higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

31 May 2021

This marking guideline consists of 9 pages.

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SECTION A

QUESTION 1

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

(10 × 1) (10)

QUESTION 2

2.1 False
2.2 False
2.3 True
2.4 False
2.5 True

(5 × 1) **[5]**

QUESTION 3

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

(10 × 1) **[10]**

QUESTION 4

4.1 12
4.2 Analytical approach
4.3 Induction
4.4 Distribution channel
4.5 Well-defined

(5 × 1) **[5]**

TOTAL SECTION A: 30

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SECTION B

QUESTION 5

5.1
5.1.1 Capitalism
5.1.2 Communism
5.1.3 Socialism
5.1.4 Communism
5.1.5 Capitalism

(5 × 1) (5)

5.2 The South African population's life expectancy is increasing due to factors such as lower child mortality rates.✓ This is because the health system is developing and improving, and therefore there is more medical support✓ and better medication.✓ The population is mostly younger.✓ The younger average age of the population increases the demand for preferred food products because of different foods required by the younger consumers.✓ (5)

5.3
- Land
- Water
- Labour
- Capital
- Entrepreneurship (Any 4 × 1) (4)

5.4 The farmer should ensure optimal use of water and effectively maintain water resources.✓ The farmer should also apply water conservation methods, capturing and storing water through rainwater-harvesting techniques.✓ The use of more efficient irrigation systems such as drip irrigation should be applied.✓ Furthermore, irrigation scheduling should be applied to ensure that only the amount of water required by the crop is applied.✓ The farmer can also recycle water for irrigation purposes through grey water purification for the purpose of reuse.✓ Drought-tolerant crops should be planted to minimise irrigation water.✓ The farmer can use cover crops in order to protect soil that would otherwise go bare, reduce weeds, increase soil fertility and organic matter, and help prevent erosion and compaction, thereby allowing easy infiltration.✓ In addition, the farmer can use compost and mulch such as decomposed organic matter as fertiliser, which has been found to improve soil structure and increase its water-holding capacity.✓ The farmer should apply crop rotation, as crops have different water requirements. (Any 8 × 1) (8)

5.5 Mediators are the suppliers of inputs, processors and distributors,✓ as farmers produce raw materials that are used by industries to produce goods that are suitable for consumption by consumers.✓ Therefore, farmers depend on the suppliers of input needed for the production process.✓ Farmers depend on other institutions that provide supportive services such as transport, storage,✓ financing and marketing to bring products to consumers.✓✓ (3 × 2) (6)

5.6 Price stability supports the pricing of goods to allow the farmer to reap the benefits of peak prices,✓✓ whereas income stability is the level at which the producer's income changes in relation to the changes in price and supply of goods.✓✓ (2 × 2) (4)

5.7
- Agriculture is the supplier of raw material used to make end products.
- It is an earner of foreign currency through the exporting of goods.
- It is an employer.
- It is a marketer of goods and services. (4)

[34]

QUESTION 6

6.1
- Become aware of the problem.
- Identify/Define the problem.
- Develop alternative solutions to the problem.
- Evaluate alternative solutions to the problem.
- Select the best possible solutions to the problem.
- Implement the decision.
- Evaluate the results of the decision. (7)

6.2
- Set achievement standards.
- Observe the actual achievements (measure results).
- Evaluate any deviation.
- Apply corrective measures. (4)

6.3 The human resource department deals with the management of labour in the organisation and is responsible for all personnel affairs.✓✓ It manages human resource provision, including the recruitment, selection and placement of staff.✓ It also manages human resource development,✓ including training of staff and development opportunities to improve their skills and levels of competency to make a better contribution to executing the business activities.✓ Furthermore, it manages human resource maintenance, including the creation of acceptable working conditions,✓ service conditions and benefits to retain staff✓ and to attract quality applicants to the business.✓

(Any applicable answer) (8)

6.4 6.4.1 Legitimate power is a type of power where the manager has the right to demand execution of duties from his/her subordinates and the right to discharge them if they do not obey his/her instructions.

