

**Business Environments**

1. Define the level of control for the market environment.
  - A** Business can influence but cannot control the market environment.
  - B** Business can control the market environment.
  - C** Business has no influence and no control over the market environment.
  - D** All of the above.
  
2. Classify the following stakeholders as internal or external.
  - i. Customer
  - ii. Shareholder
  - iii. Trade Union
  - iv. Entrepreneur
  - A**
    - i. External
    - ii. External
    - iii. External
    - iv. Internal
  - B**
    - i. Internal
    - ii. External
    - iii. External
    - iv. Internal
  - C**
    - i. External
    - ii. Internal
    - iii. External
    - iv. External
  - D**
    - v. External
    - vi. Internal
    - vii. External
    - viii. Internal

“South Africa’s public finances are in a perilous state. There are four main reasons for this. First, economic growth is low or non-existent. Second, tax revenue collection is repeatedly below forecasts. Third, debt levels have risen rapidly and are now at their highest levels in the postapartheid era. Fourth, the poor performance of state-owned enterprises is necessitating large scale government support.”

*(<https://qz.com/africa/1683190/south-africas-economy-rising-debt-no-jobs-and-political-crisis/>, accessed 24/02/2020)*

3. Analyse the effect the above statement will have on the social environment of South Africa.
  - A** Lower unemployment and increased levels of poverty.
  - B** Higher unemployment and increased levels of poverty.
  - C** Lower unemployment and decreased levels of poverty.
  - D** Higher unemployment and decreased levels of poverty.
  
4. Choose the effect unemployment will have on the economic environment.
  - A** Lower spending and lower levels of output.
  - B** Increased spending and higher levels of output.
  - C** Increased spending and lower levels of output.
  - D** Decreased spending and higher levels of output.

We have no knowledge of the incident and you are the only client with this issue. Please do not contact us again as this information is not relevant to us.

5. Adapt the statement above so that it has a positive effect on the Public Relations function.
- A We have no knowledge of the incident and you are the only client with this issue. We will not be commenting on this matter.
  - B We are aware of the incident and have launched a full investigation into the matter; however, we ask that you do not contact us again as this reflects badly on our image.
  - C We are aware of the incident and have launched a full investigation into the matter. Please bear with us while we gather the necessary information.
  - D None of the above.
6. Name the function in charge of the factory layout.
- A Production function
  - B Finance function
  - C Administration function
  - D Public Relations function
7. Describe the role of marketing within a business.
- A To produce goods of good quality.
  - B Establishing relationships between customers and the business.
  - C To change data into information.
  - D To keep financial records of all transactions.
8. Use the chart to explain the concept of JIT (Just In Time) as it is used by the purchasing department.

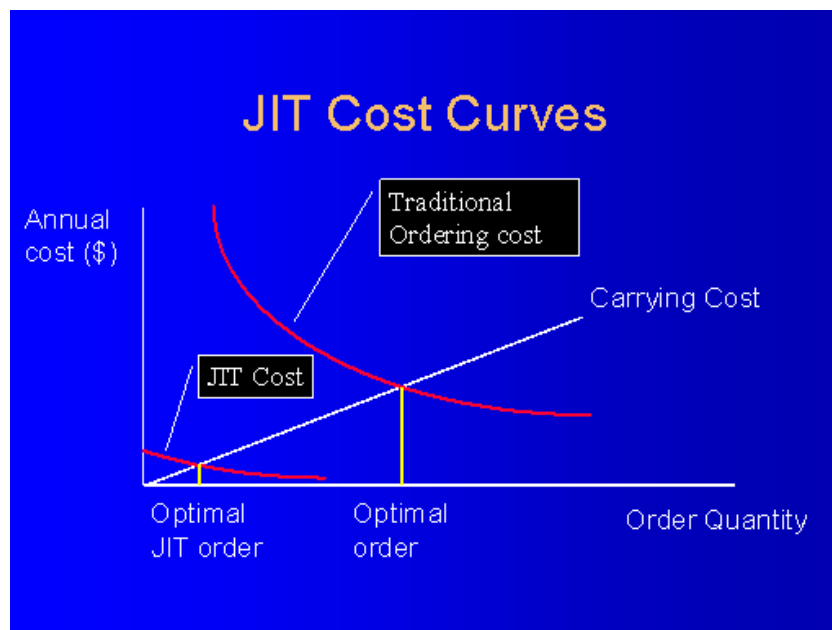


Figure 1: <https://msu.edu/course/prr/473/oldstuff/Inventory%20Management.htm>, accessed 27/02/2020)

