higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 3

(1011033)

21 November 2019 (X-Paper)
09:00–12:00

This question paper consists of 10 pages.

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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 question on a NEW page.
5. 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 Dividing the population into groups and then choosing from each group at random:

A Setting a quota
B Random sampling
C Stratification
D Clustering

1.1.2 Any additional product that is produced by a plant or animal that you can use after the main product has been produced:

A Profit
B Operational product
C Value-adding product
D By-product

1.1.3 Units of work as performed by a human/people:

A Man-hours
B Duty of workers
C Overtime
D Just work for men

1.1.4 An estimate of cash flow in a business over a period of time:

A Income cash flow
B Cash flow budget
C Current income
D Overdraft cash flow

1.1.5 Trade agreements within regions:

A Export trade
B Import trade
C Intra-regional trade
D Interregional trade

1.1.6 A formal expression for describing the developmental stage of a commodity, which affects its quality and therefore its price:

A Index of maturity
B Marketing strategy
C Range of commodity
D Natural product

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1.1.7 Anything that is traded, but in agricultural terms, it refers to any produce that is sold:

A Range
B Organic produce
C Output quality
D Commodity

1.1.8 A business activity that two or more people or companies start together, and then they share the costs, risks and profits:

A Empowerment joint venture
B Joint venture
C Partnership
D Company joint business

1.1.9 Another term for the remaining cash balance:

A Equal cash balance
B Mortgage
C Liquidity reserve
D Full cash reserve

1.1.10 An arrangement with a bank or other lender to borrow money up to a certain amount when needed:

A Short-fall loan
B Creditors
C Premiums
D Line of credit

(10 × 1) (10)

1.2 Complete the following sentences by writing down the missing word or words next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

1.2.1 A/An … is an official document that gives permission to bring goods into South Africa.

1.2.2 A/An … indicates the amount of money a business has at the start of a budget period.

1.2.3 A/An … is an infrastructure used to store maize and sunflower grains.

1.2.4 … means securing the future by taking care of finances and other assets.

1.2.5 A/An … is a person or organisation that deals with consumers.

(5 × 1) (5)

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

COLUMN A		COLUMN B	
1.3.1	Carrying capacity	A	rules that create special areas for which law dictates that only certain activities may take place
1.3.2	Random sampling		
1.3.3	Breeding rate	B	a variety of living organisms found naturally in an area
1.3.4	Zoning regulations	C	livestock units per square metre
1.3.5	Biodiversity	D	the frequency at which an animal gives birth and the number of offspring born
1.3.6	Wages		
1.3.7	Turnover	E	choosing a group of animals to study by chance; not following a specific pattern
1.3.8	Inflation		
1.3.9	Investment	F	visitors to a game farm are charged a fee
1.3.10	Interest	G	money the bank pays you for letting it hold your savings
		H	daily/weekly payments
		I	the total of sales, cash and credit
		J	average amount by which prices increase
		K	the total amount of money used in a business with a view to making a profit
		L	monthly payment
		M	measuring sustainability

(10 × 1) (10)

1.4 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.4.1–1.4.5) in the ANSWER BOOK.

1.4.1 Marketing is the act of buying and selling.

1.4.2 If the farm is viable, it is easy for it to be sustainable.

1.4.3 Variable costs are direct costs.

1.4.4 Data about stock levels helps the farmer plan ahead.

1.4.5 Sales above break-even point result in profit.

(5 × 1) (5)

1.5 Indicate whether the FARMER or the GOVERNMENT will maintain the following infrastructure. Write only 'Farmer' or 'Government' next to the question number (1.5.1–1.5.5) in the ANSWER BOOK.

1.5.1 Poultry house

1.5.2 Dirt roads on a farm

1.5.3 National roads

1.5.4 Large generators to service farm needs

1.5.5 Telephone

(5 × 1) (5)

1.6 The following statements are FALSE. Correct each statement to make it TRUE. Please underline the corrected words.

1.6.1 For crops, the production season starts with harvesting and selling the produce and ends with preparing the land.

1.6.2 Counting ticks on some cattle or removing soil samples for testing from different parts of the field are examples of agricultural populations.

1.6.3 Agribusinesses need not be sustainable because they do not play an important part in the economy of South Africa.

1.6.4 Sales above the break-even point result in a loss and sales below this point result in profit.

1.6.5 The cash flow budget only shows how much money moves into a business.

(5 × 1) (5)

[40]

TOTAL SECTION A: 40

SECTION B

Answer ALL the questions in SECTION B.

