higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 4

(1011034)

28 November 2023 (X-paper)
09:00–12:00

Calculators may be used.

This question paper consists of 9 pages and 2 answer sheets.

405Q1N2328

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
AGRIBUSINESS
NQF LEVEL 4
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

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 (1.1–1.10) in the ANSWER BOOK.

1.1 A … is someone who owes the business money.

A manager
B debtor
C farmer
D creditor

1.2 A product or raw material that can be purchased or sold is known as …

A by-product.
B gross domestic product.
C inventory.
D commodity.

1.3 The price at which you must sell your produce to cover your production costs at a certain output level is referred to as …

A variable price.
B equilibrium.
C breakeven price.
D output price.

1.4 Except for …, the following are conditions to consider before applying for a loan.

A interest
B returns
C repayment capacity
D risk factors

1.5 Which of the following is not included in the preparation of a farm budget?

A An enterprise budget
B A cash flow budget
C An income statement
D An overdraft

1.6 To pay off gradually, usually by periodic payments of principal and interest.

A Amortisation
B Redemption
C Depreciation
D Insolvent

1.7 A measure of a worker's or a group of workers' confidence and zeal at a specific moment is …

A enthusiasm.
B perception.
C moral.
D passion.

1.8 A way for a worker to let their employer know if they are not satisfied with something is through a/an …

A appeal.
B grievance.
C arbitration process.
D plea.

1.9 Which of the following is NOT one of the FOUR marketing tools used by a business to respond to its target market?

A Plan
B Product
C Place
D Price

1.10 Even though ownership of the crop produce is passed on to the buyer upon delivery, this contract permits the seller to set the price at a later time:

A Basic contract
B Fixed-price contract
C Delayed-payment contract
D Deferred-price contract

(10 × 1) **[10]**

QUESTION 2

Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (2.1–2.5) in the ANSWER BOOK.

2.1 An annual leave period of 21 consecutive days is granted to farm workers.

2.2 Long-term credit is repayable over one to five years.

2.3 Learnerships have an age restriction.

2.4 The greater your debt, the less interest you must pay.

2.5 All agricultural products are subject to a 15% value-added tax.

(5 × 1) **[5]**

QUESTION 3

Choose a/an term/item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–L) next to the question number (3.1–3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1	An investment made to reduce the risk of negative price movements	A	silo
3.2	A direction in which a situation is often developing or changing	B	fixed costs
3.3	The difference between net sales and the cost of the sold merchandise	C	marketing
3.4	A tall grain storage tower	D	incorporate
3.5	Sensible in managing specific matters	E	trend
3.6	Costs are incurred at the farm, regardless of whether production occurs or not	F	hedge
3.7	To combine or be absorbed into something already existing to form a single entity	G	gross margin
3.8	Income that can be spent and is not set aside for a specific purpose	H	disposable income
3.9	A figure of speech that refers to rules that have been proven to work well over time	I	solvency
3.10	The pursuit of needs and wants by people through an exchange process	J	credit purchase
		K	prudent
		L	rule of thumb

(10 × 1) **[10]**

QUESTION 4

Complete the following sentence or sentences by writing only the missing word or words next to the question number (4.1–4.5) in the ANSWER BOOK.

4.1 Someone who provides emerging farmers with agricultural and business advice and training is called … .

4.2 The number of animals on a grazing field is called … .

4.3 Money … in real value over time due to inflation.

4.4 … refers to being responsible for your decisions or actions and being expected to give reasons when asked.

4.5 Potential customers who just decided to enter your store or stall when passing by are referred to as … .

(5 × 1) **[5]**

TOTAL SECTION A: 30

SECTION B

QUESTION 5

5.1 Read the text below and answer the following questions:



[Source: *www.google/images.co.za*]

Learnerships are legal agreements between an employer, a learner, and a training provider. This agreement is intended to define the tasks and responsibilities of the employer, learner and training provider in order to ensure that the necessary work experience is provided.

5.1.1 What is a *learnership*? (2)

5.1.2 Mention TWO incentives that employers receive to assist them in funding learnerships. (2)

5.1.3 Who should an employee contact if they believe that their grievances have not been resolved? (1)

5.1.4 Briefly describe the CCMA's mission and functions. (6)

5.2 Before starting a project, it is critical to determine whether there is a market for the goods or services that will be produced or provided. Market research is required to obtain more accurate information about the business risk.