- A Inventory system is a management strategy that aligns producers' ability to hold insufficient inventories.
- B Producers hold sufficient inventories to have enough product to absorb maximum market demand.
- C Producers hold insufficient inventories to have enough product to absorb maximum market demand.
- D Inventory system is a management strategy that aligns raw-material orders from suppliers directly with production schedules

9. Characterise the functions performed by the General Management function.

- A Planning, Organising, Leading and Control
- B Ordering, Purchasing, Invoicing and Evaluation
- C Planning, Organising, Ordering and Invoicing
- D Ordering, Purchasing, Planning and Control

## Business Sectors

10. Evaluate one reason for struggling public sectors enterprises.

- A Strong competition from private sector.
- B Sufficient tax income to cover capital.
- C Efficient Management and influx of capital.
- D Poor capital management but with knowledgeable management.

11. Categorise the following pictures into either **Tertiary Sector**, **Quaternary Sector** or **Quinary Sector**

<p>i</p>  <p>Figure 2: <a href="https://www.quora.com/">https://www.quora.com/</a></p>	<p>ii</p>  <p>Figure 3: <a href="https://stratford101.weebly.com">https://stratford101.weebly.com</a></p>	<p>iii</p>  <p>Figure 4: <a href="https://www.westerncape.gov.za/your_gov">https://www.westerncape.gov.za/your_gov</a></p>
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- A
  - i. Quinary Sector
  - ii. Quaternary Sector
  - iii. Tertiary Sector
- B
  - i. Quinary Sector
  - ii. Tertiary Sector
  - iii. Quaternary Sector
- C
  - i. Tertiary Sector
  - ii. Quaternary Sector
  - iii. Quinary Sector
- D
  - i. Tertiary Sector
  - ii. Quaternary Sector
  - iii. Tertiary Sector

12. Identify one characteristic of a formal sector business.

- A Registered with Companies and Intellectual Property Commission (CIPC).
- B Does not pay tax, but is registered with Companies and Intellectual Property Commission (CIPC).
- C Does not pay tax and does not have a fixed location.
- D Not registered with Companies and Intellectual Property Commission (CIPC).

13. Differentiate between primary and secondary sector activities.

- A Primary sector involves the production of finished goods used by the secondary sector in the retrieval of raw materials.
- B Primary sector involves the selling of goods produced in the secondary sector.
- C Secondary sector involves the extraction of natural resources.
- D Primary sector involves the retrieval and production of raw materials used by the secondary sector in the production of finished goods.

14. Determine the links between sectors

- A None of the sectors use financial services, but rely on the bartering system.
- B Primary and secondary sectors use transportation services and the secondary sector uses storage only.
- C All sectors use transportation, storage and financial services.
- D Primary and secondary sectors use storage services and only the secondary sector uses financial services.

### Topic: Economic Systems

15. Compare planned versus market economies

- A A planned economy is one in which economic activities are governed by individual entrepreneurs. Market economy is one in which economic activities are governed by the government.
- B A planned economy is one in which economic activities are governed by the government. Market economy is one in which economic activities are governed by the market forces of supply and demand.
- C Free markets with state interventionism, or private enterprise with public enterprise.
- D Planned and market economies are economies where activities are governed by the market forces of supply and demand.

16. Explain how improvements in communication have affected globalisation.

- A Communication is simply the act of transferring information from one place, person or group to another.
- B Communication involves (at least) one sender, a message and a recipient.
- C The formation of communicative motivation or reason. Message composition. Message encoding.
- D Communication allows businesses in developed countries to invest in developing countries.

Pope Pius XI made the following statement: that government "should supply help to the members of the social body, but may never destroy or absorb them".

