



# higher education & training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL CERTIFICATE (VOCATIONAL)**

### **AGRIBUSINESS NQF LEVEL 2**

(1011032)

**2 December 2020 (X-paper)  
09:00–12:00**

**This question paper consists of 8 pages and 2 addenda.**

173Q1N2002

|   |
|---|
| <p><b>TIME: 3 HOURS</b><br/><b>MARKS: 150</b></p> |
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**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. Start each section on a new page.
  5. Use only a black or blue pen.
  6. Write neatly and legibly.
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**SECTION A****QUESTION 1**



1.1 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

- 1.1.1 Risk is the probability that a farmer may receive profit from his/her business. 
- 1.1.2 A journal is the chronological daily record of business transactions.
- 1.1.3 A petty-cash book is used to record income and expenditure relating to the petty-cash fund.
- 1.1.4 Net income is the starting cash position of a business on the first day of the month.
- 1.1.5 Capital includes all machinery, buildings and tools used in the production process.
- 1.1.6 A consumer is an individual who purchases and uses goods and services.
- 1.1.7 Medium-term capital is used in production for a period between one month and a year. 
- 1.1.8 Infrastructure refers to services and facilities that support day to day economic services.
- 1.1.9 Horizon refers to a group of interacting, interrelated or interdependent elements forming a complex whole.
- 1.1.10 Assets consist of everything that the business owns.

(10 × 1) (10)




- 1.2 Choose ONE term from the list below for each of the following descriptions and write it next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

resources; pallets; equilibrium; costs; taxation; budget;  
useful life; inventory; depreciation; expenditure

- 1.2.1 Machines, workers, money, land, raw materials and other things used on a farm to produce goods and services to make profit
- 1.2.2 Period for which an item can be used 
- 1.2.3 Wooden platforms used for sorting and shipping (transporting) items
- 1.2.4 Plan for future actions expressed in physical and financial quantities
- 1.2.5 Price where the amount at which consumers want to buy equals the amount at which producers are prepared to sell
- 1.2.6 Something with value, usually an amount of money, given up in exchange for something else, usually goods and services
- 1.2.7 Money paid to government to fund the services that government provides to citizens 
- 1.2.8 All money that flows out of a business
- 1.2.9 Loss or decline in the value of assets such as vehicle, machinery, tools and equipment
- 1.2.10 Statement in which all physical assets of a business and its monetary value are recorded at a specific point of time

(10 × 1) (10)

- 1.3 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–L) next to the question number (1.3.1–1.3.10) in the ANSWER BOOK.


| COLUMN A |  | COLUMN B |  |
|----------|--|----------|--|
| 1.3.1    | Small amount of cash that a business keeps to pay for small expenses  | A        | profit   |
| 1.3.2    | Established standards, guides or regulations set up by an authority  | B        | infrastructure   |
| 1.3.3    | All money that flows out of a business   | C        | agent  |
| 1.3.4    | Amount of money the owner invested in the enterprise   | D        | auction  |
| 1.3.5    | Includes all machinery, buildings and tools used in the production process   | E        | expenditure  |
| 1.3.6    | Excess income over expenses in a given period of time  | F        | capital  |
| 1.3.7    | Business person who buys or sells for another in exchange for a commission   | G        | market  |
| 1.3.8    | Services and facilities that support day to day economic activity  | H        | owner's equity   |
| 1.3.9    | Place where buyers and sellers meet to exchange goods and services  | I        | rules  |
| 1.3.10   | Market where live animals are sold to the highest bidder   | J        | petty cash   |
|          |  | K        | land bank  |
|          |  | L        | income   |

(10 × 1)

(10)  
[30]**TOTAL SECTION A: 30**

**QUESTION 2**

- 2.1 Study the liabilities of Mr Mathipa's farm for September 2019 and use the information to complete ADDENDUM A (attached).





| DETAILS                 | VALUE (R) |
|-------------------------|-----------|
| Long-term loans         | 110 000   |
| Income tax              | 6 500     |
| Bond repayments         | 36 500    |
| Creditors               | 9 500     |
| Bills payment           | 21 000    |
| Mortgage bonds          | 200 000   |
| Instalments sale credit | 70 000    |
| Leases                  | 8 000     |
| Bank overdraft          | 19 500    |
| Accounts in arrears     | 10 000    |

(10)




- 2.2 Use the following information, taken from the November 2010 seed stock record of Makgopa Farm Holdings, to complete ADDENDUM B (attached). Some of the information has already been entered for you.

**DATE      DESCRIPTION**


- 01/11      NTK delivered 10 bags of seed that Maleme, the store clerk, received and kept in the store.
- 03/11      Maile collected five bags of seed for planting on the field. 
- 10/11      Matome collected five bags of seed for planting on the field.
- 12/11      NTK delivered 20 bags of seed that were received by Maleme.
- 13/11      Maile collected five bags of seed for planting on the field.
- 15/11      Kgashane collected five bags of seed for planting on the field.
- 17/11      Matome collected five bags of seed for planting on the field.
- 19/11      NTK delivered 20 bags of seed that were received by Maleme.
- 19/11      Kgashane collected five bags of seed for planting on the field.
- 22/11      Matome collected five bags of seed for planting on the field.
- 25/11      Matome collected five bags of seed for planting on the field. 
- 27/11      NTK delivered 20 bags of seed that were received by Maleme.


