

Business Studies

GRADE 12

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 12

BUSINESS STUDIES

CHOOSE THE MOST CORRECT OPTION FOR QUESTIONS 1 TO 30.

IMPACT OF RECENT LEGISLATION ON BUSINESS – RESPONSE TO DEMANDS FOR REDRESS AND EQUITY

1. Which Act in South Africa promotes the advancement of people who were disadvantaged under apartheid?
 - A Labour Relations Act
 - B Employment Equity Act
 - C Companies Act
 - D Consumer Protection Act
2. The Broad-Based Black Economic Empowerment (BBBEE) Act aims to _____.
 - A reduce business taxes.
 - B promote fair wages in all industries.
 - C encourage participation of historically disadvantaged groups in the economy.
 - D Seize all foreign investment in South Africa.
3. How can a business ensure compliance with the Skills Development Act?
 - A Offer internal training programs and pay skills levies.
 - B Only appoint employees with university degrees.
 - C Lower salaries to cut costs.
 - D Remove employee benefits.
4. A company is struggling to meet its BBBEE targets. Which strategy would help improve compliance?
 - A Invest in employee training programmes and supplier development.
 - B Employ fewer workers to save money.
 - C Pay a fine and ignore compliance rules.
 - D Only employ workers from urban areas.

PROFESSIONALISM AND ETHICS

5. Which of the following is an example of an ethical business practice?
 - A Paying employees less than the minimum wage.
 - B Ensuring fair trade and sustainability in sourcing raw materials.
 - C Selling expired goods to maximise profit.
 - D Engaging in false advertising.

6. Why should businesses avoid insider trading?
- A It is unethical and illegal.
 - B It increases company profits.
 - C It strengthens the stock market.
 - D It attracts foreign investors.
7. A company is facing a public backlash due to unethical sourcing of raw materials. What should the business do to restore its reputation?
- A Ignore the backlash and continue its operations as usual.
 - B Issue a public apology and implement ethical sourcing practices.
 - C Sue the media for reporting on the issue.
 - D Reduce employee wages to cut costs and improve public relations.
8. A manager wants to promote professionalism in the workplace. Which of the following actions would be most effective?
- A Encourage employees to arrive late if they have personal matters.
 - B Allow workers to use company resources for personal gain.
 - C Implement a strict dress code, ethical conduct policies, and employee training.
 - D Avoid communication with employees about ethical expectations.
9. A marketing team is debating whether to exaggerate the benefits of a product in an advertising campaign. Which ethical principle should guide their decision?
- A Profitability over honesty.
 - B Transparency and truthful advertising.
 - C Customer manipulation for increased sales.
 - D Deceptive tactics to outcompete rivals.

CREATIVE THINKING AND PROBLEM SOLVING

10. Which method is most effective for encouraging creative thinking in the workplace?
- A Strictly following traditional business practices.
 - B Rewarding innovative ideas and problem-solving.
 - C Reducing employee brainstorming sessions.
 - D Limiting communication among teams.
11. A business wants to stay competitive in a changing industry. Which strategy should it adopt?
- A Encourage innovation and adaptability.
 - B Follow only traditional business models.
 - C Avoid digital transformation.
 - D Stop investing in employee training.
12. What is the main purpose of creative thinking in business?
- A To develop unique and effective solutions to problems.
 - B To strictly follow traditional business methods.
 - C To avoid taking risks in decision-making.
 - D To increase the number of employees.

- 13.** Which of the following is an example of a problem-solving technique?
- A** Ignoring challenges in the business.
 - B** Brainstorming different solutions with a team.
 - C** Copying competitors' ideas without changes.
 - D** Avoiding feedback from employees.
- 14.** Which of the following skills is most important for effective problem-solving?
- A** Creativity and critical thinking.
 - B** Memorising business rules.
 - C** Following instructions without question.
 - D** Avoiding discussions in decision-making.

