



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

**AGRIBUSINESS
NQF LEVEL 2**

11 March 2020

This marking guideline consists of 7 pages.

QUESTION 1

1.1	1.1.1	True	(10 × 1)	(10)
	1.1.2	True		
	1.1.3	False		
	1.1.4	True		
	1.1.5	True		
	1.1.6	True		
	1.1.7	False		
	1.1.8	False		
	1.1.9	True		
	1.1.10	False		
1.2	1.2.1	Agent/Market agent	(10 × 1)	(10)
	1.2.2	Capital		
	1.2.3	Mixed farming system		
	1.2.4	Fixed cost		
	1.2.5	Law of demand		
	1.2.6	Medium-term capital		
	1.2.7	Market equilibrium/Equilibrium		
	1.2.8	Deposit		
	1.2.9	Supply		
	1.2.10	Annual crops		
1.3	1.3.1	C	(10 × 1)	(10)
	1.3.2	A		
	1.3.3	I		
	1.3.4	E		
	1.3.5	N		
	1.3.6	M		
	1.3.7	G		
	1.3.8	K		
	1.3.9	F		
	1.3.10	H		
				[30]

TOTAL SECTION A: 30

SECTION B**QUESTION 2**

- 2.1 2.1.1 Summary of income and expenditure on a specific date
- 2.1.2 Excess of income over expenditure in a given period of time (2 × 2) (4)

2.2

CASH-FLOW STATEMENT MOTHIBANTOA FARM 1 MARCH TO 31 MAY 2018				
ITEM	MARCH	APRIL	MAY	TOTAL
Cash inflow				
Livestock sold			35 000	✓35 000
Maize sold			25 000	✓25 000
Vegetables sold		5 000		✓5 000
Total Inflow	✓0	✓5 000	✓60 000	✓65 000
Cash outflow				
Medicine	2 000			✓2 000
Fertiliser	6 000			✓6 000
Crop chemicals and seeds	5 000			✓5 000
Wages	4 500	4 500	4 500	✓13 500
Insurance	1 500	1 500	1 500	✓4 500
Telephone account	1 000	1 000	1 000	✓3 000
Water and electricity	2 000	2 000	2 000	✓6 000
Total outflow	✓22 000	✓✓9 000✓✓	✓✓9 000✓✓	✓0 000
Profit/Loss	-22 000✓✓	- 4 000✓✓	51 000✓✓	25 000✓✓

(30)

- 2.3 Specific layer or stratum of soil or subsoil in a vertical cross-section of land. (1)
[35]

QUESTION 3

3.1 Amount the farmer would retain if all assets were sold and all debts paid. (2)

- 3.2
- Bills payable
 - Income tax
 - Overdrafts
 - Unpaid cheque
 - Account arrears
 - Creditors
- (Any 3 × 1) (3)

3.3

Balance sheet for Mr Aruseb's farm			
Assets	Amount (R)	Liability	Amount (R)
Fixed improvement	25 000✓	Lease instalments	10 000✓
Marketable livestock	15 000✓	Creditors	5 000✓
Crop and crop products	22 000✓	Bonds	120 000✓
Debtors	2 000✓	Wages	35 000✓
Office furniture	40 000✓	Debtors	2 000✓
Land	100 000✓	Veterinary bill	3 500✓
Vehicles	50 000✓	Bills payable	15 000✓
Short-term investment	8 000✓		
Cash in bank	26 000✓		
Total assets	288 000✓	Total liability	190 500✓
Net worth = 288 000 – 190 500 = 97 500✓✓			

(20)
[25]

TOTAL SECTION B: 60

SECTION C**QUESTION 4**

- | | | | |
|-----|-------|--|----------------------|
| 4.1 | 4.1.1 | Market where all sales are done by agent on behalf of the farmer✓
on a commission basis✓ | (2) |
| | 4.1.2 | <ul style="list-style-type: none"> • Higher prices possible • Bigger quantities of produce can be sold • Agent may perform task of marketing | (3 × 2) (6) |
| 4.2 | | <ul style="list-style-type: none"> • Weather/Natural factors • Profit margin • Price of input/Production costs • Technology • Number of suppliers • Product stability • Production period • Difficulties of increasing product supplies • Prices of other competitors | (Any 5 × 1) (5) |
| 4.3 | 4.3.1 | <ul style="list-style-type: none"> • Drought • Insect infestation • Delayed harvesting | (3) |
| | 4.3.2 | <ul style="list-style-type: none"> • Crop rotation • Irrigation • Use of pesticides • Timed planting and harvesting | (4) |
| 4.4 | | <ul style="list-style-type: none"> • Vegetation • Topography • Temperature • Climate • Soil classification • Soil type and quality • Water | (Any 4 × 1) (4) |
| 4.5 | | <ul style="list-style-type: none"> • Current • Savings • Basic | (3) |

- 4.6
- Land/Soil
 - Labour
 - Capital
 - Entrepreneur/Management (4)
- 4.7
- Increased production
 - Waste products from animals serve as manure to fertilise and improve soil structure
 - Crop residue serves as fodder for animals
 - Farmer can practice organic farming (4)

[35]**QUESTION 5**

- 5.1
- | | | | |
|-------|---------|--|--|
| 5.1.1 | R3 000 | | |
| 5.1.2 | R5 000 | | |
| 5.1.3 | R4 000 | | |
| 5.1.4 | R2 000 | | |
| 5.1.5 | R2 500 | | |
| 5.1.6 | R2 000 | | |
| 5.1.7 | R12 000 | | |
| 5.1.8 | R6 500 | | |
| 5.1.9 | R18 500 | | |
- (9 × 1) (9)
- 5.2
- | | | | |
|-------|--------|--|--|
| 5.2.1 | Short | | |
| 5.2.2 | Medium | | |
| 5.2.3 | Short | | |
| 5.2.4 | Long | | |
| 5.2.5 | Short | | |
| 5.2.6 | Medium | | |
- (6 × 1) (6)
- 5.3
- Agricultural Products Standards Act
 - Meat Safety Act
 - Livestock Improvements Act
 - Animal Health Act
 - Marketing of Agricultural Products Act
 - Plant Improvements Act
 - Agricultural Pests Act
 - Plant Breeders' Rights Act
 - Genetically Modified Organism Act
 - Livestock Identification Act
- (Any 5 × 1) (5)

- 5.4
- Land bank
 - Private individuals
 - Own and related sources of capital
 - Trust companies
 - Co-operatives
 - Commercial banks
 - General banks
 - Provincial agricultural banks
- (Any 5 × 1) (5)
[25]

TOTAL SECTION C: 60
GRAND TOTAL: 150