higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

17 November 2022

This marking guideline consists of 7 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	B
	1.1.2	B
	1.1.3	A
	1.1.4	C
	1.1.5	D
	1.1.6	C
	1.1.7	B
	1.1.8	B
	1.1.9	B
	1.1.10	A

(10 × 1) (10)

1.2	1.2.1	True
	1.2.2	False
	1.2.3	False
	1.2.4	False
	1.2.5	True
	1.2.6	True
	1.2.7	False
	1.2.8	True
	1.2.9	True
	1.2.10	True

(10 × 1) (10)

1.3	1.3.1	J
	1.3.2	E
	1.3.3	F
	1.3.4	L
	1.3.5	C
	1.3.6	A
	1.3.7	D
	1.3.8	G
	1.3.9	B
	1.3.10	I

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

INCOME STATEMENT FOR SENWABARWANA FARMING ENTERPRISE Period: 01/01/2020–01/01/2021					
RECEIPTS	**AMOUNT (R)**		**PAYMENTS**	**AMOUNT (R)**	
Carrots sales	16 500	✓	Bank costs	12 000	✓
Meat sales	54 800	✓	Marketing costs	18 000	✓
Egg sales	26 950	✓	Seeds and seedlings	8 000	✓
Broiler sales	53 780	✓	Income tax	13 000	✓
Goat sales	49 700	✓	Rent	5 000	✓
Onion sales	13 400	✓	Pesticides	13 900	✓
Other vegetables sales	19 000	✓	Fertiliser and lime	7 500	✓
Leased equipment to other farmers	10 900	✓	Contractor costs	1 500	✓
			Fuel and lubricant	23 000	✓
			Insurance and licences	21 800	✓
			Feed	12 300	✓
			Hired transport	44 790	✓
			Repair and maintenance	2 900	✓
			Electricity and water	10 900	✓
			Labour costs	12 500	✓
			Telephone	4 000	✓
Total receipts	245 030	✓✓	**Total payments**	211 090	✓✓
Profit = R33 940✓✓					

[30]

QUESTION 3

3.1 Annual depreciation = $\frac{\text{Cost price – Salvage value}}{\text{Expected life}}$✓

= $\frac{\text{R 250 900 – R 50 180}}{\text{5 years}}$✓✓

= $\frac{\text{R 220 720}}{\text{5 years}}$✓

= R40 144 per annum✓ (5)

3.2
Book value end of year 1	= R 210 756✓
Depreciation year 2	= R 40 144
Book value end of year 2	= R 170 612✓
Depreciation year 3	= R 40 144
Book value end of year 3	= R 130 468✓
Depreciation year 4	= R 40 144
Book value end of year 4	= R 90 324✓
Depreciation year 5	= R 40 144
Book value end of year 5	= R 50 180✓

OR

Book value = cost price – accumulated depreciation✓

= 250 900 – [40 144 × 5 years] ✓✓

= 250 900 – 200 720✓

= R50 180✓ (5)

3.3
- It is simple✓ and easy to understand and apply.✓
- Depreciable cost is distributed✓ over the useful life✓ of the asset.
- The comparison of profits✓ for different years becomes easy.✓
- It is suitable for assets with a fixed working life.

(OR any THREE other relevant answers) (Any 3 × 2) (6)

3.4
- The actual asset usage✓ is often ignored.✓
- It ignores maintenance and other costs✓ as the asset ages.✓
- Opportunity cost of money invested in buying the asset is often not considered.
- It may be challenging to determine the scrap value after a long time.

(OR any TWO other relevant answers) (Any 2 × 2) (4)

[20]

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QUESTION 4

4.1
- Marketing is the action or business of promoting and selling products or services
- including market research and advertising. (2)

4.2
- A market is nothing but a place where potential buyers and sellers meet
- to exchange the goods and service. (2)

4.3

ITEM	PRODUCT	PRICE	PROMOTION	PLACE	PEOPLE
Message			**X**		
Selling price		**X**			
Warranty	**X**				
Distribution channels				X✓✓	
Quality	X ✓✓				
Price matching services		X✓✓			
Location				X✓✓	
Media			X✓✓		
Advertising			X✓✓		
Transporting goods				X✓✓	
Branding and labelling			X✓✓		

(8 × 2) (16)
[20]

TOTAL SECTION B: 70

SECTION C

QUESTION 5

5.1 5.1.1 Contract marketing (1)

5.1.2
- Volume and price of the produce can be guaranteed before sale.
- Marketing margins can be reduced.
- The farmer may get high prices. (3 × 1) (3)

5.2
- The farmer may have difficulty transporting the produce.
- The farmer may have to be flexible on pricing.
- The quality of the produce has to be high.
- The farmer should ensure a constant supply of produce. (4 × 1) (4)

5.3 5.3.1 30 weeks (2)

5.3.2 $\frac{51}{100} \times 3\,000\checkmark = 1\,530\checkmark\checkmark$ (3)

5.3.3 $\frac{59}{100} \times 3\,000\checkmark = 1\,770\checkmark\checkmark$ (3)

5.4
- Weather
- Natural factors
- Profit margin
- Price of inputs
- Production costs
- Technology
- Number of suppliers
- Stability of products
- Period of products
- Difficulties in increasing supply of products
- Period of production
- Price of other competitors (Any 4 × 1) (4)

[20]

QUESTION 6

6.1 6.1.1
- Permanent labour
- Temporary labour/Seasonal Labour (2)

6.1.2
- Shortage or scarcity of labour
- Industrial competition/Competition from industries
- Lack of training
- Poor labour management (Any 3 × 1) (3)

6.2
- Communication guide with customers.
- Identification of opportunities and threats in the market place.
- Minimises business risk.
- Uncovers and identification of problems in the market place.
- Helps the farmer to find out what consumers and customers are looking for.
- Helps the farmer to evaluate sales potential and feasibility of business ideas. (Any 4 × 1) (4)

6.3
- Land
- Labour
- Capital
- Entrepreneurship/management (4)

6.4
- Grazing farming is a system based almost exclusively on livestock✓ production with little or no integration✓ with crops.
- Mixed farming is a system where crops and livestock production✓ are integrated✓ on the same farm. (4)

6.5 6.5.1
- Sweet veld
- Sour veld
- Mixed veld (3)

6.5.2
- Sweet veld – These grasses can be eaten all year round.
- Sour veld – These grasses can only be eaten during season.
- Mixed veld – A mixture of grasses from the sweet and sour veld are found in these areas. (3 × 2) (6)

6.6
- Planning
- Organisation
- Leading
- Control (4)

[30]

TOTAL SECTION C: 50
GRAND TOTAL: 150

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