SOUTH AFRICAN BUSINESS STUDIES OLYMPIADS

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Business Studies Olympiad GRADE 12

DATE: 5-8 AUGUST 2025

TIME: 90 MINUTES

INSTRUCTIONS:

1. This booklet has 40 multiple choice 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 2025

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.

Shoprite swallows Pick n Pay, SPAR and other stores.

The Competition Commission has approved a slew of proposed transactions where franchise stores operating under Pick n Pay, SPAR, and an independent brand can be acquired by Shoprite.
The proposed transactions include:

- Shoprite Checkers acquiring **SPAR Carolina and TOPS**—owned and operated by Intrax Investments 262.
- Shoprite Checkers acquiring **SPAR Diepkloof**—operated by Manuglo Proprietary Limited.
- Shoprite acquiring **Van Riebeeck Park Pick 'n Pay Liquor**—owned by Van Riebeeck Park Foodlane Proprietary Limited.
- Shoprite Checkers acquiring **Sean's Discount Liquor**—owned by Issken CC.

All transactions were approved without conditions.
Shoprite Checkers is wholly owned and controlled by JSE-listed Shoprite Holdings.

The targetted stores are all independently owned by individuals or trusts outside of the franchise brands – ie, they are not company-owned stores within Pick n Pay and SPAR's portfolios.

In all cases, the commission said it is of the view that the proposed transactions are unlikely to substantially lessen or prevent competition in any market and do not raise significant public interest concerns.

"(The commission) will continue to monitor future acquisitions, including small mergers, in local markets," it said.

Shoprite indicated this week that it is on an expansion drive, opening new stores across the country.

The group published a voluntary shareholder statement on Tuesday (29 October), providing an update on operations for the quarter period ending September 2024, which included its latest store figures.

On a net basis, the Group opened 68 stores during the first quarter of the year. The majority of these, a net 53 stores, were opened in South Africa.

Supermarkets RSA opened 56 stores (closed three stores) during the first quarter: nine Checkers, two Shoprite, nine Usave, 20 LiquorShop, 13 Petshop Science, one UNIQ clothing by Checkers and two Checkers Outdoor.

This stands in contrast to the group's competitor, Pick n Pay, which is cutting back and streamlining its Pick n Pay store network, having closed 53 company-owned and franchise stores in the six months since February 2024.

This has been offset by the opening of 39 new stores across the business, resulting in net closures of 17 group stores.

The group's main Pick n Pay supermarket brand has been most affected by the closures, with the group shutting 24 stores across operations (company-owned and franchise).

The new stores being opened mainly belong to the Boxer and Pick n Pay Clothing brands, with the former expected to see 53 new openings this year.

[Downloaded from: https://businesstech.co.za/news/business/798030/shoprite-swallows-pick-n-pay-spar-and-other-stores/
Date accessed: 4 November 2024]

1. Analyse the implications of the Competition Commission's approval of Shoprite's acquisitions on market dynamics. What underlying economic principle does this approval reflect?

   a) The principle of monopolistic competition
   b) The theory of perfect competition
   c) The concept of market equilibrium
   d) The notion of regulatory intervention to maintain competition (1)

2. Evaluate the competitive landscape: How might Shoprite's expansion impact the pricing strategies of its competitors, particularly Pick n Pay?

a) It will likely lead to price wars that benefit consumers.
b) Competitors will maintain prices due to brand loyalty.
c) It will result in increased prices across the board.
d) Competitors will adopt a cost leadership strategy to remain competitive. (1)

3. Assess the significance of the net closure of stores by Pick n Pay in relation to consumer behaviour and market trends. What could this indicate about the retail environment?

a) A shift towards online shopping preferences
b) Increased operational efficiency in retail management.
c) A decline in consumer spending power
d) A saturation of the retail market (1)

4. What was the net effect on Pick n Pay's store count over the six months since February 2024?

a) A net increase of 39 stores
b) A net closure of 17 stores
c) No change in store count
d) A net closure of 53 stores (1)

5. What type of stores are the target stores for Shoprite's acquisitions?

a) Company-owned stores
b) Franchise stores
c) Independently owned stores
d) Internationally owned stores (1)

6. Considering the competitive actions of Shoprite and Pick ‘n Pay, what strategic framework could be applied to analyse their market positioning?

a) Porter's Six Forces Model
b) SWOT Analysis
c) PESTLE Analysis
d) Value Chain Analysis (1)

7. What role does corporate social responsibility (CSR) play in Shoprite's acquisition strategy, particularly concerning community impact?

