higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 4

(1011034)

17 November 2022 (X-paper)
09:00–12:00

Calculators may be used.

This question paper consists of 9 pages and 1 answer sheet.

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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. Start each section on a new page.
5. Use only a blue or black 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 Costs that can NOT be used to define fixed costs are costs that …

A remain the same regardless of the volume of output. ☆
B change according to the production level.
C do not alter with small changes in the size of the enterprise.
D last for more than one year.

1.1.2 The extent or size of production that brings about the ability to make a profit is called …

A economies of scale.
B optimisation.
C maximisation.
D productivity. ☆

1.1.3 A business that two or more people start together sharing the costs, risks and profit is called …

A a joint venture.
B sole trading.
C bilateral trade.
D a close corporation.

1.1.4 The transformation of commodities either partially or completely into a form in which they can be consumed is … ☆

A processing.
B producing.
C branding.
D packaging.

1.1.5 … is the biggest expense on a farm.

A Electricity ☆
B Water
C Maintenance
D Labour

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1.1.6 The … is/are responsible for organising and facilitating funding of learnerships in a learnership programme in a specific area of the economy.

A Department of Labour
B employers
C Sector Education and Training Authority
D training providers

1.1.7 The … is NOT part of the set of controllable tactical marketing tools.

A plan
B product
C place
D price

1.1.8 … is a way of communicating the good points of a product and convincing customers to buy it.

A Classification
B Promotion
C Retailing
D Grading

1.1.9 A formal complaint by an employee regarding personal injustice or intrusion on his/her rights at work is called …

A a crime.
B dissatisfaction.
C a grievance.
D a disciplinary action.

1.1.10 CCMA stands for …

A Counselling for Community, Mediation and Arbitration.
B Corporate of Counselling, Mediation and Arbitration.
C Council for Conciliation, Modelling and Arbitration.
D Commission for Conciliation, Mediation and Arbitration.

(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 (1.2.1–1.2.5) in the ANSWER BOOK.

1.2.1 An appeal is an informal request for a decision to be reversed.

1.2.2 An input is a suggestion or idea added to a discussion or process.

1.2.3 When a producer wants to adjust his/her production according to market demand, the time lag between changes in demand and adjustment to supply has a positive effect on the market.

1.2.4 Breakeven yield allows the farmer to know the production yield that will be profitable.

1.2.5 Livestock and supplies are not depreciated.

(5 × 1) (5)

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	A source document that shows how much money was taken from the petty cash to pay for small items	A	Regulations
1.3.2	Money that is used to produce something	B	Net farm income
1.3.3	Stock items that are used and have to be replaced	C	Collateral
1.3.4	Official rules that have to be followed	D	Economies of scale
1.3.5	A person who exchanges commodities for other commodities or money	E	Petty cash voucher
1.3.6	Something you promise to give someone if you cannot repay the money they lend you	F	Cost behaviour pattern
1.3.7	The trend of costs spent to produce a certain crop	G	Stocking density
1.3.8	Gross farm income minus total farm expenditure	H	Input cost
1.3.9	Reduction in cost of producing something gained by increasing level of production	I	Fixed contract
1.3.10	The number of animals on a grazing area	J	Trader
		K	AgriSeta
		L	Consumables

(10 × 1) (10)

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1.4 Complete the following sentences by writing only the missing word or words next to the question number (1.4.1–1.4.5) in the ANSWER BOOK.

1.4.1 … is the value of people and their skills.

1.4.2 When a business does not have enough cash available to pay the accounts and expenses it is supposed to pay at that time, it is in a/an …

1.4.3 An appendix is a short additional section at the end of a book or a document. Such additions can also be called …

1.4.4 … is when you are looking at costs and income to decide whether or not you are making a profit and whether or not your business is viable.

1.4.5 A/An … is an accounting record that shows the financial position of a business at a certain date by providing a statement of assets and liabilities.

(5 × 1) (5)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1

The Covid-19 pandemic has affected the agricultural industry worldwide. To curb the spread of the disease, some farmers are applying mandatory vaccination rules to their farm workers, failure to which the workers may risk losing their jobs.

However, some of the workers are reluctant to be vaccinated due to misinformation about the vaccines. The farm workers are not happy with the employers' move on forced vaccination as they allege unfair discrimination by the employers. Absenteeism has also increased due to Covid-19 infections resulting in low production.