(<https://en.wikipedia.org/wiki/>accessed 28/02/2020)

17. Support the above statement by selecting the type of economic system he is referring to.

- A Planned economy
- B Mixed economy
- C Market economy
- D Financial economy



Figure 5: <https://fee.org/articles/4-common-capitalism-myths-debunked/>

18. Justify the criticism of capitalism by referring to the above cartoon.

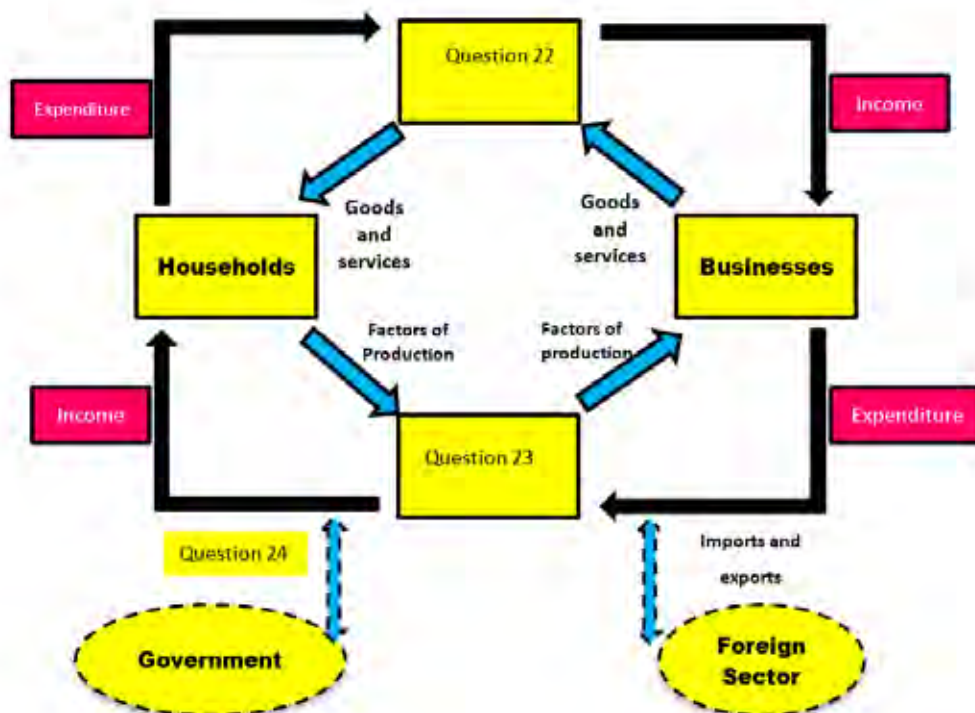
- A Capitalists' control of production will be affected negatively because workers are overworked.
- B People and companies make most of the decisions.
- C A price system and competitive markets.
- D Country's trade and industry are controlled by private owners for profit, rather than by the state.

19. Select one advantage of a market economy.
- A Competition leads to efficiency within businesses.
  - B Inequitable distribution of wealth.
  - C Poorer work conditions.
  - D Environmental degradation.

### The circular flow

20. Give examples of participants in the circular flow model.
- A Population under the age of 12 years.
  - B Financial institutions and the foreign sector.
  - C Population under the age of 12 years and the foreign sector.
  - D None of the above.
21. Predict the outcome if households were to be taken out of the circular flow of a closed economy.
- A No tax income for infrastructure development.
  - B No labourers to transform factors of production.
  - C No economic development would be possible.
  - D All of the above.

The following diagram is to be used to answer Questions 22, 23 and 24.



22. Label the block number 'Question 22'.
- A Market for goods and services
  - B Goods and services
  - C Factors of production
  - D Market for the factors of production
23. Label the block number 'Question 23'.
- A Market for goods and services
  - B Goods and services
  - C Foreign income for goods and services
  - D Market for the factors of production

24. Explain the impact of the activity at number 'Question 24' as illustrated in the diagram.

- A Without foreign income, no service delivery would be possible.
- B No labourers to produce goods and services.
- C No population growth.
- D Without the payment of taxes, no service delivery would be possible.

## Entrepreneurship

Use the following picture to answer Questions 25, 26 and 27.



