

High School Olympiad

Guiding the leaders of tomorrow

Business Studies

GRADE 11

Olympiad Paper

Round One

Marks: 30

Time: 1 hour

Date: 7 May 2025



Instructions

Please take time to read the instructions carefully.

If the ANSWER SHEET is not COMPLETE and correct your answer sheet will be invalid.

1. **NB! Please use a HB pencil or a black pen to complete the answer sheet.**
No highlighter or colours pens are allowed.
2. The ANSWER SHEET consist of 3 sections. Accounting, Business Studies and Economics.
Please select and answer the **correct** section/subject
3. There are 4 possible answers per question (A B C D)
Only one answer is correct. Colour a circle completely.
4. Good luck!

PROVERTO EMS OLYMPIAD 2025 – GRADE 11

BUSINESS STUDIES

INFLUENCES ON AND CONTROL FACTORS INFLUENCING BUSINESS ENVIRONMENTS

1. Which one of the following is an example of a macro-environment factor?
 - A Competitors
 - B Suppliers
 - C Inflation
 - D Clients
2. Which of the following is a challenge of the microenvironment?
 - A Changes in government policies.
 - B High inflation rates.
 - C International competition.
 - D Poor employee performance.
3. Which factor in the macro-environment directly influences a company's ability to import raw materials?
 - A Exchange rates
 - B Supplier relationships
 - C Competitor pricing
 - D Client preferences
4. How does a high unemployment rate impact businesses?
 - A Increases consumer spending.
 - B Reduces the available workforce.
 - C Decreases the demand for luxury goods.
 - D Leads to higher production costs.

CHALLENGES IN BUSINESS ENVIRONMENTS

5. How can businesses adapt to rapid technological changes in their industry?
 - A Refuse to upgrade systems.
 - B Invest in employee training and new technologies.
 - C Cut research and development costs.
 - D Eliminate customer support services.

6. Which of the following is NOT a contemporary socio-economic issue?
- A Unemployment
 - B Inflation
 - C Advertising
 - D HIV/AIDS
7. Which sector is most affected by government policy changes?
- A Primary sector
 - B Informal sector
 - C Private sector
 - D Public sector
8. If a business fails to comply with labour laws, it may face _____
- A decreased profits.
 - B a stronger workforce.
 - C legal penalties and reputational damage.
 - D increased market share.
9. Which challenge is most likely to affect a business in the informal sector?
- A Strict financial reporting.
 - B High tax obligations.
 - C Legal compliance issues.
 - D Limited access to funding.

ADAPTING TO CHALLENGES IN BUSINESS ENVIRONMENTS

10. With the rise of e-commerce, how should traditional retailers adapt?
- A Focus solely on physical stores.
 - B Invest in an online platform and digital marketing.
 - C Ignore digital trends.
 - D Reduce customer service efforts.
11. How could artificial intelligence impact the future of South African businesses?
- A Increase operational efficiency and automation.
 - B Reduce the need for technology.
 - C Increase the need for manual labour.
 - D Eliminate all business risks.
12. A South African manufacturing company is facing rising electricity costs due to load shedding. Which long-term strategy would best help the business adapt to this challenge?
- A Reduce production hours permanently.
 - B Invest in renewable energy sources like solar power.
 - C Increase product prices to offset electricity costs.
 - D Rely on government subsidies for financial relief.

- 13.** Many South African businesses struggle with skills shortages in the technology sector. How can companies effectively address this challenge?
- A** Employ only hire overseas employees .
 - B** Reduce training programs to cut costs.
 - C** Partner with universities and offer bursaries for IT students.
 - D** Outsource all technology-related functions to foreign firms.
- 14.** A clothing retailer in South Africa is losing market share to international online stores. What is the most sustainable way for the business to compete in the long-term?
- A** Lower prices than international competitors, even if it reduces profits.
 - B** Shift focus to high-quality local fashion and a strong online presence.
 - C** Increase spending on traditional advertising like newspaper ads.
 - D** Reduce staff to cut operational costs.

