higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

MANAGEMENT: FARMING N4

6 JUNE 2016

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1
1.1.1 True
1.1.2 False, 1960
1.1.3 True
1.1.4 False, Sensible tillage
1.1.5 True
1.1.6 False, 1989
1.1.7 True
1.1.8 False, Implements (machinery)
1.1.9 True
1.1.10 False, Gross Domestic Product

(15)

1.2
1.2.1 A
1.2.2 C
1.2.3 A
1.2.4 D
1.2.5 C
1.2.6 D
1.2.7 D
1.2.8 C
1.2.9 B
1.2.10 D

(10 × 1) (10)

1.3
1.3.1 Balance sheet
1.3.2 Income statement
1.3.3 Animal inventory
1.3.4 Production records/HR records
1.3.5 Production records
1.3.6 Production records
1.3.7 Income statement
1.3.8 Production records
1.3.9 Balance sheet
1.3.10 Balance sheet

(10 × 1) (10)

1.4
- Input suppliers
- Government/public institutions
- Consumers
- Rural communities
- Non-governmental institutions
- Product processors
- Financial institutions
- Foreign trade partners

(Any 5 × 1) (5)

1.5	1.5.1	E		
	1.5.2	F		
	1.5.3	J		
	1.5.4	C		
	1.5.5	H		
	1.5.6	B		
	1.5.7	A		
	1.5.8	M		
	1.5.9	D		
	1.5.10	K		
			(10 × 1)	(10)
1.6	1.6.1	A E G		(3)
	1.6.2	D H I J		(4)
	1.6.3	B C F		(3) **[60]**
			TOTAL SECTION A:	**60**

SECTION B

QUESTION 2

2.1
- The regulating function of the government is to oversee the application of relevant legislation in the agricultural sector,√ such as import control measures, wage regulation, plant quarantine√
- The supporting role of the government is to provide funding for research purpose and guidance to farmers to ensure effective farming production processes√ e.g. during drought and disasters, government supports farming to start the production as soon as possible to meet the needs of the consumers.√ (4)

2.2 2.2.1 Supplier of raw materials:√ the agricultural sector supplies raw material to secondary industry and processing plants to manufacture final goods that are ready for use by consumers.√

Earner of foreign currency:√ more agricultural products are exported and foreign currency is generated through these exports. √

Employer:√ more job opportunities are created in the agriculture sector i.e. production, processing and secondary activities therefore the sector employs more people.√

Market for goods and services:√ farmers create a huge markets for manufacturers' goods and services as they need inputs for their production and marketing purposes√ (8)

2.2.2 Agricultural sector contributes widely to the country's economy in the following ways:

- It develop natural resources such as land and water to produce food
- Increase in agricultural production ensures provision of food to the country's growing population leading to an increase in income per capita
- It creates job opportunities thus improving the standard of living for people
- Agriculture creates sales market for goods of other industries
- Agricultural activities earn foreign currency through their exports

(6)

2.2.3

- Deregulation of marketing in terms of the Marketing Act of 1968
- Liberalising price control in terms of the Marketing Act of 1968
- A change in the taxation of agriculture
- A change in the direct budget spending on agriculture
- Abolition of the Land Measures Act in 1991
- Decrease in institutional confusion
- Labour legislation in agriculture

(Any 5 × 1) (5)

2.3 2.3.1 Standardisation of agricultural goods refers to the fixing of a particular specification of quality and/or other characteristics that must met by all goods in the production process to qualify for a particular grading whilst grading refers to the classification of goods according to a particular standard. (2 × 2) (4)

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2.3.2 Bilateral agreement is the trade agreement between two countries to regulate the flow of goods whereas multi-lateral agreement is an agreement between many countries and it contains measure for trade among the members thus the interest of all parties are protected. (2 × 2) (4)

2.4
- Labour
- Water
- Capital
- Entrepreneurship

(4)
[35]

QUESTION 3

3.1
- It allows better discipline among employees.
- It creates an opportunity for employees to achieve their ambitions.
- Sufficient formal structures will diminish corruption and undermining of authority within the organisation.
- Employees get a degree of freedom.
- It allows the manager to keep in touch with what is happening on the ground.
- To accommodate the informal structure employees will elect members on a work committee to support the structure.

