higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 2

(1011032)

2 December 2020 (X-paper)
09:00–12:00

This question paper consists of 8 pages and 2 addenda.

173Q1N2002

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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 black or blue pen.
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 Risk is the probability that a farmer may receive profit from his/her business.

1.1.2 A journal is the chronological daily record of business transactions.

1.1.3 A petty-cash book is used to record income and expenditure relating to the petty-cash fund.

1.1.4 Net income is the starting cash position of a business on the first day of the month.

1.1.5 Capital includes all machinery, buildings and tools used in the production process.

1.1.6 A consumer is an individual who purchases and uses goods and services.

1.1.7 Medium-term capital is used in production for a period between one month and a year.

1.1.8 Infrastructure refers to services and facilities that support day to day economic services.

1.1.9 Horizon refers to a group of interacting, interrelated or interdependent elements forming a complex whole.

1.1.10 Assets consist of everything that the business owns.

(10 × 1) (10)

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1.2 Choose ONE term from the list below for each of the following descriptions and write it next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

resources; pallets; equilibrium; costs; taxation; budget; useful life; inventory; depreciation; expenditure

1.2.1 Machines, workers, money, land, raw materials and other things used on a farm to produce goods and services to make profit

1.2.2 Period for which an item can be used

1.2.3 Wooden platforms used for sorting and shipping (transporting) items

1.2.4 Plan for future actions expressed in physical and financial quantities

1.2.5 Price where the amount at which consumers want to buy equals the amount at which producers are prepared to sell

1.2.6 Something with value, usually an amount of money, given up in exchange for something else, usually goods and services

1.2.7 Money paid to government to fund the services that government provides to citizens

1.2.8 All money that flows out of a business

1.2.9 Loss or decline in the value of assets such as vehicle, machinery, tools and equipment

1.2.10 Statement in which all physical assets of a business and its monetary value are recorded at a specific point of time

(10 × 1) (10)

1.3 Choose a term 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	Small amount of cash that a business keeps to pay for small expenses	A	profit
1.3.2	Established standards, guides or regulations set up by an authority	B	infrastructure
1.3.3	All money that flows out of a business	C	agent
1.3.4	Amount of money the owner invested in the enterprise	D	auction
1.3.5	Includes all machinery, buildings and tools used in the production process	E	expenditure
1.3.6	Excess income over expenses in a given period of time	F	capital
1.3.7	Business person who buys or sells for another in exchange for a commission	G	market
1.3.8	Services and facilities that support day to day economic activity	H	owner's equity
1.3.9	Place where buyers and sellers meet to exchange goods and services	I	rules
1.3.10	Market where live animals are sold to the highest bidder	J	petty cash
		K	land bank
		L	income

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

QUESTION 2

2.1 Study the liabilities of Mr Mathipa's farm for September 2019 and use the information to complete ADDENDUM A (attached).

DETAILS	VALUE (R)
Long-term loans	110 000
Income tax	6 500
Bond repayments	36 500
Creditors	9 500
Bills payment	21 000
Mortgage bonds	200 000
Instalments sale credit	70 000
Leases	8 000
Bank overdraft	19 500
Accounts in arrears	10 000

(10)

2.2 Use the following information, taken from the November 2010 seed stock record of Makgopa Farm Holdings, to complete ADDENDUM B (attached). Some of the information has already been entered for you.

DATE	DESCRIPTION
01/11	NTK delivered 10 bags of seed that Maleme, the store clerk, received and kept in the store.
03/11	Maile collected five bags of seed for planting on the field.
10/11	Matome collected five bags of seed for planting on the field.
12/11	NTK delivered 20 bags of seed that were received by Maleme.
13/11	Maile collected five bags of seed for planting on the field.
15/11	Kgashane collected five bags of seed for planting on the field.
17/11	Matome collected five bags of seed for planting on the field.
19/11	NTK delivered 20 bags of seed that were received by Maleme.
19/11	Kgashane collected five bags of seed for planting on the field.
22/11	Matome collected five bags of seed for planting on the field.
25/11	Matome collected five bags of seed for planting on the field.
27/11	NTK delivered 20 bags of seed that were received by Maleme.

(20)
[30]

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QUESTION 3

3.1 3.1.1 Give THREE guidelines for safeguarding a petty-cash fund. (3 × 2) (6)

3.1.2 Name the THREE main columns of the petty-cash book. (3)

3.1.3 Define the term *net income.* (2)

3.2 Explain each of the following signs:

3.2.1 Danger signs

3.2.2 Stop and prohibition signs

3.2.3 Caution signs

3.2.4 Mandatory signs

(4 × 2) (8)

3.3 Name TWO basic accounting methods available to a small agribusiness. (2)

3.4 Explain each of the following types of farming systems:

3.4.1 Grazing system

3.4.2 Mixed system

(2 × 2) (4)

3.5 List FIVE economic factors that affect the selection of suitable agricultural enterprises. (5)

[30]

QUESTION 4

4.1 Define the term *demand.* (2)

4.2 State the law of supply. (3)

4.3 Name FIVE factors that affect the supply of agricultural products. (5)

4.4 Define each of the following methods of selling produce from a vegetable farm:

4.4.1 Contract marketing

4.4.2 Farm-gate marketing

4.4.3 Communal marketing

(3 × 2) (6)

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4.5 Give THREE advantages of fresh-produce marketing. (3 × 2) (6)

4.6 Give FOUR disadvantages of village marketing. (4 × 2) (8)
[30]

QUESTION 5

5.1 Define the term *mycotoxins*. (2)

5.2 List FOUR good crop-husbandry practices that can minimise mycotoxins. (4)

5.3 Give THREE causes of mycotoxins. (3)

5.4 List FIVE natural resources that will influence the selection of the location of an agribusiness. (5)

5.5 Name FIVE types of infrastructure that should be on a farm to ensure the effective operation of the production of cabbage and potato. (5)

5.6 Define the term *unskilled labour*. (2)

5.7 List FIVE veterinary services that help farmers keep livestock healthy. (5)

5.8 Differentiate between *quantity* and *quality*. (2 + 2) (4)
[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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ADDENDUM A **EXAMINATION NUMBER:** | | | | | | | | | | | | | |

QUESTION 2.1

LIABILITIES OF MR MATHIPA'S FARM FOR SEPTEMBER 2019

CURRENT LIABILITIES	VALUE (R)	MEDIUM-TERM	VALUE (R)	FIXED LIABILITIES	VALUE (R)
Total current liabilities		**Total medium - term liabilities**		**Total fixed liabilities**	
	Total liabilities				

ADDENDUM B **EXAMINATION NUMBER:** | | | | | | | | | | | | | |

QUESTION 2.2

STOCK RECEIVED			**STOCK ISSUED**			
Date	**Qty (kg)**	**Description**	**Date**	**Issue to**	**Qty (kg)**	**Balance**
1/11	10	Bags of seed	3/11	Maile	a)	b)
			10/11	Matome	c)	d)
12/11	20	Bags of seed	13/11	Maile	e)	f)
			15/11	Kgashane	g)	h)
			17/11	Matome	i)	j)
19/11	20	Bags of seed	19/11	Kgashane	k)	l)
			22/11	Matome	m)	n)
			25/11	Matome	o)	p)
27/11	20	Bags of seed				
Total	q)		**Total**		r)	s)
Bags in the store						t)

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