6.4.2 The power of reward is where the manager has the right to give or withhold rewards.

(2 × 2) (4)

6.5
- Ensure quality recruitment and selection of employees.
- Ensure good communication with subordinates.
- Constantly ensure professional training and development of employees.
- Develop and apply effective strategies and techniques to motivate employees. (4)

6.6 6.6.1 When organising employees, a hierarchy structure must be planned so that different levels of authority will be defined✓ and roles and responsibilities assigned to different employees.✓ Furthermore, the efficient span of control must be determined by placing a number of employees under leadership of each manager.✓ The organising of employees helps to know who is who in the organisation and clarifies communication channels and protocols.✓

(Any applicable answer) (4)

6.6.2
- Line organisation
- Functional organisation
- Staff and line organisation (3)

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QUESTION 7

7.1
- It is aimed at a period of three to ten years.
- 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)

7.2 When planning crop production activities, a farmer should first determine the rotation of crops on the farm✓ and then the most suitable layout of the farmlands.✓ Thereafter, the farmer should develop a crop production schedule that indicates the order of cultivation on each piece of land✓ and determine the quantity and type of fertiliser application on the land for a particular crop and the cultivation practices to use for each type of crop.✓ (4)

7.3 7.3.1 Production records
7.3.2 Balance sheet
7.3.3 Income statement or human resource records
7.3.4 Income statement
7.3.5 Balance sheet

(5 × 1) (5)

7.4 Planning must be always based on facts;✓ however, often relevant information is not available and is expensive to obtain.✓ Planning must rest on reliable information,✓ but if it is not the case, planning depends on assumptions.✓ Often circumstances change after a final decision is taken✓ and then the plan cannot be executed under the changed circumstances.✓ Therefore, plans must adapt to the changing environment. However, too many changes✓ cause a feeling of insecurity among workers, who then distrust future formal plans.✓ (8)

7.5
- Technical activities
- Commercial activities
- Financial activities (3)

7.6
- Induction
- Developmental training
- New training (3)

7.7 Induction is a form of training whereby a new, transferred or promoted employee is exposed to the practices, rules and procedures in a farm business.✓✓ Developmental training is where existing knowledge and skills are further developed.✓✓ New training is where employees are exposed to other knowledge and skills that they have never had or applied.✓✓ (6)
[34]

QUESTION 8

8.1 8.1.1
- Functional approach
- Institutional approach
- Analytical approach (3)

8.1.2 The functional approach classifies different activities according to their functions and distinction is made between the primary and secondary functions in the marketing process.✓ These functions are divided into accumulation, equalisation and distribution.✓ The institutional approach analyses the marketing structures and differentiates them into different organisations and institutions involved in marketing✓ and classifies role players according to each structure.✓ The analytical approach classifies and describes the marketing problems✓ according to their economic elements and not according to functions.✓ (6)

8.2 8.2.1 Price = 80 – 60
= 20✓

% change in price = 20/80 × 100✓
= 2 000/80 × 100
= 25%✓

8.2.2 Quantity = 500 – 300
= 200✓

% change in quantity = 200/300 × 100✓
= 20 000/300 × 100
= 66,7%✓

8.2.3 Price elasticity of demand = % change in quantity/% change in price✓
= 66,7%/25%✓
= 2,7✓
(3 × 3) (9)

8.3
- Acquisition and provision of information
- Standardisation and grading
- Recomposition
- Storage
- Financing
- Bearing the risk (6)

8.4 Market equilibrium is a state where demand is exactly equal to supply in the market. (2)

8.5 Economic risk originates from the difference in supply and demand (price difference), whereas physical risk lies in natural causes such as fire, thunder, earthquakes, diseases and damage of crops by animals, plaques and pests. (2 × 2) (4)

8.6
- Africans prefer fresh produce, especially meat and vegetables of good quality.
- They tend to buy small amounts of most-needed items for daily consumption.
- They do not have a keen interest in expensive packaging.
- They do not value the mass of goods, but rather the quantity thereof. (4)

[34]