QUESTION 2

You work as a manager at UVS Vegetable Producers, a vegetable production project.

2.1 You want to ensure that your workers are always engaged in some kind of work. One way of doing this is to sell your services to neighbouring projects to generate extra income and pay salaries and other expenditure. You need to do research to find out if there is a demand for such services.

2.1.1 Which questions would you include in your market research questionnaire? (3 × 1) (3)

2.1.2 If FOUR workers are used for five days to scout for pests in a project and you charge R85,00 per labourer per five days, what will the income be for this job? Show ALL calculations. (3)

2.2 You have produced 3 000 heads of cabbage on one hectare of land. Eight heads are packaged per bag for export to Zimbabwe at R20,00 per bag.

2.2.1 Calculate the total income from the heads of cabbage. Show ALL calculations. (4)

2.2.2 Give THREE indicators of the economic sustainability of an agribusiness in terms of its marketability. (3)

2.2.3 State THREE rules and regulations that you need to know if you want to export cabbages to a foreign country. (3)

2.3 Name THREE instruments that you could use to measure the amount of water in the soil. (3)

2.4 Briefly describe how you will do the following:

2.4.1 Ensure that the chemicals and pesticides you have in stock do not expire and are kept safely. (2)

2.4.2 Ensure that tools and equipment are kept safely. (5)

2.4.3 Collect data on pests and disease on the farm before and after planting. (4)

[30]

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QUESTION 3

3.1 Name the THREE main sources of income in farming. (3)

3.2 Good managers will calculate a break-even point for each enterprise in the business.

How does this help them? (3)

3.3 The following unit costs and income were budgeted by a farmer for 1 hectare of dry land production and sales of different crops in 2015.

Study the table below and answer the questions.

CROP	COST PER HECTARE	INCOME PER HECTARE
Cotton	R4 348,00	R3 855,00
Sorghum	R2 955,00	R5 200,00
Ground nuts	R2 802,00	R2 950,00
Maize	R5 210,00	R6 450,00

3.3.1 Which of the crops did not break even? What was the percentage loss? (2)

3.3.2 Suggest TWO methods that can be used to improve the sales of the product that did not break even. (2)

3.3.3 Name the crop that had the best gross profit margin and indicate how much the gross profit was. (2)

3.3.4 Calculate the percentage profit made from maize. (4)

3.3.5 Calculate the total income generated from ALL the crops. (2)

3.3.6 Calculate the total percentage profit for sorghum and ground nuts. (4)

3.3.7 Calculate the return on investment (ROI) using the following formula:

$$\text{ROI} = \frac{\text{Total income} - \text{Total costs}}{\text{Total costs}} \times 100$$

(4)

3.4 Different aspects of sustainability are measured by considering different indicators. Name the aspects of sustainability of each of the indicators below. Write only the answer next to the question number (3.4.1–3.4.4) in the ANSWER BOOK.

INDICATOR		ASPECTS OF SUSTAINABILITY
3.4.1	Quality of life of farm workers	
3.4.2	Soil water depth, water runoff, soil loss due to erosion	
3.4.3	Profitability of the agribusiness	
3.4.4	The degree to which the agribusiness complies with state regulations	

(4 × 1) (4)

[30]

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QUESTION 4

4.1 A cash flow budget is an estimate of all cash income and expenditure as these will occur. It can be prepared weekly, monthly or quarterly.

Give SIX reasons for compiling a cash flow budget. (6 × 2) (12)

4.2 Explain the following:

4.2.1 Assets

4.2.2 Liability

4.2.3 Product income

4.2.4 Grading

4.2.5 Trade

(5 × 2) (10)

4.3 Outline SIX reasons why farmers need to budget. (6)

4.4 Name FIVE factors that can affect the long-term viability of a farming enterprise. (5)

4.5 Differentiate between *gross income* and *net income*. (2)

[35]

QUESTION 5

5.1 Name SIX important reasons for market research. (6)

5.2 Name TWO measures that a farmer can use to determine whether a product is mature or not. (2)

5.3 Name FOUR factors that will determine the repayment period of a loan. (4)

5.4 List THREE practices used in integrated pest management. (3)

[15]

TOTAL SECTION B: 110
GRAND TOTAL: 150

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