higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

(1011032)

22 November 2024 (Y-paper)
13:00–16:00

This question paper consists of 11 pages and a 1-page answer sheet.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
AGRIBUSINESS
NQF LEVEL 2
TIME: 3 HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each section on a new page.
5. Use only a black or blue pen.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 Pieces of paper that record money spent and money paid into a business:

A Source documents
B Balance sheet
C Petty cash
D Production record

1.1.2 Money that is used to pay for minor things in a business:

A Income statement
B Petty cash
C Assets
D Gross income

1.1.3 The uppermost layer of a soil horizon that consists of fresh and decaying plant residue/organic materials:

A O-horizon
B B-horizon
C C-horizon
D Bedrock

1.1.4 Integration of plants and livestock on the same farm:

A Mixed farming
B Grazing farming
C Livestock farming
D Permaculture

1.1.5 People who have the authority to sign a cheque for money to be withdrawn from the bank:

A Debtors
B Creditors
C Owner's equity
D Signatories

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1.1.6 Card with the stock code, quantities of received and issued items and balanced stock:

A Storage box
B Issue notes
C Stock bin card
D Stock ledger card

1.1.7 Contain all inputs required for a farming enterprise and how much is being produced:

A Production records
B Fresh produce records
C Health records
D Mortality records

1.1.8 Farm expenses involved in producing broiler chickens, Swiss chard and tomatoes:

A Inventory costs
B Environmental costs
C Petty Cash
D Input costs

1.1.9 A safety sign that indicates that an action or activity is not permitted:

A Mandatory sign
B Warning sign
C Stop and prohibition sign
D Danger sign

1.1.10 Estimated market value of an asset at the end of its useful life:

A Lifetime
B Salvage value
C Book value
D Depreciation

(10 × 1) (10)

1.2 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 The cheque counterfoil is the piece of paper left in a chequebook after tearing out a cheque.

1.2.2 A withdrawal refers to money put into a bank account.

1.2.3 An inventory is also known as an asset register.

1.2.4 Journals are recorded on a daily basis.

1.2.5 A financial statement that shows the profitability of a business enterprise is called an income statement.

1.2.6 Depreciation is the decline in value of an asset.

1.2.7 Current assets can be converted to cash in a short period.

1.2.8 Pictograms are safety signs in a workplace.

1.2.9 Filing is a systematic way of storing financial documents.

1.2.10 A mortgage bond is an example of current liabilities.

(10 × 1) (10)

1.3 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–M) next to the question number (1.3.1–1.3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.3.1	Length of time over which an asset will be used to generate money	A	prepaid expenses
1.3.2	Source of potential harm or damage or a situation with the potential for harm or damage	B	cash method
1.3.3	Estimate of income and expenditure for a set period	C	owner's equity
1.3.4	Buildings, land and dams are examples of … capital items.	D	expenditure
1.3.5	Safety guidelines for workers and employers on a farm	E	hazard
1.3.6	Production inputs, items and services paid for during the accounting period but not yet received	F	useful life
1.3.7	Record of income only when receiving cash from customers	G	demand
1.3.8	Amount of money the owner invested in the farming business	H	cash flow budget
1.3.9	All money that flows out of a business	I	income statement
1.3.10	Quantity of goods that producers are prepared to sell at a certain price	J	fixed asset
		K	supply
		L	market equilibrium
		M	Occupational Health and Safety Act

(10 × 1) (10)

[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1 Complete the cash flow statement of Boxer Farming Enterprise from July to October 2022 by writing only the answer next to the question number (2.1.1–2.1.12) in the ANSWER BOOK.

CASHFLOW STATEMENT				
Bank Balance (beginning of the month)	0	**2.1.3**	**2.1.6**	**2.1.9**
CASH RECEIVED				
Maize	5000	0	**2.1.7**	6000
Vegies	5000	8000	5000	**2.1.10**
Livestock	8000	3000	2000	7000
Oranges	**2.1.1**	5000	4000	4500
Other Income	3000	0	3000	400
Total Cash available	**28000**	**2.1.4**	**32000**	**29000**
CASH PAYMENTS				
Fuel	**2.1.2**	850	1000	1800
Fertiliser	6500	3500	6900	7300
Transport	2000	1700	**2.1.8**	1200
Income tax	2500	1350	1400	1300
Seedlings	1500	0	1500	1050
Veterinary bill	2800	**2.1.5**	2500	0
Total Cash Payments	**18000**	**9050**	**23000**	**2.1.11**
Bank Balance (end of the month)	**2.1.3**	**2.1.6**	**2.1.9**	**2.1.12**

(12 × 1) (12)

2.2 Give FIVE reasons to keep the financial records of a business venture. (5)

2.3 2.3.1 Name TWO basic accounting methods used in a business venture. (2)

2.3.2 Briefly differentiate between the two accounting methods named in QUESTION 2.3.1. (2 + 2) (4)

2.4 In today's global marketplace, the price customers are willing to pay for a product or service is based on their perceived value. Adding value to a company's products and services is helpful to both the employer and customers. Brian Farming Enterprise produces broilers and sell it to the local markets.

