higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

(1011032)

11 March 2020 (Y-paper)
13:00–16:00

This question paper consists of 8 pages and 2 addenda.

421Q1S2011

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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. QUESTIONS 2.2 and 3.3 must be answered on the attached ADDENDA.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 Large quantities of maize are stored in silos.

1.1.2 A ledger is the main book in which transactions of a company are recorded.

1.1.3 The income statement reflects the financial position of the business on a specific date.

1.1.4 Operating expenses refer to those cash expenses incurred for the period-to-period operation of the business.

1.1.5 Conversion is the process by which capital is used to buy assets that are transformed into products which ultimately become cash.

1.1.6 Principal is the original amount of debt on which interest is calculated.

1.1.7 Profit is the money earned after selling the produce.

1.1.8 In farm-gate marketing sales are done by a market agent on a commission basis on behalf of the farmer.

1.1.9 An inventory is a statement in which all business assets and their values are recorded at a specific time.

1.1.10 Fixed costs change depending on how much you produce.

(10 × 1) (10)

1.2 Give ONE term for each of the following descriptions by writing it next to the question number (1.2.1 - 1.2.10) in the ANSWER BOOK.

1.2.1 Business person who buys or sells on behalf of someone else in exchange for commission

1.2.2 Wealth that can be used to produce more wealth

1.2.3 Farming system integrating crops and livestock on the same farm

1.2.4 Costs a farmer has to pay whether production occurs or not

1.2.5 Law stating that less people buy when the price of product is high while more people buy when the price is low

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1.2.6 Type of capital that can be used over a period of five years to ten years

1.2.7 Quantity of product produced is equal to quantity of product needed by consumers

1.2.8 Process of paying money into the bank

1.2.9 Quantity of goods producers are prepared to sell at a certain price

1.2.10 Crops requiring replanting every year

(10 × 1) (10)

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

COLUMN A		COLUMN B	
1.3.1	Milk is stored in this on a farm to keep it fresh	A	sheep
		B	box
1.3.2	Domestic ruminant kept for meat and wool	C	tank
1.3.3	Situation with potential for harm or damage	D	profit
		E	entrepreneurship
1.3.4	Starting a business, taking responsibility of losing or making money	F	market
1.3.5	Financial institution offering long-term loans to buy farms, livestock and machinery	G	breakeven budget
		H	capital
1.3.6	Market where live animals are sold to highest bidder	I	hazard
		J	farm managers
1.3.7	Income equals cost	K	fire extinguisher
1.3.8	Essential feature of farm safety plan	L	livestock
1.3.9	Place where people sell and buy goods and services	M	auction
1.3.10	Financial assets needed to produce goods	N	land bank

(10 × 1) (10)

[30]

TOTAL SECTION A: **30**

SECTION B

QUESTION 2

2.1 Define each of the following:

2.1.1 Income statement

2.1.2 Profit

(2 × 2) (4)

2.2 Mr PP Mothibantoa provides the following financial information regarding the farm for the period 1 March to 31 May 2019.

NO	DESCRIPTION	AMOUNT (R)	PERIOD
1	Cash sales of livestock	35 000	May
2	Medicine	2 000	March
3	Fertiliser	6 000	March
4	Crop chemicals and seed	5 000	March
5	Wages	4 500	Monthly
6	Insurance	1 500	Monthly
7	Telephone	1 000	Monthly
8	Cash sales of maize	25 000	May
9	Water and electricity	2 000	Monthly
10	Cash sales of vegetables	5 000	April

Use ADDENDUM A to compile a cash-flow statement for the farm business. (30)

2.3 Define *horizon.* (1)

[35]