CHALLENGES OF THE MACRO BUSINESS ENVIRONMENT

- 15.** A business faces economic instability. How can it remain profitable?
- A** Diversify its product range and explore new markets.
 - B** Seize all expansion plans.
 - C** Reduce product quality to lower costs.
 - D** Stop investing in employee development.
- 16.** Due to rising inflation, a South African retailer is struggling to maintain affordable pricing while sustaining profits. What is the most strategic long-term solution for the business?
- A** Increase product prices significantly to cover costs.
 - B** Reduce employee salaries to lower expenses.
 - C** Source alternative suppliers to reduce production costs.
 - D** Stop operations until inflation decreases.
- 17.** A new environmental law requires businesses to reduce carbon emissions. What should a company do to remain competitive while complying with the regulation?
- A** Ignore the law and pay fines if necessary.
 - B** Invest in green technology and market itself as an eco-friendly brand.
 - C** Relocate its operations to a country with fewer environmental laws.
 - D** Cut production to reduce emissions, even if it lowers revenue.
- 18.** A South African company that relies on imports is experiencing delays due to global supply chain disruptions. How can the business best adapt to this challenge?
- A** Stop selling imported products and focus only on local goods.
 - B** Develop partnerships with multiple suppliers from different regions.
 - C** Increase reliance on a single international supplier for efficiency.
 - D** Wait for the situation to improve without making changes.
- 19.** A business is facing a public relations crisis due to poor labour conditions being exposed in the media. What is the most effective strategy to rebuild public trust?
- A** Launch an advertising campaign to distract from the controversy.
 - B** Fire the employees who leaked the information.
 - C** Implement ethical labour practices and communicate these efforts transparently.
 - D** Close down temporarily and reopen under a different name.

CITIZENSHIP ROLES AND RESPONSIBILITIES

- 20.** Which of the following best describes corporate social responsibility (CSR)?
- A** A legal obligation to pay taxes.
 - B** Voluntary efforts by businesses to improve society and the environment.
 - C** A marketing strategy to increase sales.
 - D** A government-imposed requirement.
- 21.** A major corporation in South Africa has been accused of exploiting natural resources without giving back to the community. As an ethical business leader, how should the company respond to this issue?
- A** Increase profits first before addressing environmental concerns.
 - B** Launch a corporate social responsibility (CSR) programme that invests in local environmental conservation efforts.
 - C** Shift blame to government policies and avoid public discussion.
 - D** Reduce costs by cutting environmental initiatives and donations.
- 22.** During a national crisis such as a natural disaster, businesses have an opportunity to demonstrate corporate citizenship. Which action best reflects responsible corporate citizenship?
- A** Withdrawing all business activities until the crisis is over.
 - B** Taking advantage of the crisis to increase product prices.
 - C** Donating resources, supporting relief efforts, and ensuring employee safety.
 - D** Ignoring the crisis and continuing business as usual.

BUSINESS FUNCTIONS – HR, Marketing and Production

- 23.** Which function of human resources deals with ensuring employees have the necessary skills?
- A** Recruitment
 - B** Performance appraisal
 - C** Training and development
 - D** Compensation management
- 24.** A business is struggling with high employee turnover. What HR strategy should be implemented to retain staff?
- A** Reduce salaries.
 - B** Offer career development programs and mentorship.
 - C** Increase workloads.
 - D** Only hire contract workers.
- 25.** How do informal businesses typically market their products?
- A** Digital advertising campaigns.
 - B** Word-of-mouth and social media.
 - C** Large-scale television ads.
 - D** International promotions.

- 26.** Which factor is most important for efficient production?
- A** High employee turnover.
 - B** Increasing raw material costs.
 - C** Ignoring technological advancements.
 - D** Quality control and efficient processes.
- 27.** Which of the following is a key responsibility of the Human Resources (HR) department?
- A** Designing marketing campaigns.
 - B** Managing employee recruitment and training.
 - C** Setting production goals.
 - D** Developing new product features.
- 28.** A marketing team is analysing customer feedback to improve their product. What step should they take next to ensure effective product improvement?
- A** Implement a price increase to boost revenue.
 - B** Ignore the feedback and continue with the original design.
 - C** Analyse the feedback to identify patterns and adjust the product features accordingly.
 - D** Focus solely on social media advertising to increase sales.
- 29.** The HR department notices a high turnover rate among employees. What should they investigate first to address this issue?
- A** Employee performance reviews and satisfaction surveys.
 - B** The efficiency of the production line.
 - C** Marketing strategies targeting potential clients.
 - D** Budget allocation for new products.
- 30.** A company's HR department implements flexible working hours to attract and retain top talent. What would be the long-term impact on the business if this initiative succeeds?
- A** Decrease in employee satisfaction and higher turnover.
 - B** Increase in productivity and higher employee retention.
 - C** Higher operational costs without improving results.
 - D** Decrease in brand reputation and customer loyalty.