(20)  
**[30]**

**QUESTION 3**



- 3.1      3.1.1      Give THREE guidelines for safeguarding a petty-cash fund. (3 × 2)      (6)
- 3.1.2      Name the THREE main columns of the petty-cash book.      (3)
- 3.1.3      Define the term *net income*.       (2)
- 3.2      Explain each of the following signs:
- 3.2.1      Danger signs
- 3.2.2      Stop and prohibition signs
- 3.2.3      Caution signs
- 3.2.4      Mandatory signs  (4 × 2)      (8)
- 3.3      Name TWO basic accounting methods available to a small agribusiness.      (2)
- 3.4      Explain each of the following types of farming systems:
- 3.4.1      Grazing system
- 3.4.2      Mixed system (2 × 2)      (4)
- 3.5      List FIVE economic factors that affect the selection of suitable agricultural enterprises.  (5)
- [30]**

**QUESTION 4**

- 4.1      Define the term *demand*.      (2)
- 4.2      State the law of supply.      (3)
- 4.3      Name FIVE factors that affect the supply of agricultural products.      (5)
- 4.4      Define each of the following methods of selling produce from a vegetable farm:
- 4.4.1      Contract marketing
- 4.4.2      Farm-gate marketing       (3 × 2)      (6)
- 4.4.3      Communal marketing

- |     |  |         |             |
|-----|--|---------|-------------|
| 4.5 | Give THREE advantages of fresh-produce marketing.  | (3 × 2) | (6)         |
| 4.6 | Give FOUR disadvantages of village marketing.  | (4 × 2) | (8)         |
|     |  |         | <b>[30]</b> |

### QUESTION 5

- |     |   |         |             |
|-----|---|---------|-------------|
| 5.1 | Define the term <i>mycotoxins</i> .   |         | (2)         |
| 5.2 | List FOUR good crop-husbandry practices that can minimise mycotoxins.   |         | (4)         |
| 5.3 | Give THREE causes of mycotoxins.  |         | (3)         |
| 5.4 | List FIVE natural resources that will influence the selection of the location of an agribusiness.  |         | (5)         |
| 5.5 | Name FIVE types of infrastructure that should be on a farm to ensure the effective operation of the production of cabbage and potato.   |         | (5)         |
| 5.6 | Define the term <i>unskilled labour</i> .   |         | (2)         |
| 5.7 | List FIVE veterinary services that help farmers keep livestock healthy.   |         | (5)         |
| 5.8 | Differentiate between <i>quantity</i> and <i>quality</i> .                                       | (2 + 2) | (4)         |
|     |   |         | <b>[30]</b> |

|                         |            |
|-------------------------|------------|
| <b>TOTAL SECTION B:</b> | <b>120</b> |
| <b>GRAND TOTAL:</b>     | <b>150</b> |

**ADDENDUM A****EXAMINATION NUMBER:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**QUESTION 2.1****LIABILITIES OF MR MATHIPA'S FARM FOR SEPTEMBER 2019**

| <b>CURRENT<br/>LIABILITIES</b>       | <b>VALUE<br/>(R)</b>         | <b>MEDIUM-TERM</b>                         | <b>VALUE<br/>(R)</b> | <b>FIXED<br/>LIABILITIES</b>       | <b>VALUE<br/>(R)</b> |
|--------------------------------------|------------------------------|--|----------------------|------------------------------------|----------------------|
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
|                                      |                              |  |                      |                                    |                      |
| <b>Total current<br/>liabilities</b> |                              | <b>Total medium -<br/>term liabilities</b> |                      | <b>Total fixed<br/>liabilities</b> |                      |
|                                      | <b>Total<br/>liabilities</b> |  |                      |                                    |                      |

**ADDENDUM B****EXAMINATION NUMBER:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**QUESTION 2.2**

| STOCK RECEIVED    |          |              | STOCK ISSUED |          |          |         |
|-------------------|----------|--------------|--------------|----------|----------|---------|
| Date              | Qty (kg) | Description  | Date         | Issue to | Qty (kg) | Balance |
| 1/11              | 10       | Bags of seed | 3/11         | Maile    | a)       | b)      |
|                   |          |              | 10/11        | Matome   | c)       | d)      |
| 12/11             | 20       | Bags of seed | 13/11        | Maile    | e)       | f)      |
|                   |          |              | 15/11        | Kgashane | g)       | h)      |
|                   |          |              | 17/11        | Matome   | i)       | j)      |
| 19/11             | 20       | Bags of seed | 19/11        | Kgashane | k)       | l)      |
|                   |          |              | 22/11        | Matome   | m)       | n)      |
|                   |          |              | 25/11        | Matome   | o)       | p)      |
| 27/11             | 20       | Bags of seed |              |          |          |         |
| <b>Total</b>      | q)       |              | <b>Total</b> |          | r)       | s)      |
| Bags in the store |          |              |              |          |          | t)      |