higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1040**(E)**(J6)H

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N5

(4090555)

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09:00–12:00

This question paper consists of 5 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MANAGEMENT: FARMING N5
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

1.1 Answer the following questions regarding the entrepreneur:

1.1.1 Name TWO approaches of entrepreneurship. (2)

1.1.2 State the THREE dimensions of the entrepreneurial process. (3)

1.1.3 State FIVE personal characteristics of a good entrepreneur. (5)

1.1.4 Briefly explain FOUR economic values of the entrepreneurship in the agricultural sector. (4 × 2) (8)

1.1.5 Name any FIVE factors that can influence the business and cannot be controlled by the farmer. (5)

1.2 Compare the PARTNERSHIP and the CLOSED CORPORATIONS as forms of undertaking on the basis of the following criteria:

1.2.1 Corporate body

1.2.2 Liability of debts

1.2.3 Number of members

1.2.4 Continuity

1.2.5 Taxability

(5 × 2) (10)

1.3 What is meant by *sole trader*. (2)

1.4 State any FIVE advantages of a sole trader. (5)

[40]

QUESTION 2

2.1 Answer the following questions regarding partnership as a form of business.

2.1.1 Define the term *partnership*. (2)

2.1.2 Give FOUR reasons why a partnership can be dissolved. (4)

2.1.3 Name SIX common rights and obligations in which a partnership agreement should provide for. (6)

2.2 Outline SIX advantages of closed corporations. (6 × 2) (12)

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2.3 Answer the following questions regarding risk and uncertainty in the farming strategy.

2.3.1 Differentiate between *risk* and *uncertainty*. (4)

2.3.2 Name EIGHT sources of risk and uncertainty in farming. (8)

2.3.3 State FOUR guidelines for decision-making in an uncertain environment. (4)

[40]

QUESTION 3

3.1 Answer the following questions regarding strategic planning.

3.1.1 State FIVE characteristics of strategic planning.

3.1.2 Name FIVE advantages of strategic planning.

(2 × 5) (10)

3.2 List FIVE factors that influence the profitability of crop branching. (5)

3.3 State FIVE factors that influence the profitability of animal branching. (5)

3.4 State and explain the FOUR most common factors that should be considered when a farming strategy is planned. (4 × 3) (12)

3.5 Name the steps in the formulation of a farming strategy. (8)

[40]

QUESTION 4

4.1 Differentiate the following terms regarding estate administration.

4.1.1 Testate and intestate succession

4.1.2 Legatee and heir

4.1.3 Substitution and codicil

(3 × 4) (12)

4.2 To be legal, a testament has to comply with certain requirements. Explain these requirements (10)

4.3 State FOUR guidelines to be followed when drafting a practical and effective will. (4 × 2) (8)

4.4 Give FIVE reasons for the use of testamentary trusts. (5)

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4.5 Name any FIVE persons and/or bodies who generally act as administrators of an estate. (5)

[40]

QUESTION 5

5.1 Choose the type of policy from COLUMN B that matches each description in COLUMN A. write only the letter (A–F) next to the question number (5.1.1–5.1.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
5.1.1	Only the paid premiums plus bonuses is paid out.	A	entrenched policy
5.1.2	Is taken out where the insured's needs are of a temporary nature.	B	pure endorsement policy
5.1.3	The insured amount is only paid when the insured dies.	C	endorsement policy with life coverage
5.1.4	This is a life policy with which a declining term cover policy is incorporated.	D	term policy
5.1.5	The insured amount is payable on the payout date or early death.	E	disability insurance
		F	whole-life policy

(5 × 2) (10)

5.2 Write explanatory notes on retirement annuities as an alternative for farmers to build their own pension fund for retirement. (10 × 1) (10)

5.3 Discuss harvest insurance under the following headings:

5.3.1 What is covered? (4)

5.3.2 What is not covered? (3)

5.3.3 How the premiums are determined and calculated. (3)

5.4 Differentiate between the following principles of insurance:

5.4.1 Compensation

5.4.2 Security

(2 × 5) (10)

[40]

TOTAL: 200

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