2.1.1 Explain what is meant by the term *unfair discrimination*. (4 × 1) (4)

2.1.2 What would the workers have to do to make their dissatisfaction about the forced vaccination known to management? (1 × 2) (2)

2.1.3 State FIVE typical grievances that employees may have at work. (5)

2.1.4 State EIGHT situations in which the farm workers can take family responsibility leave. (8 × 1) (8)

2.1.5 Covid-19 has negatively affected the South African farming businesses. Provide SIX reasons to justify the statement. (6×1) (6)

2.2 Worker retention is a challenge for farmers. Suggest FIVE ways in which farmers can ensure successful worker retention. (5 × 1) (5)

[30]

QUESTION 3

The information below applies to Takealot Enterprise as at December 2022. The value of the assets of the farming enterprise were as follows:

PRODUCT	RAND
Pig	100 000
Land	500 000
Fixed improvements	400 000
Goats for breeding	150 000
Slaughtered goats ready for sale	65 000
Goat feed purchased but not used	85 000
Isuzu bakkie	75 000
Nissan truck	140 000
Harvester	160 000
Fuel in tank	40 000
Bank loan	95 000
Bank overdraft	80 000

Additional information on the farming enterprise as of 28 February 2022:

- A bank loan is payable in 72 months.
- Balance of the bond at Land Bank is R460 000.
- R60 000 has been reserved as a fixed deposit at Nedbank.
- Eskom account paid in advance is R15 000.
- Outstanding loan on the Nissan truck is R100 000.
- The municipality water account is in arrears with R5 000.
- Roots Meat owes R14 000 for pork delivered.

Use the ANSWER SHEET (attached) to complete the balance sheet.

NOTE: For every incorrect entry, a mark will be deducted.

Write your EXAMINATION NUMBER on the ANSWER SHEET, detach it from the question paper and hand it in with the ANSWER BOOK.

[30]

QUESTION 4

4.1 The table below shows the guidelines regarding the taxable income and tax rates. Nkosinathi and Ruth work for the same company and both earn R145 000,00 per year. Nkosinathi is 40 years old and Ruth is 66 years old. Assume there are no allowable deductions.

Calculate the amount of tax payable by Nkosinathi and Ruth.

Show all the calculations.

TAXABLE INCOME	TAX RATES
R	R
0 - 112 500	18% of every R1
112 501 - 180 000	20 250 + 25% of the amount over 112 500
180 001 - 250 000	37 125 + 30% of the amount over 180 000

Primary rebate:	R7 740, 00
Additional rebate for persons 65 years or older:	R4 680, 00

[Source: *SARS*] (12)

4.2 4.2.1 Name and explain the FOUR factors of the marketing mix. (4 × 2) (8)

4.2.2 Describe how storage can be effectively used as a marketing tool for a dry bean farmer? (1 × 2) (2)

4.3 Give FOUR reasons why the balance of the cash analysis book differs from the bank statement. (4 × 2) (8)

[30]

QUESTION 5

5.1 Market research gives the farmer more information about the market for the goods that will be produced or services that will be offered.

5.1.1 Name FOUR items provided by market research. (4 × 1) (4)

5.1.2 State FIVE stages involved in marketing. (5 × 1) (5)

5.2 Explain any FOUR rules that business owners can employ to make cash control easier. (4 × 1) (4)

5.3 Record keeping is very important in running a business.

Describe any FOUR benefits of record-keeping. (4 × 1) (4)

5.4 State THREE ways in which the prices of products can be set. (3 × 1) (3)

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5.5 Ruth wants to apply for a loan to increase her profit margin. Using the information provided below, calculate the amount available for the new loan.

Show all the calculations.

Gross farm Income	=	R800 000
Total farm overhead costs	=	R150 000
Non-farm income	=	R120 000
Income tax to be paid	=	R124 300
Salaries	=	R110 000

(10 × 1) (10)
[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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ANSWER SHEET

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

QUESTION 3

BALANCE SHEET OF TAKEALOT FARM ENTERPRISE AS AT 31 DECEMBER 2022

ASSETS	R	LIABILITIES	R
Fixed assets		**Long term liabilities**	
Total fixed assets		**Total long-term liabilities**	
Medium-term assets		**Medium-term liabilities**	
Total medium-term assets		**Total medium-term liabilities**	
Current assets		**Current liabilities**	
Total current assets		**Total current liabilities**	
TOTAL ASSETS		**TOTAL LIABILITIES**	
		Capital net worth	
BALANCE		**BALANCE**	

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