



**higher education  
& training**

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

**NATIONAL CERTIFICATE (VOCATIONAL)**

**AGRIBUSINESS  
NQF LEVEL 2**

(1011032)

**22 November 2019 (Y-Paper)  
13:00–16:00**

**This question paper consists of 11 pages.**

<p><b>TIME: 3 HOURS</b> <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 a pen with only BLUE or BLACK ink.
  6. Write neatly and legibly.
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**SECTION A****QUESTION 1**

1.1. Various options are given as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 Buildings, land, and dams are examples of ... capital items.


- A working 
- B movable
- C floating
- D fixed

1.1.2 A sign that warns of a particular difficult or hazardous condition that is likely to be life threatening is called ...

- A caution.
- B danger.
- C stop and prohibition.
- D mandatory.


1.1.3 ... is a financial statement that shows whether the business has gained money or suffered a loss.




- A Owners' equity
- B A balance sheet
- C An income statement
- D A cash flow statement

1.1.4  The market which consists of members of the community, spaza shops, hawkers and businesses is a/an ... market.

- A national
- B local
- C import
- D export

1.1.5 A farmer can be classified as an entrepreneur when he/she ...

- A takes necessary risks while working.
- B is a permanent manager.
- C sees a unique business opportunity. 
- D works with natural resources.

- 1.1.6 Local farmers meet at the Modimolle community market on Friday mornings to sell their produce to the community. This type of marketing channel is called ...
- A village marketing. 
  - B farm-gate marketing.
  - C communal marketing.
  - D fresh produce marketing.
- 1.1.7 The type of resources that the farm manager requires to purchase equipment and stock and to be able to manage the farm efficiently is called ...
- A land.
  - B capital.
  - C labour.
  - D entrepreneurship.
- 1.1.8 ... relates to the relative position of the soil of the landscape or the hills and the slopes between high and low areas.
- 
- A Vegetation
  - B Topography
  - C Temperature
  - D Climate
- 1.1.9 The ground layer in which most roots actively grow and which is regarded as the most productive layer of soil:
- A Bedrock
  - B A-horizon.
  - C O-horizon.
  - D E-horizon
- 1.1.10 A system in which crops and livestock are integrated on the same farm is called ...
- A grazing farming. 
  - B environmental farming.
  - C a degradation system.
  - D a mixed farming system.


(10 × 1) (10)



1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

- 1.2.1 There is no need for a farmer to conduct market research before deciding on producing something.
- 1.2.2 Risk is the possibility that something unpleasant or dangerous might happen. 
- 1.2.3 A consumer is someone who manufactures, processes or packages a product, or a person who, in the course of business, imports or sells a product.
- 1.2.4 Revenue is the income generated by farming operations.
- 1.2.5 Useful life is the length of time over which an asset will be used to generate money.
- 1.2.6 Costs include all machinery, buildings and tools which are used in the production process. 
- 1.2.7 Tax is money paid to the government to fund the services that government provides to the residents of the country.
- 1.2.8 A budget is a written plan of future action, expressed in physical and financial quantities.
- 1.2.9 Storage risk assessment is used to record the movement of stock from the store. 
- 1.2.10 Salvage value is the original price plus any additional expenses incurred to make the asset operational.


(10 × 1) (10)


1.3 Complete the following sentences by filling in the missing word(s). Write only the word or words next to the question number (1.3.1–1.3.10) in the ANSWER BOOK.

- 1.3.1 Market ... occurs when the demand for a product is equal to its supply.
- 1.3.2 ... is the estimate of the value of an asset at the time of selling.
- 1.3.3 ... is a type of capital that is used for production for a period of between one month and a year.
- 1.3.4 The reduction in value of machinery and equipment on the farm is called ... 
- 1.3.5 A ... is the book that a bank gives you, on the pages of which you can instruct the bank to pay out money from your account to others.

