higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

(1011032)

17 November 2022 (Y-paper)
13:00–16:00

This question paper consists of 10 pages and 2 addenda.

419Q1N2217

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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. QUESTIONS 2 and 4.3 must be answered in the ADDENDA (attached). Write your EXAMINATION NUMBER in the spaces indicated, detach them from the question paper and hand them in with the ANSWER BOOK.
5. Start each section on a new page.
6. Use only a black or blue pen.
7. 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 Daily transactions of the farm are chronologically recorded in the …

A ledger.
B journals.
C trial balance.
D balance sheet.

1.1.2 Seeds, fertilisers and herbicides are examples of … cost items.

A fixed
B variable
C movable
D working

1.1.3 The … is a book that can be used to pay for capital expenses.

A cheque book
B record book
C cash book analysis
D cash book

1.1.4 The … is a financial statement that indicates the value of the farm's assets and debts.

A income statement
B cash flow statement
C balance sheet
D owner's equity

1.1.5 Which record is a permanent summary of all the supporting journals, such as the sales and cash receipts journals and the cash disbursement?

A Trial balance
B Journal entry
C Financial statement
D General ledger

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1.1.6 The law of … states that if all other factors remain constant, the higher the price, few people will buy a particular farm product.

A supply
B marketing
C demand
D capital

1.1.7 … marketing is a type of marketing where a group of farmers get together to sell their products to customers.

A Contract
B Communal
C Farm gate
D Entrepreneurship

1.1.8 … is when the farmer or business spends money now in order to get benefits in the future.

A Salaries
B Investment
C Costs
D Labour

1.1.9 The safest method to store milk on the farm so that it remains fresh while being stored is …

A to keep it in containers.
B by refrigeration.
C to boil the milk.
D to stop milking the cows.

1.1.10 … is a system that evolves as a result of agroecological potential, the relative availability of land, labour and capital and the demand for livestock products.

A Production
B Grazing
C Mixed feeding
D Degradation

(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 One of the components of pricing is costing. ☆

1.2.2 Taxation is the money paid to the government's employees after rendering services to the government.

1.2.3 When growing vegetables, there is no need to suspend the use of certain chemicals a few days before harvesting.

1.2.4 An agent is a person who produces products and sells them to the customers.

1.2.5 Tractor insurance premiums are an example of short-term liabilities.

1.2.6 The maturity index helps to determine whether fruits or vegetables are ready to be harvested. ☆

1.2.7 Supply is the number of products that consumers are prepared to buy at a given price.

1.2.8 The infrastructure refers to the services and built resources that support a farm's economical activities.

1.2.9 It is advisable for farmers to find a potential market before investing funds into farm production.

1.2.10 A report is a written or spoken description that informs people about what has happened. ☆

(10 × 1) (10)

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

COLUMN A		COLUMN B	
1.3.1	Tomatoes ready for packaging and distribution	A	grading
1.3.2	Individuals who purchase and use tomatoes in their homes	B	income statement
1.3.3	Management of farm production, farm resources, human capital, risk, and planning	C	expenditure
1.3.4	A business activity that should be done before anything is produced on a farm	D	contract marketing
1.3.5	Cash incurred by an agribusiness for the production of vegetables or to farm with chickens for the market	E	consumers
1.3.6	Classification of farm products by examining quality features such as colour, size, and shape	F	entrepreneurship
1.3.7	A formal sales agreement between the farmer and certain retailers	G	interest rate
1.3.8	The cost of using borrowed funds	H	product
1.3.9	A financial statement of a farm that indicates profitability in a certain period	I	balance sheet
1.3.10	A financial statement that indicates value of farm assets and the extent of farm liabilities in a certain period	J	finished products
		K	suppliers
		L	market research

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

The information below shows the receipts and payments of Senwabarwana Farming Enterprise for the period 01/01/2020–31/12/2021.