Figure 6: <https://www.fearlessmotivation.com>

25. Identify the famous entrepreneur in the picture.

- A Bill Gates
- B Elon Musk
- C Mark Zuckerberg
- D Steve Jobs

26. Outline what he is famous for.

- A Apple designer
- B Development of Google
- C Development of Windows
- D Founder of Tesla Motors and SpaceX

27. Identify the entrepreneurial characteristic depicted in the quote.

- A Creative
- B People person
- C Determination
- D Extrovert personality

28. Are entrepreneurs more left- or right brain orientated?

- A Right side, as this is the problem-solving side of the brain.
- B Left side is the practical, safe thinking side of the brain.
- C Left side, as this is the problem-solving side of the brain.
- D Right side is the practical, safe thinking side of the brain.

29. Justify the performance of a feasibility study by an entrepreneur.

- A Evaluate the result.
- B Helps you to determine the practical viability of the business idea.
- C Helps you to determine the employee skill levels.
- D Look at alternatives.

30. Identify the first step in the problem-solving cycle.

- A State the problem
- B Set goals
- C Select a possible solution
- D Explore possible strategies

# PROVERTO EMS OLYMPIAD 2020 – GRADE 10

Subject: Business Studies

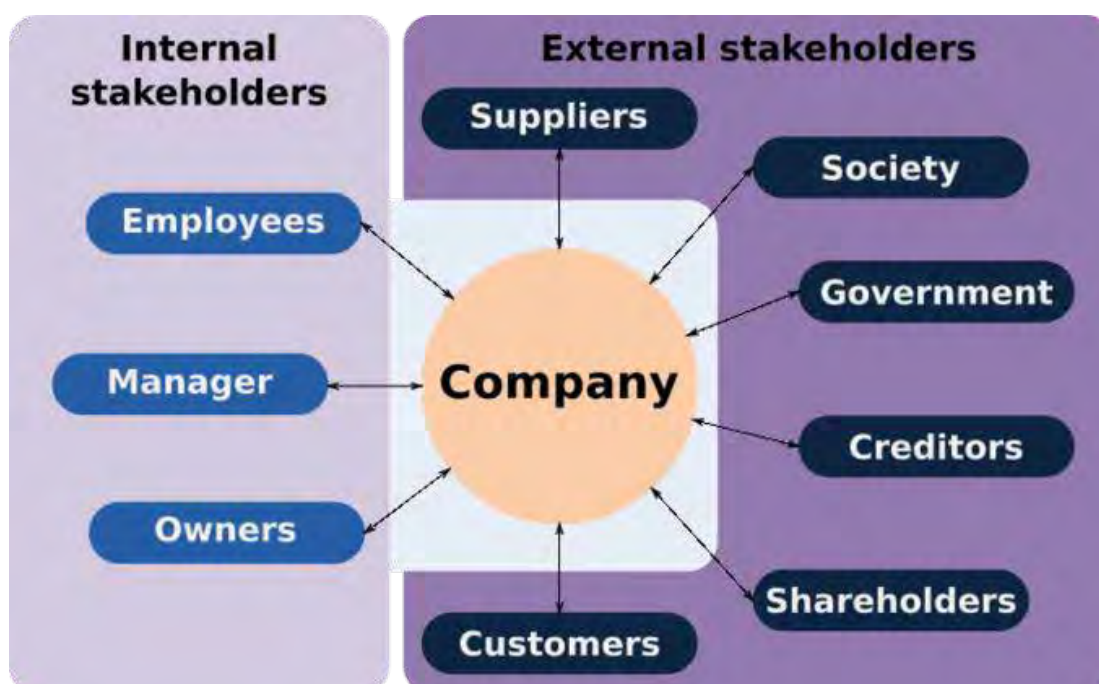
ROUND 2

Business Environments

Use the extract below and answer Questions 1 and 2.

Looking forward, we estimate **Unemployment Rate** in **South Africa** to stand at 34.00 in 12 months' time. In the long term, the **South Africa Unemployment Rate** is projected to trend around 34.30 per cent in 2021 and 34.60 per cent in 2022, according to our econometric models.  
<https://tradingeconomics.com/south-africa/unemployment-rate>, accessed 22/07/2020)

1. Unemployment is a macro environment issue. How does this affect the market environment?
  - A Less tax available to government.
  - B Less customers available, as less disposable income is available.
  - C Increase in customers as demand for goods increases.
  - D No effect on market environment.
  