IMPACT AND CHALLENGES OF CONTEMPORARY SOCIO-ECONOMIC ISSUES ON BUSINESS OPERATIONS

- 15.** How should businesses address ethical challenges in advertising?
- A** Mislead customers to increase sales.
 - B** Ensure honest and transparent marketing.
 - C** Avoid advertising completely.
 - D** Reduce product quality to lower costs.
- 16.** Why is corporate social responsibility (CSR) important for business success?
- A** It increases consumer trust and brand loyalty.
 - B** It reduces employee wages.
 - C** It eliminates the need for business ethics.
 - D** It allows businesses to ignore government regulations.
- 17.** How does a high unemployment rate impact businesses in South Africa?
- A** It increases consumer spending, leading to higher sales.
 - B** It reduces the available skilled workforce for businesses.
 - C** It lowers competition in the industry.
 - D** It forces businesses to expand operations.
- 18.** A business in South Africa is struggling to retain skilled employees due to high crime rates in the area. What could be an effective solution?
- A** Relocate its headquarters to another country.
 - B** Increase security measures and provide employee safety incentives.
 - C** Reduce employee wages to cover security costs.
 - D** Ignore the issue as it does not directly impact profits.
- 19.** Which contemporary socio-economic issue has the most direct impact on a business's ability to recruit and maintain a skilled workforce?
- A** Load shedding
 - B** Social media

- C Globalisation
- D HIV/AIDS

20. How can businesses in South Africa help address poverty while also benefiting their operations?
- A Only hire employees from wealthy backgrounds.
 - B Invest in corporate social responsibility (CSR) programmes that create jobs and encourage skills development.
 - C Reduce employee benefits to cut costs.
 - D Avoid involvement in community projects to focus on profit-making.

BUSINESS SECTORS

21. Which business sector provides services rather than goods?
- A Primary
 - B Secondary
 - C Tertiary
 - D Industrial
22. Which business sector is involved in manufacturing and production?
- A Primary
 - B Secondary
 - C Tertiary
 - D Financial
23. How do businesses in the primary sector impact the tertiary sector?
- A By supplying raw materials needed for service industries.
 - B By reducing the need for financial services.
 - C By directly selling products to customers.
 - D By eliminating competition.

AVENUES OF ACQUIRING A BUSINESS AND COMPANIES AS A FORM OF OWNERSHIP

24. Which form of business ownership has unlimited liability?
- A Public company
 - B Partnership
 - C Private company
 - D Close corporation
25. Why do some businesses prefer private ownership to public ownership?
- A To avoid government regulations.
 - B To raise capital from the public.
 - C To maintain control and decision-making power.
 - D To prevent competitors from entering the market.

- 26.** If a business wants to expand by buying a franchise, what is a key advantage?
- A** Full independence in branding.
 - B** Immediate brand recognition and customer trust.
 - C** No financial obligations to the franchisor.
 - D** Less operational control.
- 27.** Why might an entrepreneur choose to start a business from scratch rather than buy a franchise?
- A** To avoid financial risk.
 - B** To retain full control and originality.
 - C** To immediately gain customer trust.
 - D** To minimise the time required to set up operations.
- 28.** A South African entrepreneur wants to enter the retail industry but is unsure whether to start a new business or buy an existing one. What would be a key advantage of acquiring an existing business?
- A** The business already has an established customer base and operational structure.
 - B** It allows the entrepreneur to avoid legal regulations.
 - C** There are no risks involved in acquiring an existing business.
 - D** The entrepreneur can run the business without making any changes.
- 29.** Which of the following is NOT an avenue for acquiring a business?
- A** Buying a franchise.
 - B** Inheriting a business.
 - C** Merging with another company
 - D** Taking a loan from a bank.
- 30.** What is a key characteristic of a public company (Ltd) in South Africa?
- A** It is owned by one person only.
 - B** Shares are sold to the public on the stock exchange.
 - C** It does not have to follow any government regulations.
 - D** It does not pay any tax.