   a) CSR is irrelevant to acquisition strategies.
   b) CSR can enhance brand reputation and consumer loyalty.
   c) CSR obligations may hinder aggressive expansion.
   d) CSR initiatives are only necessary for public relations purposes. (1)

8. If Woolworths identifies a strong, loyal customer base as a *strength*, which analysis tool does this relate to?

   a) Balanced Scorecard
   b) PESTLE Analysis
   c) SWOT Analysis
   d) Porter's Six Forces (1)

9. Pick 'n Pay faces pressure from new online grocery platforms. According to Porter's Six Forces, this would be classified as:

   a) Threat of new entrants
   b) Bargaining power of suppliers
   c) Bargaining power of customers
   d) Threat of substitutes (1)

10. A global trend toward eco-friendly products would most impact which element of a PESTLE analysis for Spar?

    a) Political
    b) Social
    c) Economic
    d) Technological (1)

11. Woolworths decides to increase its focus on sustainable sourcing. Which strategic approach does this exemplify?

    a) Low-cost strategy
    b) Differentiation strategy
    c) Market penetration
    d) Backward integration (1)

12. Spar discovers inefficiencies in its supply chain that lead to higher operational costs. Which strategy might help address this weakness?

    a) Market penetration
    b) Value-chain analysis
    c) Forward integration
    d) Low-cost strategy (1)

13. According to the King Reports, which of these principles is most important in maintaining trust with customers and shareholders?

    a) Accountability
    b) Profit maximisation
    c) Competition
    d) Minimising transparency (1)

14. Which is a benefit of a company being on the FTSE/JSE Responsible Investment Index?

    a) Access to cheaper labour
    b) Positive brand perception
    c) Reduced reporting requirements
    d) Reduced corporate taxes (1)

15. The primary intent of the Global Reporting Initiative (GRI) is to:

    a) Increase profit margins.
    b) Guide corporate governance decisions.
    c) Encourage environmental responsibility.
    d) Promote cultural diversity in the workplace. (1)

16. Which of the following would best describe ethical behaviour in retail?

    a) Overcharging customers on high-demand products
    b) Transparency in product sourcing
    c) Ignoring employee concerns
    d) Cutting costs at all levels (1)

17. Which Act promotes inclusivity and environmental awareness in business operations?

    a) Labour Relations Act
    b) Basic Conditions of Employment Act
    c) Constitution of South Africa
    d) Skills Development Act (1)

18. Which is NOT a function of SETAs under the Skills Development Act?

    a) Developing workplace skills plans
    b) Monitoring company profits
    c) Facilitating employee training
    d) Reporting on Annual Training Plans (1)

Study the scenario and answer the questions that follow.

Kabelo, a 28-year-old sales consultant, worked at "OptiHealth," a medical equipment company in Pretoria, for over two years. Kabelo had a solid track record but had recently been struggling to meet his sales targets due to a slow market. His manager, Ms. Pretorius, called him in for a performance review after Kabelo missed his target for three consecutive months.

During the review, Ms. Pretorius emphasized that Kabelo's recent performance was below expectations and that it was crucial for him to improve. Kabelo explained that economic conditions had affected sales across the team, but Ms. Pretorius insisted that he should be more proactive. She verbally warned Kabelo that failing to meet the target next month could lead to termination.

The following month, despite his efforts, Kabelo narrowly missed his target again. Ms. Pretorius called him in and informed him he was being dismissed immediately for poor performance. She said that OptiHealth couldn't afford to keep an underperforming consultant in the team. Kabelo asked if he could have a chance to discuss the matter, but Ms. Pretorius declined, stating that the decision was final and he should clear his desk by the end of the day.

[Generated and adapted from ChaptGPT]

19. Which of the following best describes the company's approach to dismissing Kabelo?

a) The company followed fair procedures by giving Kabelo a chance to explain his performance.
b) The company's decision was reasonable given Kabelo's poor performance.
c) The company issued a verbal warning and dismissal notice, meeting procedural requirements.
d) The company dismissed Kabelo without a formal disciplinary process, which may indicate procedural unfairness. (1)

20. Which factor might make Kabelo's dismissal substantively unfair under South African labour law?

a) Kabelo's two-year employment meant he should have been given more notice.
b) Kabelo had only missed his target by a small amount.
c) Economic conditions affected all employees, impacting sales across the board.
d) Ms. Pretorius did not discuss the matter with him before the final decision. (1)