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QUESTION 3

3.1 Define *net worth*. (2)

3.2 Give THREE examples of short-term liabilities. (3)

3.3 Use the attached ADDENDUM B to complete the balance sheet for the farm business of Mr Aruseb.

ITEM	VALUE (R)
Fixed improvements	25 000
Marketable livestock	15 000
Lease instalments	10 000
Crop and crop products	22 000
Office furniture	40 000
Creditors	5 000
Bonds	120 000
Land	100 000
Wages	35 000
Debtors	2 000
Vehicles	50 000
Bills payable	15 000
Short-term investment	8 000
Cash in bank	26 000
Veterinary bill	3 500

(20)
[25]

TOTAL SECTION B: 60

SECTION C

QUESTION 4

4.1 A fresh produce market is one of the distribution channels available to vegetable farmers.

4.1.1 Define *fresh produce market.* (2)

4.1.2 State THREE advantages of using a fresh produce market. (6)

4.2 State FIVE factors that influence the supply of agricultural products. (5)

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4.3 Makau Malatsi, a maize producer, found mycotoxins in his crops.

4.3.1 State THREE causes of mycotoxins. (3)

4.3.2 State FOUR measures he can use to minimise mycotoxins in his crops. (4)

4.4 State FOUR natural factors that affect the selection of agricultural enterprises. (4)

4.5 Give THREE types of bank accounts. (3)

4.6 Name FOUR production factors in agriculture. (4)

4.7 Give FOUR reasons why you would recommend mixed farming to an emerging farmer. (4)

[35]

QUESTION 5

5.1 Complete the cash payment journal by filling in the missing information. Write only the answer next to the question (5.1.1–5.1.9) in the ANSWER BOOK.

Wages for: Mpho Nteo, R3 000,cheque 1
Tobias Sithi, R5 000, cheque 2
Regina Nel, R4 000, cheque 3

SARS creditor, R2 000, cheque 4
Medical Fund, R2 500, cheque 5
Pension Fund, R2 000, cheque 6

Date	**Ref**	**Details**	**Salaries (R)**	**Other (R)**	**Total payments (R)**
30 April	Mpho Nteo	Chq 1	**5.1.1**		
30 April	Tobias Sithi	Chq 2	**5.1.2**		
30 April	Regina Nel	Chq 3	**5.1.3**		
30 April	SARS	Chq 4		**5.1.4**	
30 April	Med. Fund	Chq 5		**5.1.5**	
30 April	Pension Fund	Chq 6		**5.1.6**	
TOTAL			**5.1.7**	**5.1.8**	**5.1.9**

(9 × 1) (9)

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5.2 Indicate whether the following assets or liabilities are SHORT, MEDIUM or LONG TERM by writing only 'Short', 'Medium', or 'Long' next to the question number (5.2.1–5.2.6) in the ANSWER BOOK. (6)

5.2.1 Broilers

5.2.2 Tractor

5.2.3 Eggs

5.2.4 Chicken house

5.2.5 Chicken feed

5.2.6 Trailer

5.3 Name FIVE agricultural laws and regulations that vegetable, goat and chicken producers must take into consideration when farming. (5)

5.4 You need to buy equipment and other resources to supply a college hostel with tomatoes.

State FIVE sources where you can apply for a loan to start the project. (5)
[25]

TOTAL SECTION C: 60
GRAND TOTAL: 150

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ADDENDUM A **EXAMINATION NUMBER:**

QUESTION 2.2

CASH FLOW STATEMNT FOR MOTHIBANTOA FARM 1 MARCH TO 31 MAY 2018				
ITEM (R)	**MARCH**	**APRIL**	**MAY**	**TOTAL**

Detach the addendum and hand it in with the ANSWER BOOK after you have completed it. Remember to your EXAMINATION NUMBER in the space provided.

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ADDENDUM B EXAMINATION NUMBER:

QUESTION 3.3

BALANCE SHEET FOR ARUSEB FARM			
ASSET	**AMOUNT (R)**	**LIABILITY**	**AMOUNT (R)**

Detach the addendum and hand it in with the ANSWER BOOK after you have completed it. Remember to your EXAMINATION NUMBER in the space provided.

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