QUESTION 9

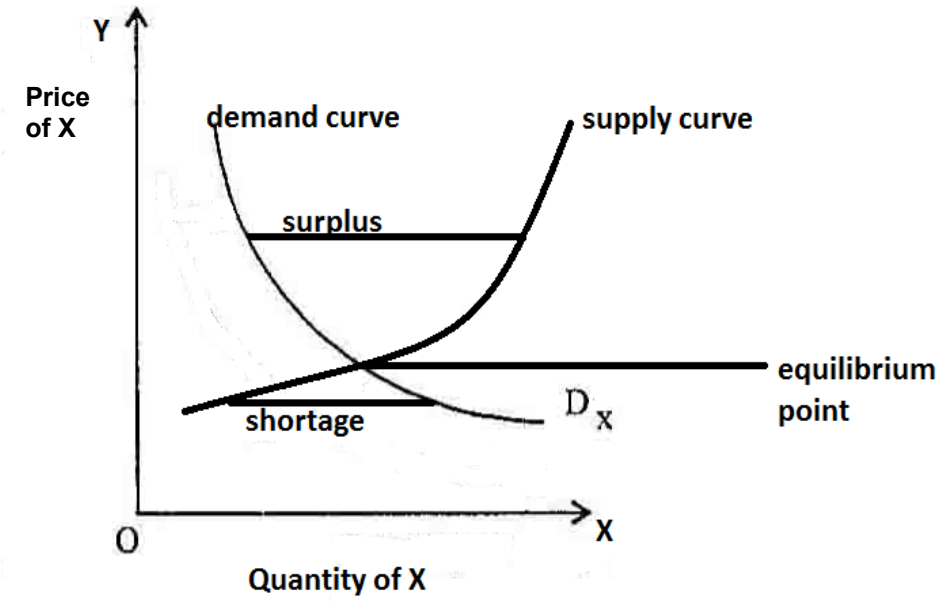
9.1 9.1.1 There is an inverse relationship between price and quantity. As the price decreases, the quantity demanded increases. As the price increases, the quantity demanded decreases. This relationship results in a negative trend of the demand curve. (2)

9.1.2 Increase in demand OR shift in the demand curve showing an increase in demand (2)

9.1.3 The possible reasons for the movement from D_X to D^1_X are:
- Increase in the income of consumers
- Changes in preference and taste
- Expectations of future price, supply, needs, etc.
- A change in the price of related goods. These can be substitutes, such as beef versus chicken, or complementary, such as mutton and wool
- An increase in the number of potential buyers

(Any 2 × 1) (2)

9.1.4



- Correct labels of X-axis and Y-axis✓✓
- Labelled supply curve✓
- Labelled demand curve✓
- Equilibrium point✓
- Surplus area✓
- Shortage area✓
- Price and quantity of product X✓ (8)

9.2 Production orientation✓ values production as the most important activity.✓ Farmers focus on producing the goods, therefore management revolves around production.✓ This orientation can be successful where there is an existing buyers' market, but may be a high risk if this is not the case. The second orientation is sales orientation.✓ This was often used in the past where there was shortage of buyers, and not of goods.✓ Its main aim was to stimulate sales.✓ Therefore, farmers spent more time on advertising, distinguishing products by packaging, as well as trademarks and sales promotion to enlarge their market share.✓ Lastly, there is marketing or consumer orientation,✓ which followed due to the lack of success of the production and sales orientations.✓ Farmers produce goods that are in demand by consumers, rather than producing goods and then searching for buyers.✓ (10)

9.3
- Marketing boards
- Agents of the boards (4)

9.4 Agricultural goods are homogenous because they are more or less the same as opposed to manufactured goods. (2)

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9.5	9.5.1	Yes	(1)
	9.5.2	Financial management involves the flow of funds through the acquisition of funds commonly known as financing.✓ It also involves the application of funds through the purchase of assets, which are regarded as an investment.✓ Furthermore, it involves the administration of funds and reporting on financial matters.✓	(3)
			[34]

TOTAL SECTION B: 170
GRAND TOTAL: 200

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