higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N5

(4090555)

28 September 2020 (X-paper)
09:00–12:00

This question paper consists of 5 pages.

110Q1B2028

Copyright reserved

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. Use only a black or blue pen.
5. Write neatly and legibly.

Copyright reserved

QUESTION 1

1.1 Briefly explain THREE expected social and political changes that may influence South African farmers in future. (9)

1.2 Name and discuss FOUR steps to be followed when promoting and developing an entrepreneurship. (4 × 3) (12)

1.3 Give FOUR reasons why entrepreneurship is important in agriculture and explain each reason. (12)

1.4 Draw a labelled diagram of the THREE dimensions of entrepreneurial activities. (3 × 2) (6)

1.5 Name ONE approach of entrepreneurship. (1)

[40]

QUESTION 2

2.1 Compare PARTNERSHIPS and CLOSED CORPORATIONS in view of the following criteria. Copy and complete the table below in the ANSWER BOOK.

2.1.1 Number of members

2.1.2 Continuity

2.1.3 Liability for debts

2.1.4 Tax commitments

2.1.5 Profit-sharing

	PARTNERSHIPS	CLOSED CORPORATIONS
2.1.1 2.1.2 2.1.3 2.1.4 2.1.5		

(5 × 2) (10)

2.2 Answer the following questions regarding the sole trader:

2.2.1 Define the term *sole trader*. (2)

2.2.2 State FOUR advantages of being a sole trader. (4 × 2) (8)

2.2.3 State FOUR disadvantages of being a sole trader. (4 × 2) (8)

Copyright reserved

2.3 Answer the following questions with regard to a partnership:

2.3.1 Define the term *partnership*. (2)

2.3.2 State THREE requirements that differentiate a partnership agreement from other contracts. (3 × 2) (6)

2.3.3 Explain the tax considerations of a partnership. (2 × 2) (4)

[40]

QUESTION 3

3.1 Answer the following questions regarding the selection of crop divisions:

3.1.1 State FIVE factors that affect the profitability of a crop branch. (5)

3.1.2 State FIVE soil characteristics that should be included in the crop inventory. (5)

3.1.3 Name FIVE types of information, that play a role in crop division, that should be included in the overview of the farm. (5)

3.2 The extent to which the environment affects the farming concern depends greatly on the type of the farming concern, as well as the objectives determined by the farmer.

3.2.1 Briefly explain why environmental analysis should be considered when strategic planning is drawn up. (5 × 2) (10)

3.2.2 Name and briefly explain FOUR external factors that should be considered when drawing up a strategic plan. (4 × 3) (12)

3.2.3 State THREE economic influences that affect the production process in South Africa. (3)

[40]

QUESTION 4

4.1 Define the following terms:

4.1.1 Testate succession

4.1.2 Legatee

4.1.3 Codicil

4.1.4 Heir

4.1.5 Substitution

(5 × 2) (10)

4.2 A will can be a unilateral written instruction wherein the exact stipulations are formed about the way in which the testator's worldly possessions must be dealt with after death.

4.2.1 State the guidelines for drafting a practical and effective will. (8)

4.2.2 Briefly explain the requirements of an effective legal will. (10)

4.2.3 Name FIVE documents that must be submitted to the magistrate's office within 14 days of the death of a person. (5)

4.3 Name FIVE persons that may act as an administrator of a trust. (5)

4.4 Define the term *trust*. (2)
[40]

QUESTION 5

5.1 Briefly explain the following terms of insurance:

5.1.1 Short-term insurance (5 × 2) (10)

5.1.2 Long-term insurance (5 × 2) (10)

5.2 Name FOUR questions to be asked to determine the extent and cost of short-term insurance. (4)

5.3 Briefly explain comprehensive coverage insurance. (3 × 2) (6)

5.4 Answer the following questions regarding harvest-insurance:

5.4.1 What is covered? (3)

5.4.2 What is not covered? (3)

5.4.3 How are the premiums determined and calculated? (4)
[40]

TOTAL: 200

Copyright reserved