2. Unemployment is a macro environment issue. How does this affect the micro environment?
  - A Increase in production as demand increases for goods and services.
  - B Decrease in production as demand increases for goods and services.
  - C Increase in production as demand decreases for goods and services.
  - D Decrease in production as demand decreases for goods and services.
  
3. The diagram below indicates:



- A that the market environment has the potential to influence, to a large degree, how a business is run internally.
  - B that the micro environment has the potential to influence, to a large degree, how a business is run internally.
  - C that the macro environment has the potential to influence, to a large degree, how a business is run internally.
  - D None of the above.
4. What does the abbreviation PESTLE refer to?
- A Market environmental factors
  - B Macro environmental factors
  - C Micro environmental factors
  - D Tertiary environmental factors

## Business Functions

Use the picture below and answer Questions 5 and 6.



Figure 1: <https://victoriarollison.com/2014/12/06/abbotts-narrative-and-false-advertising/>

5. The above picture is an example of unethical marketing. How does this affect the market environment?
- A Culture of mistrust is created between customers and business.
  - B Customers have come to expect unethical marketing and are okay with this.
  - C A culture of trust is created between business and suppliers.
  - D There will be no direct effect on the market environment.
6. Which legislation is affected by unethical marketing?
- A Customer Penalty Act
  - B Consumer Prevention Act
  - C Customer Prevention Act
  - D Consumer Protection Act



7. The minimum wage for the country is discussed in the Basic Conditions of Employment Act. This act has major consequences for the Human Resource manager. What is the minimum wage for South African labour?
- A R50 per hour
  - B R100 per hour
  - C R20 per hour
  - D R10 per hour
8. The Human Resources department at Coca-Cola's head office in South Africa is primarily there to:
- A consolidate all the business activities and functions in order to have a strong workforce.
  - B ensure that syrup is purchased at the right time and place for the workforce to distribute.
  - C include all activities necessary to make an effective and motivated workforce.
  - D none of the above.
9. The following statement is false. Correct the **words in bold** to make it true.
- The **financial function** is responsible for creating a favourable image for the business.
- A Marketing
  - B General Management
  - C Public Relations
  - D Administration

## Business Sectors

10. What was the South African economic growth rate during the first quarter of 2020?
- A - 2%
  - B 2%
  - C - 5%
  - D 5%
11. Coca-Cola can be seen as a business functioning in the \_\_\_\_\_.
1. primary sector
  2. tertiary sector
  3. secondary sector

Choose the correct option:

- A 1 and 2
- B all of the above
- C 2 and 3
- D none of the above

Use the extract below and answer Questions 12, 13 and 14.

Since the start of the nationwide COVID-19 lockdown, South Africans have been forced to make more than a few adjustments and have had to make do without some basic products at the various stages of the lockdown, including alcohol, tobacco and fast food.

The ban on the sale of these simple luxuries may in fact be far from a mere inconvenience – it could be driving South Africa into an even deeper economic hole.

<https://businesstech.co.za/news/finance/416987/how-much-money-government-is-losing-in-tax-each-month-because-of-south-africas-alcohol-and-tobacco-ban/>, accessed 22/07/2020)

12. How much revenue has SARS lost in sin taxes since the start of the national lockdown?
- A R1.7 billion
  - B R1.7 million
  - C R170 000
  - D R1 700 000
13. How much UIF has been paid out during the national lockdown?
- A R6 million
  - B R6 billion
  - C R60 000
  - D R600 000
14. Which sector has seen the most job losses during the COVID-19 pandemic?
- A Manufacturing sector
  - B Primary sector
  - C Service sector
  - D Mining sector
15. About \_\_\_ of the South African adult population have been infected with HIV.
- A Between 10 and 15%
  - B Between 18 and 20%
  - C Between 25 and 30%
  - D Between 30 and 40%
16. Which one of the following could affect a tertiary sector business using a lot of technology?
- A Load shedding
  - B Poverty
  - C HIV/AIDS
  - D Unemployment
17. Since the start of the national lockdown, what has the unemployment rate increased to?
- A 27%
  - B 20%
  - C 15%
  - D 30%
18. How much money has been donated to the solidarity fund since the start of the national lockdown?
- A R1 billion
  - B R3 billion
  - C R3 million
  - D R300 000
19. What type of activities take place in the quaternary sector?
- A Extraction of resources
  - B Intellectual and knowledge-based activities
  - C Manufacturing goods
  - D Corporate Spending Relief

# Entrepreneurship

Use the pictures below and answer Questions 20 and 21.