5.2.1 Name and discuss in detail the TWO main methods of obtaining information for market research and provide TWO examples for each. (14)

5.2.2 Identify FIVE types of market research information. (5)
[30]

QUESTION 6

6.1 There are several factors to consider when making a business decision. Identify SIX of these factors. (6)

6.2 6.2.1 Sammy has decided to register as a tax vendor because she believes it will allow her to charge 15% VAT on the bottles of pickled chillies, resulting in an extra profit of R5,20 per bottle. Is this right? Explain. (5)

6.2.2 Discuss why many people believe VAT is a fair taxation system. Please provide TWO reasons. (4)

6.3 Mrs Mthembu is a broiler farmer in Newcastle with slaughter and processing facilities. She purchases packaging containers in Ladysmith and stores them in a storeroom. The workers in her abattoir wear protective clothing but no facemasks.

The carcasses are washed with tap water during processing. The carcasses are then prepared by the labourers in the same room, beginning with the removal of feathers and ending with the carcasses being cut into pieces. When a knife falls to the floor, it is rinsed in a soap-filled container where all labourers wash their hands before beginning their work. The building has a steel door that is left open most of the time. The containers are used directly from the storeroom during packaging.

Identify the broken hygiene rules and suggest possible solutions. (10)

6.4 What should management or employers do to keep skills within their business? (5)
[30]

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QUESTION 7

7.1 Using the information below, construct an income statement for Khumalo Enterprise for the year ending 31 December 2022.

Use the template provided on the attached ANSWER SHEET 1 to answer the question.

Cucumber sales	R1 950 000
Seedlings	R12 900
Fertilizers	R180 000
Herbicides	R1 200
Insecticides	R4 500
Fungicides	R1 800
Sticker	R420
Buffer	R240
Foliar feed	R750
Repair maintenance and equipment	R12 000
Fuel/ oil	R540
Electricity	R30 000
Labour	R450 000
Transport	R36 000
Harvest costs	R9 000
Packaging	R33 000
Storage	R9 000
Marketing costs	R9 000

(22)

7.2 Give a brief definition of *bank reconciliation*. (2)

7.3 Determine the THREE columns of a petty cash book. (3)

7.4 Name THREE ways in which Khumalo Enterprises can set prices for their cucumbers. (3)

[30]

QUESTION 8

Use the information below to prepare an enterprise budget for Khumalo Enterprise for the TWO tunnels on the attached ANSWER SHEET 2.

8.1

Item description	Value/Tunnel	Total value (1.5 Tunnels)
Income	**R**	**R**
Cucumber sales	R 1 950 000	(8.1.4)
Total income	(8.1.1)	(8.1.5)
Costs incurred		
Seedlings	R12 900	(8.1.6)
Fertilizer	R180 000	(8.1.7)
Herbicides	R1 200	(8.1.8)
Pesticides	R4 500	(8.1.9)
Fungicides	R1 800	(8.1.10)
Sicker	R420	(8.1.11)
Buffer	R240	(8.1.12)
Foliar feed	R750	(8.1.13)
Repair maintenance and equipment	R12 000	(8.1.14)
Fuel/oil	R540	(8.1.15)
Electricity	R30 000	(8.1.16)
Labour	R450 000	(8.1.17)
Transport	R36 000	(8.1.18)
Harvest costs	R9 000	(8.1.19)
Packaging	R33 000	(8.1.20)
Storage	R9 000	(8.1.21)
Marketing costs	R9 000	(8.1.22)
Total costs	(8.1.2)	(8.1.23)
Gross margin	(8.1.3)	(8.1.24)

(28)

8.2 State TWO financial record books that are regarded as essential on the farm. (2)

[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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ANSWER SHEET 1 **EXAMINATION NUMBER:** | | | | | | | | | | | | | |

QUESTION 7

7.1

KHUMALO ENTERPRISE
INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2022

FARM INCOME	R	C
TOTAL INCOME		
EXPENDITURE		
Total expenses		
Profit/Loss		

(22)

HAND IN WITH YOUR ANSWER BOOK.

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ANSWER SHEET 2 **EXAMINATION NUMBER:** | | | | | | | | | | | | | |

QUESTION 8

8.1 **KHUMALO ENTERPRISE BUDGET**

Item description	Value/Tunnel	Total value (1.5 Tunnels)
Income	**R**	**R**
Cucumber sales		
Total income		
Costs incurred		
Seedlings		
Fertilizer		
Herbicides		
Pesticides		
Fungicides		
Sicker		
Buffer		
Foliar feed		
Repair maintenance and equipment		
Fuel/ oil		
Electricity		
Labour		
Transport		
Harvest costs		
Packaging		
Storage		
Marketing costs		
Total costs		
Gross margin		

(28)

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