ITEMS	AMOUNTS (R)
Bank costs	12 000
Marketing costs	18 000
Carrot sales	16 500
Seeds and seedlings	8 000
Income tax	13 000
Rent	5 000
Meat sales	54 800
Pesticides	13 900
Fertiliser and lime	7 500
Contractor costs	1 500
Fuel and lubricants	23 000
Egg sales	26 950
Insurance and licences	21 800
Feed	12 300
Broiler sales	53 780
Hired transport	44 790
Goat sales	49 700
Repair and maintenance	2 900
Electricity and water	10 900
Onion sales	13 400
Labour costs	12 500
Money received by leasing equipment to other farmers	10 900
Telephone	4 000
Other vegetables sales	19 000

Use the above information to prepare an income statement for Senwabarwana Farming Enterprise on ADDENDUM A (attached). Some of the information has been entered for you.

Write your EXAMINATION NUMBER in the spaces indicated, detach it from the question paper and hand it in with the ANSWER BOOK. **[30]**

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QUESTION 3

Pieter van der Merwe, a grain farmer in the Western Cape, bought harvesting machinery worth R250 900,00 this morning. The salvage value of the machinery is 20% of the cost price and the machinery has a useful life of 5 years. In addition, the farmer adopted the straight-line method technique to calculate depreciation of assets on his farm. ☆

3.1 Use the above information to calculate the annual depreciation of the machinery. (5)

3.2 What will be the book value of the machinery five years later? Show all the calculations. (5)

3.3 State THREE advantages of the straight-line method. (3 × 2) (6)

3.4 State TWO disadvantages of the straight-line method. ☆ (2 × 2) (4)

[20]

QUESTION 4

4.1 Define the term *marketing.* (2)

4.2 Define the term *market*. (2)

4.3 Complete the table on ADDENDUM B (attached) by indicating under which heading each item belongs. The first THREE items were indicated as an example. ☆

Write your EXAMINATION NUMBER in the spaces indicated, detach it from the question paper and hand it in with the ANSWER BOOK. (16)

[20]

TOTAL SECTION B: 70

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SECTION C

QUESTION 5

5.1 Farmer → Retail store → Consumer

5.1.1 Name the type of marketing channel shown above. (1)

5.1.2 State THREE advantages of the marketing channel shown above. (3)

5.2 State FOUR disadvantages of village marketing. (4)

5.3 Mr Chiloane has 3 000 chickens. He is worried that his birds are not producing enough eggs. The table below gives the standard percentage of birds laying on his farm.

Answer QUESTIONS 5.3.1–5.3.3 with regard to the table below.

Age of chickens in weeks	22	23	24	25	27	30	31	33	39	41	49	56	65	71
Percentage of laying chickens	0	8	39	45	51	79	75	78	60	61	59	63	59	61

[Source: *Farmers Weekly Magazine, 4 January 2009*]

5.3.1 At what age are the laying chickens the most productive? (2)

5.3.2 How many chickens are laying at the age of 27 weeks? (3)

5.3.3 How many chickens are laying at the age of 49 weeks? (3)

5.4 Name FOUR factors that influence the supply of agricultural products. (4)
[20]

QUESTION 6

6.1 Availability of efficient labour is one of the challenges affecting sustainability of agricultural enterprises in South Africa.

6.1.1 Name TWO types of labour in agriculture. (2)

6.1.2 State THREE problems that are related to labour in agriculture. (3)

6.2 State FOUR benefits of market research. (4)

6.3 Name FOUR production factors. (4)

6.4 Differentiate between *grazing system* and *mixed farming system*. (2 × 2) (4)

6.5 Grasses are important indigenous plants for farmers because they can be used as a source of food for grazing animals.

6.5.1 Name THREE main groups of veld grasses. (3)

6.5.2 Briefly describe the THREE main groups mentioned in QUESTION 6.5.1. (3 × 2) (6)

6.6 Name FOUR basic management tasks. (4)

[30]

TOTAL SECTION C: 50
GRAND TOTAL: 150

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

ADDENDUM A

QUESTION 2

INCOME STATEMENT FOR SENWABARWANA FARMING ENTERPRISE **Period: 01/01/2020–01/01/2021**			
RECEIPTS	**AMOUNT (R)**	**PAYMENTS**	**AMOUNT (R)**
Total receipts		**Total payments**	
Profit = _____			

[30]

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

ADDENDUM B

QUESTION 4.3

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

(8 × 2) (16)

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