An employee files a complaint against their supervisor for workplace harassment. The HR department suggests that both parties participate in the process with a neutral third party facilitating discussions. Which form of dispute resolution is being used in this case?

A Negotiation
B Arbitration
C Conciliation
D Conciliation and mediation (1)

16. Which of the statements below would be considered a top management decision?

A Implementing a new clocking in system for staff members
B Allowing 60 day payment terms for customers
C Increasing staff allowances
D Buying an existing supplier (1)

17. As a mid-level manager you are facing tight deadlines and pressure to deliver results. One of your direct reports, known for meticulous work and exceeding expectations, expresses concerns about taking on an additional project due to their current workload. How should you proceed?

A Collaboratively discuss workload options, explore possibilities of adjusting deadlines, and offer support.
B Reassure them, delegate the project anyway, highlighting your trust in their abilities.
C Cancel the project entirely to avoid overburdening your team member, potentially impacting overall goals.
D Delegate to another team member, even if their skills are less well-matched, to distribute workload evenly. (1)

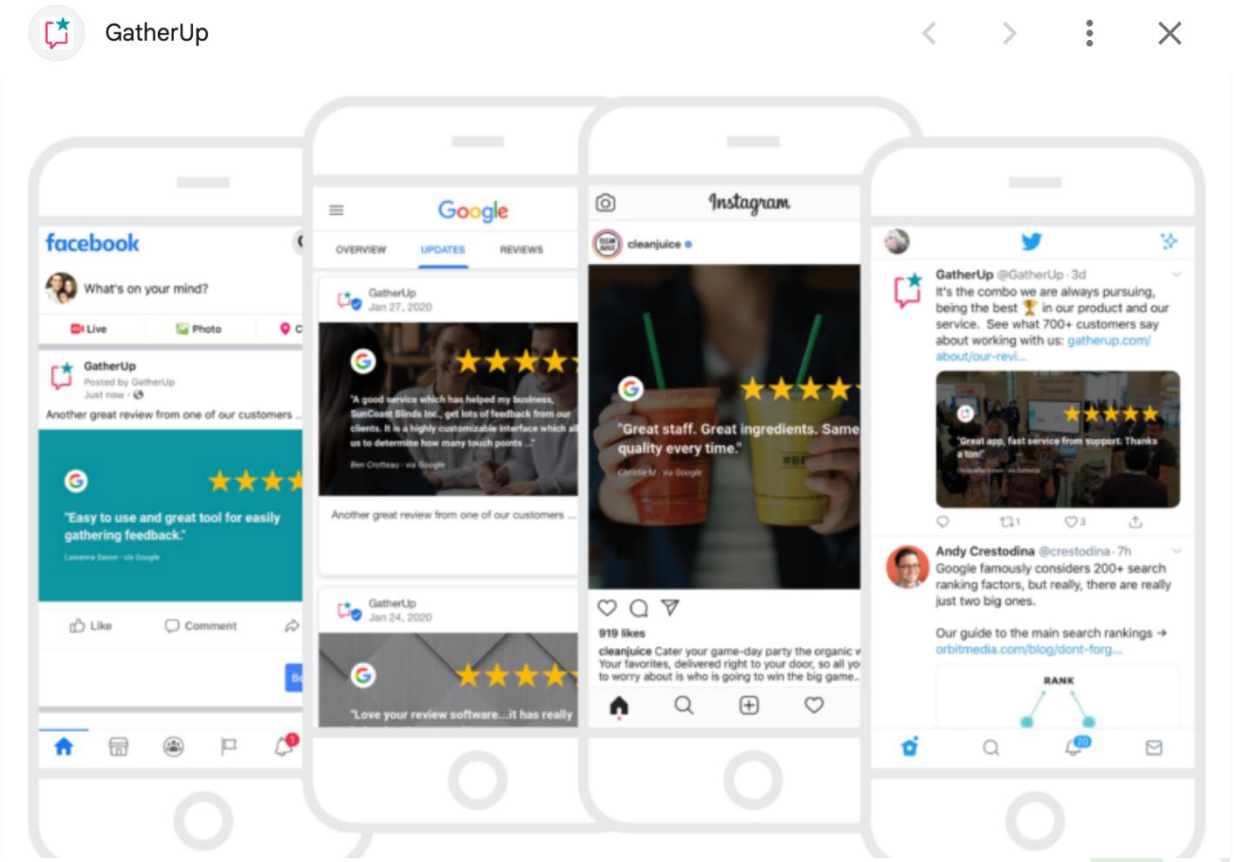
18. What management competency is crucial for adapting to changes such as increased load shedding?

