higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

AGRIBUSINESS
NQF LEVEL 3

7 December 2020

This marking guideline consists of 6 pages.

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SECTION A

QUESTION 1

1.1 A
1.2 B
1.3 D
1.4 C
1.5 D
1.6 A
1.7 A
1.8 B
1.9 B
1.10 C

(10 × 1) **[10]**

QUESTION 2

2.1 True
2.2 True
2.3 False
2.4 False
2.5 True
2.6 True
2.7 False
2.8 False
2.9 True
2.10 True

(10 × 1) **[10]**

QUESTION 3

3.1 D
3.2 C
3.3 E
3.4 A
3.5 B
3.6 H
3.7 J
3.8 I
3.9 F
3.10 G

(10 × 1) **[10]**

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QUESTION 4

4.1 Trader
4.2 Import permit
4.3 Economic sustainability
4.4 Opening balance
4.5 Silo
4.6 Sampling
4.7 Grazers
4.8 Man-hours
4.9 Depreciation
4.10 Eradicating

(10 × 1) **[10]**

TOTAL SECTION A: 40

SECTION B

QUESTION 5

5.1 5.1.1 R1 500 + R1 000 + R1 000 + R2 500 = R6 000,00

5.1.2 R5 000 + R2 000 + R3 000 + R2 000 = R 12 000,00

(2 × 2) (4)

5.2 5.2.1

$$ROI = \frac{(R45\,000 - R18\,000)}{R18\,000} \times \frac{100}{1}$$

$$ROI = \frac{R27\,000}{R18\,000} \times 100$$

$$= 150\%$$

(4)

5.2.2 Yes, the net income is almost 1.5 times the expected total costs. (2)

5.3
- Finding new customers who will pay more
- Selling more to existing customers
- Selling compost
- Exporting products
- Adding value to products

(Any 4 × 1) (4)

5.4
- Broken fences result in stock losses.
- Poor storage maintenance result in loss of stored crops.
- Poor roads may cause damage to vehicles.
- Blocked and broken pipes result in water shortages. (4)

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5.5
- It will control expenditure and reduce costs, where possible.
- It helps to identify sources of income.
- It indicates how much money the business needs to cover the costs.
- Expected income
- Expected costs (Any 3 × 1) (3)

5.6
- The farmer's cash flow
- The farmer's equity in the farm business
- The farmer's management skills
- Factors such as commodity price changes, government policies
- Environmental factors such as type of soil and climatic conditions (5)

5.7 5.7.1 False economy – something which may seem to be saving money at the time, but in fact costs more money in the long run.

5.7.2 Agro-ecology – the study of what is purely ecological about the farm, such as relationships between predators and prey or competition between crops and weeds

(2 × 2) (4)
[30]

QUESTION 6

6.1 6.1.2 Risk assessment is a test to determine whether a product is likely to be a health risk to humans, animals or plants.

6.1.2 Bilateral trade is trade that takes place between only two countries or parties.

(2 × 2) (4)

6.2
- Export permit is an official document that gives you permission to send goods to other countries.
- Import duty is a tax that you pay on goods that you buy from another country. (2 × 2) (4)

6.3
- Hiring out the land
- Subcontract workers
- Sell goods that are not main part of the business
- Tourism and conservation (4)

6.4
- Some resources are not found in other countries.
- Land price is low.
- Raw materials are cheaper in some places. (3 × 2) (6)

6.5
- Government rules in respect of taxes
- Customs rules and regulations that control tariffs
- Transport and packaging rules
- Import and export controls that deal with safety and the spread of diseases

(4 × 2) (8)

6.6 6.6.1
- Finding a buyer or seller
- Negotiating a price
- Transferring ownership (3)

6.6.2
- They provide wider market exposure.
- Few producers have sufficient knowledge of the capital market.
- Producers usually earn a higher return on investment by employing available capital in activities other than those of direct marketing. (3 × 2) (6)

[35]

QUESTION 7

7.1 7.1.1
- Know where to find tools.
- Keep an inventory of all the tools.
- Keep records of tools issued to workers.
- Tools should be returned by workers and stored correctly when they are not used.
- Tools should be under cover and locked away when not in use. (5)

7.1.2
- Recording of stock issued and received
- Counting stock issued
- Reading of information on labels (3)

7.2 7.2.1
- Add organic material/plough in organic material.
- Add acid-containing fertilizers.
- Add gypsum.
- Reducing the soil pH prevents over-irrigation.
- Till/cultivate the soil.
- Use special implements to cultivate.
- Drainage of soil or effective drainage system.
- Plant special crops to recover soil. (8)

7.2.2
- Making observations
- Counting
- Monitoring
- Measuring (4)

7.3 7.3.1 Cost of production of 500 dozen is R 3 000 (800+1 000+1 200)

Cost of production per dozen of eggs = $\frac{3000}{500}$

= R6,00 (3)

7.3.2 (a) 5000 – 1000 = R 4 000
(b) 3000 – 1000 = R 2 000
(c) 4 000 + 2 000 = R 6 000
(d) Gross Income – total costs
8000 – 2 800 = R 5 200 (4)

7.4
- Ask questions.
- Verify data.
- Analyse data.
- Interpret data. (4)

7.5
- It states exactly what the goals of their operations are.
- It enables the farmer to examine and assess all resources.
- The farmer can develop short- and long-term plans to meet their goals.
- The farmer can make decisions on a daily basis that support the goals.
- The farmer can monitor the progress toward meeting the goals. (Any 4 × 1) (4)

[35]

QUESTION 8

8.1 8.1.1 Investment is money that is used to a get a profit.

8.1.2 Return on investment is how much profit you make from the investment

(2 × 2) (4)

8.2
- Size of the head
- Tightness of the leaves
- Firmness to touch (Any 2 × 1) (2)

8.3 A balance sheet records assets and liabilities, while a cash flow statement is the record of inflows and outflows. (4)

[10]

TOTAL SECTION B: 110
GRAND TOTAL: 150

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