21. Under the Labour Relations Act, which of the following would have made Kabelo's dismissal fair?

a) Providing Kabelo with a written warning first, rather than just a verbal one.
b) Giving Kabelo a chance to improve his performance with reasonable support from the company.
c) Allowing Kabelo to discuss the reasons for his performance before making the final decision.
d) All the above. (1)

22. Which of these rights could Kabelo exercise in response to his dismissal?

a) Kabelo can request to meet with Ms. Pretorius to discuss his concerns.
b) Kabelo can apply for unemployment benefits immediately.
c) Kabelo can file a complaint with the CCMA for unfair dismissal.
d) Kabelo can accept the dismissal without any further actions. (1)

23. If Kabelo took the case to the CCMA, what would likely be their focus?

a) Whether Kabelo had a positive attitude toward his manager.
b) Whether OptiHealth followed both fair procedure and had a valid reason for dismissal.
c) Kabelo's length of employment at OptiHealth.
d) The economic conditions affecting sales. (1)

24. A Shoprite manager notices high employee turnover. Which measure could improve retention?

a) Lengthening work shifts
b) Offering fewer benefits
c) Enhancing employee training and support
d) Reducing employee engagement (1)

25. Woolworths uses benchmarking to:

a) Compare their performance to competitors.
b) Set a price standard for their products.
c) Reduce operational costs.
d) Train new employees. (1)

26. Which factor would increase the brand value of Woolworths?

a) Increasing product variety
b) Frequent brand changes
c) Lowering customer service standards
d) Consistently offering quality products (1)

27. The Consumer Protection Act impacts Spar by:

a) Allowing more advertising freedoms
b) Requiring transparency in pricing and promotions
c) Limiting competition
d) Reducing return policies (1)

28. Social media marketing offers Pick 'n Pay which primary advantage?

a) Guarantees product sales.
b) Reduces operational costs.
c) Direct interaction with customers.
d) Increases supplier bargaining power. (1)

29. If Shoprite wants to motivate staff through non-monetary means, it could:

a) Offer a salary increase.
b) Provide team-building activities.
c) Give cash incentives.
d) Pay performance bonuses (1)

30. Which third-party intervention might help resolve employee disputes at Pick 'n Pay?

a) CEO intervention
b) Workplace Forums (WPF)
c) Shareholder mediation
d) Departmental manager decision (1)

SECTION B

31. What principle defines the cause-and-effect relationship in insurance claims?

a) Indemnity
b) Subrogation
c) Contribution
d) Proximate cause
e) Utmost good faith (2)

32. What is the compulsory insurance where both the employer and employee contribute 1% of the employee's salary/wage?

a) Unemployment Insurance Fund (UIF)
b) Workmen's Compensation
c) Retirement Fund
d) Medical Aid
e) Life Insurance (2)

33. Which high-risk asset class represents ownership in a company and can provide dividends as well as capital gains?

a) Bonds
b) Mutual funds
c) Equities
d) Real estate
e) Commodities (2)

34. What is the term for unfavourable market conditions where share prices are declining?

a) Volatile market
b) Bull market
c) Stagnant market
d) Bear market
e) Recovery market (2)

35. What financial metric is used to evaluate a company's current share price relative to its earnings per share?

a) Price-to-book ratio
b) Earnings yield
c) Dividend yield
d) Price-to-earnings ratio
e) Return on equity (2)

36. What is the current percentage of Capital Gains Tax (CGT) applied to individuals and trusts?

a) 18%
b) 33.3%
c) 40%
d) 45%
e) 50% (2)

37. What phenomenon describes individuals relying on the actions and opinions of others via testimonials and reviews before making a purchase?

a) Confirmation bias
b) Cognitive dissonance
c) Herd mentality
d) Peer pressure
e) Social proof (2)

38. Which of the following is NOT an example of a popular South African fast-food franchise?

a) RocoMammas
b) Steers
c) McDonald's
d) Chesa Nyama
e) Nando's (2)

39. What is the framework established in South Africa that provides guidelines for corporate governance, focusing on ethical leadership and sustainable practices?

a) Consumer Protection Act
b) Companies Act
c) King Code Report
d) Labour Relations Act
e) Financial Sector Conduct Authority (2)

40. What is a company's commitment to balancing economic, social, and environmental responsibilities called?

a) Corporate governance
b) Corporate social responsibility (CSR)
c) Stakeholder management
d) Financial accountability
e) Business sustainability (2)

TOTAL MARKS = 50