Picture A



Picture B



20. Identify the definition that best describes the type of entrepreneur in picture A.
- A Entrepreneurial and intrapreneurial activities of both existing and nascent companies operating in technology-intensive environments.
  - B Entrepreneurs that develop, fund and implement solutions to social, cultural, or environmental issues.
  - C Identifies gaps in the tourism industry and then offers goods and services to fill these gaps.
  - D None of the above
21. Identify the definition that best describes the type of entrepreneur in picture B.
- A An entrepreneur that operates within an existing business.
  - B Entrepreneurs that develop, fund and implement solutions to social or cultural issues.
  - C Identifies gaps in the tourism industry and then offers goods and services to fill these gaps.
  - D Entrepreneurship being applied to create businesses that solve environmental problems or operate sustainably.
22. Which of the following is not a South African-born entrepreneur?
- A Richard Branson
  - B Elon Musk
  - C Mark Shuttleworth
  - D Patrice Motsepe
23. The remuneration of entrepreneurial resources.
- A Assets
  - B Income
  - C Interest
  - D Profit



24. State whether each of the following situations represents strength, a weakness, an opportunity or a threat for an entrepreneur.
1. Updated, expensive technology
  2. Hardworking, dedicated employees
  3. Fast market growth
  4. Increase in competition
- A
1. Threat
  2. Strength
  3. Opportunity
  4. Threat
- B
1. Weakness
  2. Opportunity
  3. Strength
  4. Weakness
- C
1. Opportunity
  2. Weakness
  3. Threat
  4. Opportunity
- D
1. Strength
  2. Weakness
  3. Opportunity
  4. Threat

## Forms of Ownership

Use the extract below to answer Questions 25, 26 and 27.

John and Sue opened their Italian restaurant in 2016. They each invested R50 000 into the business and they signed a contract defining their respective roles in the restaurant. John is in charge of the day-to-day operations and Sue is in charge of all financial decisions.

25. Identify the form of ownership discussed in the extract.
- A Sole proprietor  
B Public company  
C Partnership  
D Close corporation
26. What would one advantage be of this form of ownership identified in Question 25?
- A Easy to establish as the business is not registered.  
B Slow decision making.  
C Tax rate of 42%.  
D Growth is limited.
27. What would the legal implications be for Sue if John was unable to pay back his debt?
- A Sue and John will go to jail.  
B Sue and John are jointly and severally liable for all debt.  
C Sue will lose her share in the restaurant.  
D None of the above.

28. Explain the term “Voetstoots”.
- A A sale without guarantee or warranty; at the buyer's risk.
  - B Unregistered business.
  - C A business that does not pay income tax.
  - D Buying second-hand goods
29. What is the maximum amount of tax payable on the progressive tax system?
- A 50%
  - B 40%
  - C 36%
  - D 45%
30. How many partners are allowed to form a Partnership?
- A Two to ten
  - B Three to unlimited
  - C Two to unlimited
  - D Three to ten



For more information  
SMS “Name, Surname and Olympiad” to 41721

# MEMORANDUM

	ANSWER
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	LOWER LEVEL
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	MODERATE LEVEL
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	HIGHER LEVEL
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## ROUND ONE: 30 Questions

TOPICS		A	B	C	D
BUSINESS ENVIRONMENT	1.				
	2.				
	3.				
	4.				
BUSINESS FUNCTIONS	5.				
	6.				
	7.				
	8.				
	9.				
BUSINESS SECTORS	10.				
	11.				
	12.				
	13.				
	14.				
	15.				

TOPICS		A	B	C	D
ECO-NOMIC SYSTEMS	16.				
	17.				
	18.				
	19.				
THE CIRCULAR FLOW	20.				
	21.				
	22.				
	23.				
	24.				
ENTREPRENEUR-SHIP	25.				
	26.				
	27.				
	28.				
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	30.				

	ANSWER
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	LOWER LEVEL
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	MODERATE LEVEL
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	HIGHER LEVEL
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## ROUND TWO: 30 Questions

	A	B	C	D
1.				
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