2.4.1 Give THREE ways in which Brian Farming Enterprise can add value to broilers. (3)

2.4.2 Define the term *gross margin*. (2)

2.5 Explain the term *semiskilled labour force*. (2)
[30]

QUESTION 3

3.1 3.1.1 Briefly explain THREE procedures to safeguard petty cash. (3 × 2) (6)

3.1.2 Name the THREE main columns of a petty cash journal. (3)

3.2 Name ONE type of business bank account from which payments can be made. (1)

3.3 The following shows the production costs of the cucurbits on Struss Farming Enterprise:

Lease payment	R300,00
Seeds and seedlings	R4 500,00
Fertiliser	R540,00
Interest paid	R780,00
Salaries	R7 500,00
Wages	R5 000,00
Insurance	R320,00
Depreciation	R4 500,00

Use the ANSWER SHEET (attached) to answer the following questions:

3.3.1 Categorise each of the costs as fixed or variable costs. (8)

3.3.2 Calculate the total fixed and total variable costs. (2)

3.3.3 Calculate the total production costs for the season. (1)

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3.4 Struss Farming Enterprise deducts 1% from the farm workers' wages to pay to the government UIF. Struss Farming Enterprise also contributes 1% to the fund. Struss Farming Enterprise has a total of 25 employees on its payroll and each employee is paid R2 400,00 per month.

3.4.1 What is the total amount that Struss Farming Enterprise pays its employees per year? (2)

3.4.2 Calculate the total amount of money that Struss Farming Enterprise will subtract from employees' wages to pay into the UIF per year. (2)

3.4.3 Calculate the total amount of money that Struss Farming Enterprise will contribute to the UIF per year. (2)

3.4.4 Calculate the total amount of money that will be paid to the UIF fund for the farm per year. (2)

3.4.5 What does *UIF* stands for? (1)

[30]

QUESTION 4

4.1 Tumelo is a vegetable producer located in northern KwaZulu-Natal. He signed an agreement with the local Shoprite.

4.1.1 Which distribution channel does Tumelo use? (1)

4.1.2 Give THREE advantages of using the type of distribution channel named in QUESTION 4.1.1. (3)

4.2 4.2.1 Give FOUR reasons why an emerging farmer should consider a mixed farming system. (4)

4.2.2 Differentiate between a *subsistence farmer* and a *commercial farmer*. (2 + 2) (4)

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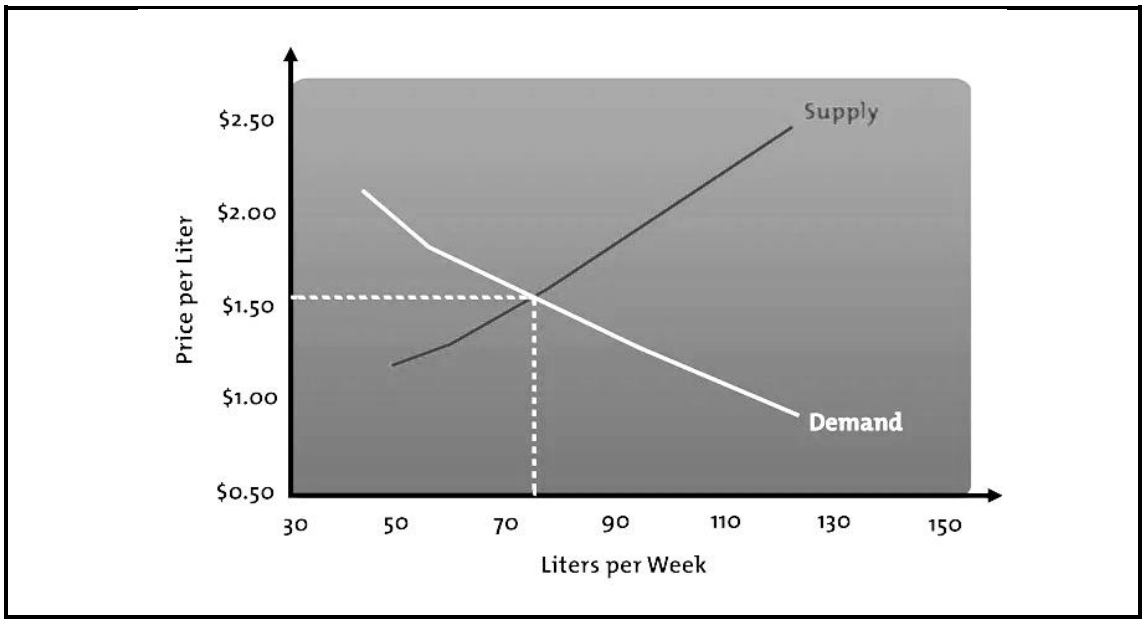
4.3 The following graph depicts demand and supply curves as well as the market equilibrium.



4.3.1 At what price is supply equal to demand? (1)

4.3.2 What is the quantity demanded when the price is at its highest? (1)

4.3.3 What is the quantity supplied when the price is at its highest? (1)

4.3.4 Define the term *demand*. (2)

4.3.5 Briefly explain the *law of supply*. (2)

4.4 Which FIVE factors influence the demand of agricultural produce? (5)

4.5 Define the term *excess demand*. (2)

4.6 Explain each of the following types of farming systems:

4.6.1 Mixed farming system

4.6.2 Grazing system

(2 × 2) (4)

[30]

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QUESTION 5

5.1 Name THREE basic services that a farmer needs to run a business smoothly. (3)

5.2 Give FOUR reasons for buying new instead of used equipment. (4)

5.3 Briefly explain the FOUR production management decisions that a farmer can make to produce agricultural products. (4 × 2) (8)

5.4 Mycotoxin is a poison that is caused by fungi. It can occur in food crops in the field and storage facilities.

5.4.1 Which THREE external factors contribute to mycotoxin infestation? (3)

5.4.2 Briefly explain FOUR good husbandry practices to prevent the mycotoxin contamination of field crops. (4 × 2) (8)

5.5 Differentiate between *annual crops* and *perennial crops*. (2 + 2) (4)

[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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ANSWER SHEET

EXAMINATION NUMBER: | | | | | | | | | | | | |

CENTRUM NUMBER: | | | | | | | | | | |

QUESTION 3

3.3.1

Fixed costs	Value (R)	Variable costs	Value (R)

(8)

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