higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

MANAGEMENT: FARMING N4

12 JUNE 2013

This marking guideline consists of 7 pages.

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QUESTION 1: FARMING IN PERSPECTIVE

1.1 1.1.1 False

1.1.2 True

1.1.3 True

1.1.4 False

1.1.5 False

(5 x 2) (10)

1.2 1.2.1 C; D; G; I (4)

1.2.2 B; E; H (3)

1.2.3 A; F; J (3)

1.3 Food for growing population
- Increase in per capita income

Releasing of surplus labour for other economic activities
- Improve standard of living

Net income earner
- Capital for investment in primary, secondary and tertiary industries

Market for outputs of other industries

Earn foreign exchange
- Through exports

Supply goods and services
- Raw material for secondary industries
- Supporting services, e.g. transport (Any 5 × 2) (10)

1.4 1.4.1 <u>Public/Governmental institutions</u>:

Regulating role
Through laws
e.g. labour laws

Supporting role
State funded research
and extension to farmers, drought and disaster relief (5)

1.4.2 Consumers:

Buy products to use or consume

The purpose of production is to satisfy the needs of the consumer

The aim to make a profit

A market is created

The farmer is therefore responsible to ensure consumer-driven production. (5)
[40]

QUESTION 2: THE SCOPE OF FARMING MANAGEMENT

2.1
- Must be understandable
- Must be specific
- Must be flexible
- Must be achievable (4 × 2) (8)

2.2 Attitude of the farmer
- All farmers are not willing to set goals.

Financial status of the farming business
- Farmers can be motivated by good financial circumstances to set goals.

Age and health of the farmer
- High age and weak health condition can influence goal setting negatively.

Ambition and ability of the farmer
- An ambitious farmer will be more disciplined with goal setting.

Progress with the achievements of goals
- Success with the achievement of goals will motivate the farmer/make him (her) more skillful – set more goals.

Reaction on own performance
- The correct deductions should be made and followed by the correct actions. (Any 5 × 2) (10)

2.3 2.3.1 S

2.3.2 L

2.3.3 L

2.3.4 M

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2.3.5 M (5 × 2) (10)

2.4 2.4.1 Decision maker relies on experience and sensing
Not enough information/takes a change (2)

2.4.2 Analysis of the problem
Follow the steps in the decision making process (2)

2.5 Planning – what must be done
Organising – how it must be done
Implementation – give the order for it to be done
Control – has it been done properly (4 × 2) (8)
[40]

QUESTION 3: MANAGEMENT FUNCTIONS IN FARMING

3.1
- Make a survey of all resources.
- Determine the soil utilisation potential.
- Plan horticultural and crop production system.
- Plan animal production programme.
- Plan machinery, tools, buildings and labour needs.
- Estimate the income, expenditure and net income.
- Plan the implementation of the preliminary programme. (7 × 2) (14)

3.2
- Can determine whether an intended plan is financially viable
- A choice can be made between different alternatives.
- Provision can be made for the capital needs of the coming year.
- Formal framework for forecasting and goal setting
- An instrument to measure the performance of a farming enterprise
- External factors, e.g. the economy, styles, demand and supply considered.
- Give a clear picture of the financial position of the farming business – improved financial control. (7 × 2) (14)

3.3
- Decide on the breed, housing and handling facilities.
- Project the quantity and type of grazing produced on the farm.
- Project the number of animals to be fed during different seasons.
- Determine the fodder needs.
- Compare the fodder needs – the available fodder and costs.
- Determine the number of animals and animal products for selling and plan a marketing strategy. (6 × 1) (6)

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3.4	3.4.1	Balance-sheet		
	3.4.2	Balance-sheet		
	3.4.3	Production records		
	3.4.4	Income Statement		
	3.4.5	Income Statement		
	3.4.6	Production records	(6 × 1)	(6)
				[40]

VRAAG 4: MACRO-AGRICULTURAL MARKETING

4.1	4.1.1	A		
	4.1.2	C		
	4.1.3	C		
	4.1.4	D		
	4.1.5	B	(5 × 2)	(10)

4.2 4.2.1

$$\% \triangle \text{ in price} = \frac{2}{8} \times \frac{100}{1}$$
$$= 25\%$$

$$\% \triangle \text{ in quantity} = \frac{20}{500} \times \frac{100}{1}$$
$$= 4\%$$

$$ED = \frac{4}{25}$$
$$= 0.16$$

(6)

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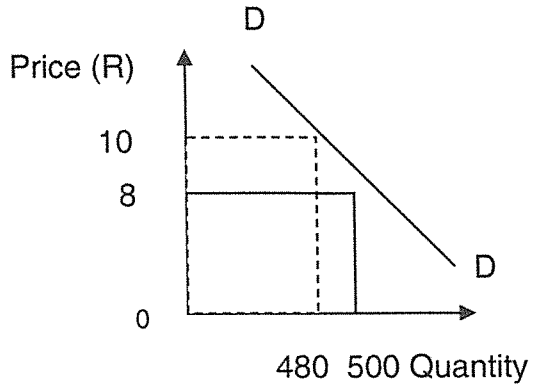
4.2.2



(5)

4.2.3 ED < 1 (2)

4.2.4 substitutes (2)

4.3 Short Term
- Products already been harvested
- Animals ready for selling

Medium term
- Products in process of cultivation
- Not ready for selling

Long term
- Expected tendencies in coming year
- New branches, expansion, reducing of branches (3 × 3) (9)

4.4 4.4.1 False

4.4.2 True

4.4.3 True

(3 × 2) (6)
[40]

QUESTION 5: MICRO AGRICULTURAL MARKETING

5.1
- Undertake a situation analyses.
- Develop marketing objectives.
- Determine the positioning and differential advantage.
- Choose the target market and market size.
- Design a strategic marketing mix. (5)

5.2
- Demand for agricultural products in a deducted demand
- Demand created by the utility of the product for the consumers
- Consumer demand changes
- Agricultural prices not a reflection of consumer demand
- Distance between producers and consumers
- Number of intermediaries
- To get the products to the consumers cheaply
- Marketing costs, e.g. transport cost, storing cost, etc. (3 × 3) (9)

5.3 Production orientation
- Production seen as the most important activity
- Produce and then try to find a market
- May succeed if there is a sufficient demand

Sales orientation
- Focus on the stimulation of sales
- Adverts, distinguished packaging, brands, sales promotion
- Try to enlarge market share

Marketing orientation
- Consumer orientation
- Try to produce products for which there is a demand that will satisfy the needs of consumers
- Farmers forced to take this step because of competition, technological development and satisfied consumer needs (3 × 4) (12)

5.4 Product – nature of the market
Place (distribution) – needs of the consumers
Price – market conditions
Promotion – financial capacity (ability) (4 × 2) (8)

5.5
5.5.1 Quantity demanded

5.5.2 Demand

5.5.3 Supply

5.5.4 Equilibrium

5.5.5 Equilibrium price

5.5.6 Equilibrium quantity

(6 × 1) (6)
[40]

TOTAL: 200

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