higher education & training

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REPUBLIC OF SOUTH AFRICA

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NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

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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.

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QUESTION 1: FARMING IN PERSPECTIVE

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.

1.1.1 Capital is money or equipment that can be used in agricultural production process.

1.1.2 The amendment of trade between South Africa and Zimbabwe came into effect in 1960.

1.1.3 In a communist market system members of the community may own assets and use these to generate profit.

1.1.4 A serious decrease in GDP may result in an economic depression.

1.1.5 The government plays a regulative and supportive role during the production process.

(5 × 1) (5)

1.2 Name TWO micro-economic instruments that stimulate production factors and production itself or any farm. (2)

1.3 Discuss the role that each of following institutions play in the agricultural industry.

1.3.1 Consumers

1.3.2 Public institutions

(2 × 4) (8)

1.4 Briefly explain the FOUR functions of the agricultural industry in the South African economy. (4 × 2) (8)

1.5 Name the type of the trade that describes the following descriptions of trade agreements South Africa entered into with different countries to protect the agricultural sector and promote trade-offs with other countries?

1.5.1 South African Customs Union (SACU) agreement which was signed in 1910.

1.5.2 The agreement signed between South Africa and Malawi in 1990 in order to control the flow of goods between these two countries.

1.5.3 An agreement where South Africa is a founding member of the General Agreement on Tariffs and Trade (GATT).

1.5.4 Import protection by tariffs and quotas was abolished after the country signed this agreement.

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1.5.5 Agreement on tariff concessions signed by South Africa and Mozambique during 1989.

(5 × 1) (5)

1.6 Describe entrepreneurship as one of the production factors in the South African agricultural sector. (5)

1.7 State FOUR principles of the free market (capitalist) system functions. (4)

1.8 List THREE criteria against which the importance of agriculture in the national economy can be measured. (3)

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QUESTION 2: FARMING MANAGEMENT

2.1 The success of a farming business depends on effective farming management.

2.1.1 List FOUR basic functions that have to be executed by all managers. (4)

2.1.2 State any FIVE obstacles that can hamper effective communication in a farming business. (5)

2.1.3 Suggest THREE effective ways in which a manager of a farming enterprise can maintain a continuous flow of funds to and from his/her business. (3 × 2) (6)

2.1.4 Chronologically list the FOUR basic steps of taking a rational decision. (4)

2.1.5 Briefly explain what each of the steps for a rational decision entails as listed in QUESTION 2.1.4. (4)

2.2 A farm manager must organise all the available resources in such a way that the best possible production is achieved. One of the resources that the farm manager must organise is human resources by designing an effective organisational structure that will adapt to changes in the environment.

2.2.1 Name THREE forms of organisational structures found in the agricultural sector. (3)

2.2.2 Name THREE circumstances that may require changes to the organisational structure. (3 × 2) (6)

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2.3 Various options are given as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (2.3.1–2.3.5) in the ANSWER BOOK.

2.3.1 The primary objective of farming is to …

A produce.
B make a success of management.
C make a profit.
D produce food for consumers.

2.3.2 Checking and verifying the results of a decision taken by the manager is part of the … role.

A control
B planning
C implementation
D co-ordination

2.3.3 ... is interwoven with the whole issue of leadership and leading people.

A Motivation
B Communication
C Monitoring
D Decision making

2.3.4 … is a process of combining and co-ordinating human, physical and financial resources to produce a product which is demanded in the market at an affordable price.

A Production
B Risk bearing
C Economical production
D Farming management

2.3.5 In … a manager has the right to demand execution of duties from his subordinates.

A power of reward
B power of compulsion
C referential power
D legitimate power

(5 × 1) (5)

2.4 Name THREE factors that influences the decision making process when formulating farming objectives. (3)

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QUESTION 3: MANAGEMENT FUNCTIONS IN THE FARMING ENTERPRISE

3.1 Define the following terms:

3.1.1 Projection

3.1.2 Policy

3.1.3 Balance sheet

3.1.4 Standard procedure

3.1.5 Tactical planning

(5 × 2) (10)

3.2 Implementation requires thorough organising to ensure efficiency and effectiveness.

3.2.1 Advise an emerging farmer on any FOUR things that he should organise prior to implementation in a farming business. (4)