(Any 5 × 2) (10)

3.2 3.2.1
- Authority
- Power

(2)

3.2.2
- Legitimate power
- Power of reward
- Power of compulsion
- Referential power

(4)

3.2.3
- Legitimate power: the manager has the right to demand the execution of duties from his subordinates.
- Power of reward: the manager has the right to reward or withhold rewards
- Power of compulsion: it is characterised by apprehension and anxiety either psychologically or physically.
- Referential power: subordinates follow the leader because they like him/her, respect the leader and want to be identified with the leader.

(4)

3.2.4
- Language barrier
- Too much information at the same time may result in a receiver not paying attention
- Negative attitude of the receiver towards the sender of the message.
- Unclear message
- Unclear communication lines in the organisation

(Any 4× 1) (4)

3.3 3.3.1
- Intuitive✓
- Rational✓
- Central and satellite✓
- Routine (4)

3.3.2
- Become aware of the problem
- Identify/define the problem
- Develop alternative solutions to the problem
- Evaluate alternatives solutions to the problem
- Select the best possible solutions to the problem
- Implement the decision
- Evaluate the results of the decision (7)

[35]

QUESTION 4

4.1 4.1.1
- Determine the objectives.
- Make predictions regarding prices and production.
- Determine the circumstances and limitations of the concern (internal and external).
- Develop a long-term and medium-term, as well as a plan for the current year for the farm.
- Specify policies and procedures.
- Determine achievements standards.
- Anticipate future issues and draw up a contingency plan.
- Adapt plans when expected results are not reached. (8 × 1) (8)

4.1.2
- Strategic planning
- Operational/tactical planning
- Reactive planning (3)

4.1.3
- It is aimed at a period of three to ten years and longer.
- It is focused on the total business.
- It is future-orientated.
- It allows for constant adaptation to changes in the environment.
- It is designed in broad definition rather than specific particulars to keep the business on track. (5)

4.1.4
- A budget shows the financial feasibility of a project.
- It assists financial planning as it determines capital needs of the farm for the following year.
- Enables farmer to make projections and set objectives.
- Enables farmer to evaluate and measure financial achievements.
- Enables the farmer to consider any external factors. (5 × 1) (10)

4.1.5
- Quality planning, organising and implementation will be of no use if there are no control measures in place.
- Control is continuous process that evaluates day-to-day activities of the farm and measure them against the set standards.
- Control measures are important to detect any deviations from the predetermined plan of action. (3 × 2) (6)

4.1.6
- Induction
- Developmental training
- New training (3)

[35]

QUESTION 5

5.1 Market information is any information that is relevant to the production and marketing of agricultural goods.

5.1.1
- Short-term information
- Medium-term information
- Long-term information (3)

5.1.2
- Short-term information is designed to inform farmers about the optimum allocation of goods that are harvested or animals that are ready for sale. This information focuses on buying and selling, because prices are affected.
- Medium-term information is relevant to goods currently in the production process, but that are not yet ready for sale. This includes information on production tendencies, production costing and prices.
- Long-term information provides information regarding expected tendencies in the near future that will guide the farmer in his selection of new branches and/or extension or reduction in branching. This information reduces the risk factor of the farmer.

(3 × 2) (6)

5.2 5.2.1
- There are high consumer numbers.
- They have high buying power.
- There are high needs for these citizens. (3)

5.2.2
- They prefer fresh produce, particularly vegetables and meat of good quality.
- They do not have interest in expensive packages.
- They do not value mass of goods rather quantity.
- They buy small amounts of the most needed item on a daily basis for that day's consumption only. (4)

5.3 5.3.1
- Undertake a situational analysis.
- Design marketing objectives.
- Determining the positioning and differential advantage of the product.
- Select a target market and determine the size of the market.
- Design a strategic marketing mix. (5)

5.3.1
- Product
- Distribution
- Promotion
- Price (4)

5.4
- Fluctuation in farm yield due to weather conditions.
- The supply of farm products adapts due to long production process.
- The negotiation powers of individual farmers are weak therefore an individual farmer is unable to influence the market price. (3 × 2) (6)

5.5
- S–strengths
- W–weakness
- O–opportunities
- T–threats (4)

[35]

TOTAL SECTION B: 140
GRAND TOTAL: 200

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