higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

11 March 2020

This marking guideline consists of 7 pages.

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QUESTION 1

1.1	1.1.1	True		
	1.1.2	True		
	1.1.3	False		
	1.1.4	True		
	1.1.5	True		
	1.1.6	True		
	1.1.7	False		
	1.1.8	False		
	1.1.9	True		
	1.1.10	False		
			(10 × 1)	(10)
1.2	1.2.1	Agent/Market agent		
	1.2.2	Capital		
	1.2.3	Mixed farming system		
	1.2.4	Fixed cost		
	1.2.5	Law of demand		
	1.2.6	Medium-term capital		
	1.2.7	Market equilibrium/Equilibrium		
	1.2.8	Deposit		
	1.2.9	Supply		
	1.2.10	Annual crops		
			(10 × 1)	(10)
1.3	1.3.1	C		
	1.3.2	A		
	1.3.3	I		
	1.3.4	E		
	1.3.5	N		
	1.3.6	M		
	1.3.7	G		
	1.3.8	K		
	1.3.9	F		
	1.3.10	H		
			(10 × 1)	(10)
				[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1 2.1.1 Summary of income and expenditure on a specific date

2.1.2 Excess of income over expenditure in a given period of time

(2 × 2) (4)

2.2

CASH-FLOW STATEMENT MOTHIBANTOA FARM 1 MARCH TO 31 MAY 2018				
ITEM	**MARCH**	**APRIL**	**MAY**	**TOTAL**
Cash inflow				
Livestock sold			35 000	✓35 000
Maize sold			25 000	✓25 000
Vegetables sold		5 000		✓5 000
Total Inflow	✓0	✓5 000	✓60 000	✓65 000
Cash outflow				
Medicine	2 000			✓2 000
Fertiliser	6 000			✓6 000
Crop chemicals and seeds	5 000			✓5 000
Wages	4 500	4 500	4 500	✓13 500
Insurance	1 500	1 500	1 500	✓4 500
Telephone account	1 000	1 000	1 000	✓3 000
Water and electricity	2 000	2 000	2 000	✓6 000
Total outflow	✓22 000	✓✓9 000✓✓	✓✓9 000✓✓	✓0 000
Profit/Loss	-22 000✓✓	- 4 000✓✓	51 000✓✓	25 000✓✓

(30)

2.3 Specific layer or stratum of soil or subsoil in a vertical cross-section of land. (1)

[35]

QUESTION 3

3.1 Amount the farmer would retain if all assets were sold and all debts paid. (2)

3.2
- Bills payable
- Income tax
- Overdrafts
- Unpaid cheque
- Account arrears
- Creditors (Any 3 × 1) (3)

3.3

Balance sheet for Mr Aruseb's farm			
Assets	**Amount (R)**	**Liability**	**Amount (R)**
Fixed improvement	25 000✓	Lease instalments	10 000✓
Marketable livestock	15 000✓	Creditors	5 000✓
Crop and crop products	22 000✓	Bonds	120 000✓
Debtors	2 000✓	Wages	35 000✓
Office furniture	40 000✓	Debtors	2 000✓
Land	100 000✓	Veterinary bill	3 500✓
Vehicles	50 000✓	Bills payable	15 000✓
Short-term investment	8 000✓		
Cash in bank	26 000✓		
Total assets	288 000✓	Total liability	190 500✓
Net worth = 288 000 – 190 500 = 97 500✓✓			

(20)
[25]

TOTAL SECTION B: 60

SECTION C

QUESTION 4

4.1 4.1.1 Market where all sales are done by agent on behalf of the farmer✓ on a commission basis✓ (2)

4.1.2
- Higher prices possible
- Bigger quantities of produce can be sold
- Agent may perform task of marketing (3 × 2) (6)

4.2
- Weather/Natural factors
- Profit margin
- Price of input/Production costs
- Technology
- Number of suppliers
- Product stability
- Production period
- Difficulties of increasing product supplies
- Prices of other competitors (Any 5 × 1) (5)

4.3 4.3.1
- Drought
- Insect infestation
- Delayed harvesting (3)

4.3.2
- Crop rotation
- Irrigation
- Use of pesticides
- Timed planting and harvesting (4)

4.4
- Vegetation
- Topography
- Temperature
- Climate
- Soil classification
- Soil type and quality
- Water (Any 4 × 1) (4)

4.5
- Current
- Savings
- Basic (3)

4.6
- Land/Soil
- Labour
- Capital
- Entrepreneur/Management (4)

4.7
- Increased production
- Waste products from animals serve as manure to fertilise and improve soil structure
- Crop residue serves as fodder for animals
- Farmer can practice organic farming (4)

[35]

QUESTION 5

5.1
5.1.1 R3 000
5.1.2 R5 000
5.1.3 R4 000
5.1.4 R2 000
5.1.5 R2 500
5.1.6 R2 000
5.1.7 R12 000
5.1.8 R6 500
5.1.9 R18 500

(9 × 1) (9)

5.2
5.2.1 Short
5.2.2 Medium
5.2.3 Short
5.2.4 Long
5.2.5 Short
5.2.6 Medium

(6 × 1) (6)

5.3
- Agricultural Products Standards Act
- Meat Safety Act
- Livestock Improvements Act
- Animal Health Act
- Marketing of Agricultural Products Act
- Plant Improvements Act
- Agricultural Pests Act
- Plant Breeders' Rights Act
- Genetically Modified Organism Act
- Livestock Identification Act (Any 5 × 1) (5)

5.4
- Land bank
- Private individuals
- Own and related sources of capital
- Trust companies
- Co-operatives
- Commercial banks
- General banks
- Provincial agricultural banks (Any 5 × 1) (5)

[25]

TOTAL SECTION C: 60
GRAND TOTAL: 150

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