3.2.2 Classify THREE categories of training that may be offered to the employee in the farming business. (3)

3.2.3 Differentiate between the three categories of training stated in QUESTION 3.2.2. (6)

3.3 Proper planning encourages pro-active management in a farming business however it has its own limitations.

3.3.1 Differentiate *strategic planning* from *tactical planning* with regard to lifespan. (2)

3.3.2 Chronologically name the FIVE steps executed when designing a strategic plan of a farming business. (5)

3.3.3 Name the FOUR limitations of planning. (4)

3.3.4 Recommend FOUR tools for effective planning. (4)

3.3.5 Differentiate between the *schedules* and *programmes.* (2)

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QUESTION 4: MACRO AGRICULTURAL MARKETING

4.1 Marketing system is a bridge between the producer of food and consumer of food.

4.1.1 Do you agree with the above statement? (1)

4.1.2 Justify your answer for QUESTION 4.1.1. (2)

4.1.3 Name TWO main groups of activities that are involved in the food supply marketing system. (2)

4.1.4 Give FOUR examples of secondary activities involved in marketing. (4)

4.1.5 Which primary activity deals with the transfer of product from the producer to the consumer. (1)

4.1.6 State FIVE factors that influence the supply of agricultural products. (5)

4.2 The following table illustrates the demand for a certain product. Study it and answer all the questions below. Show ALL the calculations.

PRICE PER UNIT (R)	QUANTITY OF PRODUCTS (kg)
40	420
50	400

4.2.1 Calculate the percentage change in the price of the product. (3)

4.2.2 Calculate the percentage change in the quantity of the product demanded. (3)

4.2.3 Calculate the price elasticity of demand for this product. (1)

4.2.4 With which type or form of demand is this product associated? (1)

4.2.5 Justify your answer for QUESTION 4.1.4. (2)

4.3 Differentiate between the following approaches*: Macro marketing* and *micro marketing*. (2 × 2) (4)

4.4 African developing markets differ from developed (first-world) markets.

State FOUR known consumer preferences of Africans. (4)

4.5 4.5.1 Explain the concept of *equilibrium price.* (3)

4.5.2 Describe the influence of state of equilibrium price in the market to the suppliers and consumers. (4)

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QUESTION 5: MICRO AGRICULTURAL MARKETING

5.1 Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (5.1.1–5.1.5) in the ANSWER BOOK.

5.1.1 This situational analysis focuses on identifying strengths, weaknesses, opportunities and threats.

5.1.2 The theory that provides the time lag between production and sale.

5.1.3 A target that the farmer sets for himself and his farm operation.

5.1.4 A group of consumers that have similar needs and characteristics and will buy the same products.

5.1.5 The percentage change in the demand for the product due to a percentage change in income of the consumers.

(5 × 1) (5)

5.2 Various distribution channels are used to ensure that the product reaches the consumers as end users.

5.2.1 Name TWO distribution channels that are used by farmers who produce statutory regulated goods.

5.2.2 Describe the TWO distribution channels mentioned in QUESTION 5.2.1.

(2 × 2) (4)

5.3 The nature of the demand for agricultural products greatly determines the application of economic principles in the farming business. A strong relation exists between price and quantity of product and this is expressed as the supply and demand principle.

5.3.1 Differentiate between *price elasticity of demand* and *income elasticity of demand*. (2 × 2) (4)

5.3.2 State the impact of inelastic demand of goods on the following:

(a) Product

(b) Profit

(c) Sales

(d) Price

(4 × 1) (4)

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5.4 Marketing of agricultural products present huge challenges to the farmers in South Africa and the government interferes in price control.

5.4.1 Name THREE major agricultural marketing problems affecting producers in South Africa. (3)

5.4.2 Explain how the problems indicated in QUESTION 5.4.1 affects South African farmers. (3)

5.4.3 State FOUR strategies applied by the South African government to stabilise prices for agricultural products. (4)

5.4.4 List any THREE factors you would take into consideration when deciding to market your produce as a farmer. (3)

5.5 Draw and label a graphical representation of the supply and demand of potato bags at Pretoria Fresh Produce market. Use the same set of axes for these two curves.

The graph must indicate the following: Equilibrium price, equilibrium quantity, equilibrium position, surplus area and shortage area. (10)
[40]

TOTAL: 200

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