higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

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This question paper consists of 7 pages.

GENERAL STUDIES

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MANAGEMENT: FARMING N4
TIME: 3 HOURS
MARKS: 200

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. Write neatly and legibly.

GENERAL STUDIES

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1.1–1.1.5) in the ANSWER BOOK. Correct the statement if it is FALSE.

1.1.1 In the whole of South Africa there is approximately 40% of arable land.

1.1.2 Green consumerism refers to the poor management of water in South Africa.

1.1.3 Price stabilisation was achieved through the Marketing Act No.59 of 1998.

1.1.4 Monetary policy refers to the tax-relief measures to farmers when they purchase machinery and on improvement of fixed assets.

1.1.5 Communism encourages business owners to broaden their assets base and increase their profit through best utilisation of their assets.

(9)

1.2 Different role players are involved in agriculture to ensure that this sector becomes successful. Discuss the major role of the following role players in agriculture:

1.2.1 Consumers

1.2.2 Mediators

(2 × 3) (6)

1.3 The external environment has a major influence on the agricultural sector; this influence originates from different aspects ranging from economic, political, physical, social, technological and global matters. The influence could be negative or positive and severe or mild.

1.3.1 With reference to the above statement describe the influence of the physical factors on agriculture. (4)

1.3.2 Discuss the interaction between the economy and the agricultural sector. (5)

1.4 Tabulate the differences between c*ommunism* and c*apitalism* as forms of market systems used in South Africa based on their *objectives* and *management*. (2 × 2) (4)

1.5 Within the five factors of production, determine the TWO factors that fall under the category of human resources. (2)

[30]

GENERAL STUDIES

QUESTION 2

2.1 Well-defined objectives enable the farmer to execute work thoroughly in the work environment.

2.1.1 Classify TWO main categories of farming objectives. (2)

2.1.2 Explain by giving practical examples each of the categories of farming objectives classified in QUESTION 2.1.1. (2 × 2) (4)

2.2 Various factors influence the decision making process and formulation of objectives in the farming concern.

Describe what will be the influence of the following factors:

2.2.1 Financial position of the farmer (3)

2.2.2 Age and health of the farmer (2)

2.3 'Planning is one of the major elements of management that should be executed by all managers in a farming concern and the result of good planning is success.'

Give and explain FIVE qualities of an *effective plan.* (5)

2.4 Marketing is one of the significant functional areas in a farming environment.

State any FOUR important marketing functions in the farming concern. (4)
[20]

QUESTION 3

3.1 Different types of planning apply in farm management. It is important for the farmer to understand where each of the types of planning should be implemented.

3.1.1 Distinguish between *strategic planning* and *tactical planning*. (2 × 2) (4)

3.1.2 Name the aspect of farm management where each of the types of plans mentioned in QUESTION 3.1.1 will apply. (2 × 1) (2)

3.1.3 Chronologically list the FIVE steps that are executed when strategic planning is done. (5)

GENERAL STUDIES

3.2 Read the case study below and answer the questions.

Mr Ndlovu is a retired teacher and he decides to buy a smallholding farm in the Dundee area with his retirement funds. He wants to do animal production, specialising in goat, broiler and cattle production, however he does not know much about farming. He consulted you as a farm management student to assist and advise him accordingly.

3.2.1 Advise Mr Ndlovu on how he should go about in drawing up a plan for his animal production enterprise. Give FIVE suggestions. (5)

3.2.2 Classify THEE categories of training that Mr Ndlovu could offer to his farm workers. (3)

3.2.3 Differentiate between the categories of training classified in QUESTION 3.2.2. (3 × 2) (6)

3.2.4 List FOUR types of records that Mr Ndlovu should keep to ensure effective performance measurement of the farm. (4)

3.2.5 Suggest the appropriate measurement instrument for the following performance standards:

(a) Gearing ration
(b) Gross production value
(c) Yield per hectare
(d) Weaning percentage
(e) Ratio between actual yield and human resource input

(5 × 1) (5)

3.3 Name the FOUR components a management control system for any farm business facet should consist of. (4)

3.4 Define the concept *management by objectives*. (2)

[40]

QUESTION 4

4.1 Production is one of the significant farm-business functions.

Advise Mr Ndlovu on how he should apply the following managerial functions in the production of his broilers.

4.1.1 Planning

4.1.2 Organising

4.1.3 Leading

4.1.4 Controlling

(4 × 3) (12)

GENERAL STUDIES

4.2 State the NINE elements of the management-by-objectives theory. (9)

4.3 List FIVE personal traits of a successful farmer. (5)

4.4 Name FOUR characteristics of an intensive farming system. (4)
[30]

QUESTION 5

5.1 Explain what does each of the following marketing activities entails in a farming enterprise.

5.1.1 Primary activity (3)

5.1.2 Sale as a barter activity (4)

5.2 Explain the main aim of the Marketing Act No 59 of 1968. (4)

5.3 Explain the influence of the *nature of the agricultural product* on the supply position of the farmer. (4)

5.4 Assume the price of maize per ton increased from R3 500 to R4 300 and the quantity demanded decreased from 1 000 tons to 870 tons.

5.4.1 Calculate the price elasticity demand. (4)

5.4.2 Determine whether the price is elastic or inelastic (2)

5.4.3 Justify your answer for QUESTION 5.4.2 (2)

5.4.4 Explain the concept *equilibrium price.* (4)

5.5 Most of the African population who work on farms earn a low income and most of the income is spent on food purchases.

State FOUR known buying powers and preferences of Africans. (4 × 2) (8)

5.6 Suggest any FIVE marketing channels that could be used for farming produce. (5)
[40]

GENERAL STUDIES

QUESTION 6

6.1 Define *marketing.* (2)

6.2 Developing an effective marketing strategy is an important aspect of marketing functions in a farm business.

6.2.1 Explain the concept *marketing strategy*. (2)

6.2.2 Situational analysis is the first step in the development of a marketing strategy.

Advise an emerging farmer on how to do a situational analysis when developing a marketing strategy for his farm. (7)

6.2.3 Name FOUR elements of the marketing mix. (4)

6.2.4 Explain each of the elements of the marketing mix mentioned in QUESTION 6.2.3 to show your understanding. (4 x 2) (8)

6.3 Market segmentation is necessary for a farmer to better understand his/her target market.

6.3.1 Define *target market*. (2)

6.3.2 Recommend any FIVE features that determine the target market. (5)

6.4 One of the major reasons why government intervenes in the natural flow of markets is that prices of agricultural goods vary quickly in the open market.

6.4.1 Give THREE reasons for the quick price changes of agricultural goods. (3 × 2) (6)

6.4.2 Name FOUR strategies applied by the South African government to stabilise prices of agricultural products. (4)

[40]

TOTAL: 200

GENERAL STUDIES

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