A Flexibility
B Risk aversion
C Maintenance of the status quo
D Perseverance (1)

19. What does the fiduciary duty require from individuals in a position of trust?

A Disclose confidential information without consent.
B Act in their own best interest.
C Pursue personal gain at the expense of the business.
D Prioritise the interests of the organisation or beneficiaries . (1)

Study the social media advert below and answer the questions that follow:



[Downloaded from: https://gatherup.com/blog/turn-reviews-into-social-media-content/ Date accessed: 19 January 2024]

20. How can businesses leverage social media to build better customer relationships?

A Delete bad feedback from customers
B Engage in two-way communication
C Limit communication channels to digital only
D Provide customers with instant automated responses (1)

21. A customer posts a negative review on your company's Facebook page, alleging poor service and product defects. The comment garners significant traction and negative reactions. How should you respond?

A Ignore the comment, hoping it doesn't escalate further.
B Engage in a heated debate with the customer, defending your company's reputation aggressively.
C Publicly apologize, offer compensation, and delete the comment to control the narrative
D Acknowledge the complaint, offer private communication to resolve the issue directly, and maintain transparency with public replies. (1)

22. What psychological principle is social proof based on?

A scarcity
B consensus
C reciprocity
D authority (1)

23. Which of the following is an example of brand stretching?

A Coca-Cola launching a new line of carbonated soft drinks.
B Discovery expanding its product range to include a bank.
C McDonald's focusing exclusively on fast-food burgers.
D Apple introducing a line of smartphones. (1)

24. Mr Price is considering collaborating with a popular YouTuber for a product promotion campaign. What factors should they prioritize in selecting the influencer?

A Willingness to offer the lowest promotional fee regardless of their reach and impact.
B Past experience endorsing similar products and demonstrably positive results
C Alignment with your brand values and target audience, even with a smaller following.
D Large follower count and high engagement metrics regardless of niche. (1)

25. Which concept means that you can only claim insurance for damages caused by a direct event and not a secondary event?

A Premium
B Subrogation
C Proximate clause
D Limitation clause (1)

Read the case study and answer the questions that follow.

John, an employee in a South African company, was recently dismissed for alleged poor performance. However, he claims that the dismissal was unjustified and that proper disciplinary procedures were not followed. Explore the disciplinary process in South Africa based on this case study.

26. What is the first step the employer can take when considering disciplinary action against John?

A Immediate dismissal without notice.
B Verbal warning.
C Conducting an investigation to gather evidence.
D Suspension, pending investigation. (1)

27. Which legislation guides the rights and procedures related to unfair dismissal in South Africa?

A Labour Relations Act
B Occupational Health and Safety Act
C Basic Conditions of employment Act
D Companies Act (1)

28. Which of the following would constitute operational reasons for dismissal?

A The employee is pregnant
B The employee is not very good at their job
C The business cannot afford to keep the employee
D The business does not want to keep the employee due to personality clash (1)

29. Which of the following would be the best way to reduce high staff turnover?

A Paying staff the legal minimum wage
B Leaving staff to do whatever work they want
C Having strict rules in place to ensure a good working environment
D Provide opportunity to grow and progress in the company (1)

30. You are a financial advisor working with a client interested in investing in cryptocurrencies. While you see potential for high returns, you also recognise the volatility and regulatory uncertainty. How do you ethically balance your client's desire for growth with your responsibility to manage risk?

A Recommend only established cryptos with high market capitalisation.
B Discourage any crypto investment due to the risk and lack of regulation.
C Encourage the client to take a risk. No risk, no reward.
D Educate the client about the risks and benefits and suggest suitable options. (1)

SECTION B

31. A tool used by modern companies to manage interactions with customers, nurture leads and build a customer database. (2)

32. Index that identifies companies listed on the JSE with a strong focus on good corporate governance. (2)

33. Strategy employed when Mr Price purchased Yuppie Chef. (2)

34. A staff appraisal tool that looks at all areas of employee's performance. (2)

35. Financial principle applied by the SARB to curb inflation. (2)

36. Well known medical company that delisted from the JSE in 2023. (2)

37. The term used when describing someone who is close to retirement and does not want to take on too much risk when investing. (2)

38. Warren Buffet's famous business partner at Berkshire Hathaway who passed away in 2023. (2)

39. A leader who is focused on teamwork and gaining trust of staff members by empowering them to create real change in an organisation. (2)

40. Another name for the conciliation and arbitration process that occurs on the same day. (2)

TOTAL MARKS = 50