- 1.3.6 The process of putting money into a bank account is called ...
- 1.3.7 ... income is used as a standard by which to measure the profitability of a farming business. 
- 1.3.8 ... is the process by which inputs are changed to outputs, which ultimately become cash.
- 1.3.9 ... is the quantity of goods that producers are prepared to sell at a certain price. 
- 1.3.10 ... assets are durable items which have a useful life of more than one year, for example, breeding livestock, machinery, etc.
- (10 × 1) (10)
- TOTAL SECTION A: 30**

**SECTION B****QUESTION 2**

- 2.1 Give FOUR reasons for keeping financial records in a farming business. (4)
- 2.2 Name FOUR objectives that a farmer may wish to achieve when he/she establishes a farming business.  (4)
- 2.3 Complete the cash flow statement of Masetla Farming Enterprise from July to October 2017. Write ONLY the correct answer next to the question number (2.3.1–2.3.12) in the ANSWER BOOK.

	July	August	September	October
CASH RECEIVED				
Maize	R10 000		(2.3.7)	
Vegetables	R8 000	R8 000	R5 000	R6 000
Livestock	R3 000	R3 000	R2 000	(2.3.10)
Citrus	(2.3.1)		R4 000	R4 000
Other income	R2 000	R3 000	R3 000	R4 500
TOTAL CASH AVAILABLE	R25 000	(2.3.4)	R17 500	R18 000
CASH PAYMENTS	(2.3.2)	(2.3.5)	R1 000	R1 500
Fuel	R6 500	R6 600	R6 900	R7 700
Fertiliser	R2 000	R1 500	(2.3.8)	R1 200
Transport	R2 000	R1 700	R1 400	R1 600
Income tax	R850	R950	R1 000	R1 200
Marketing costs	R1 000		R1 200	R950
Seed	R900		R850	
Veterinary bill				
TOTAL CASH PAYMENTS	R20 000	R13 000	R16 000	(2.3.11) 
BANK BALANCE (end of month)	(2.3.3)	(2.3. 6)	(2.3.9)	(2.3.12)

(12)  
[20]

**QUESTION 3**

The transactions below show the receipts and payments of Malivha Farming Enterprise for December 2017.



Use the information below to prepare an income statement for Malivha Farming Enterprise.

Purchase of boxes	R2 300,00
Sale of old machinery	R8 000,00
Marketing costs	R1 200,00
Telephone account	R2 600,00
Income tax	R5 900,00
Electricity and water	R12 500,00
Transport	R6 300,00
Machinery repairs	R7 000,00
Fertilisers	R1 300,00
Sale of sweet potatoes	R7 500,00
Egg sales	R20 000,00
Seeds	R3 000,00
Fuel and lubricant	R9 000,00
Broiler sales	R36 600,00
Wages and salaries	R8 500,00
Veterinary bills	R1500,00
Sale of spinach	R8 000,00



[20]

**QUESTION 4**

- 4.1 Redraw the table below and indicate whether the farmer or government is responsible for providing the infrastructure listed.

INFRASTRUCTURE	FARMER	GOVERNMENT
4.1.1 Storeroom		
4.1.2 Farm roads		
4.1.3 Electricity lines		
4.1.4 National roads		
4.1.5 Irrigation systems		
4.1.6 Telephone lines		
4.1.7 Railway lines		
4.1.8 Farm dams		
4.1.9 Cold rooms		
4.1.10 Windmills		



(10)

- 4.2 Mothupi is a small-scale farmer who produces broilers and sells them to a local market.



Name FIVE ways in which Mothupi can add value to his broilers.

(5)

- 4.3 State FIVE natural factors that a farmer has to consider when choosing the location of a farm.

(5)

- 4.4 Farmer → Village stall → Consumer

4.4.1 What type of distribution channel is shown in QUESTION 4.4?

(1)

4.4.2 State THREE advantages of using the distribution channel mentioned in QUESTION 4.4.1.



(3 × 2)

(6)



- 4.5 State THREE safety measures that you have to take before spraying vegetables with pesticides.

(3)




**[30]****TOTAL SECTION B: 70**

## SECTION C

### QUESTION 5


- 5.1 Define the term *ledger*. (1)
- 5.2 Petty cash is used to make small payments.  (1)
- Briefly explain THREE procedures recommended for the safeguarding of petty cash. (3 × 2) (6)
- 5.3 Mixed farming is the system of farming in which livestock and crop production are integrated on the same farm. (1)
- Explain FOUR reasons that you would recommend this type of farming to an emerging farmer. (4)
- 5.4 Ngwato needs capital to start his poultry farm. (1)
- 5.4.1 Name THREE types of capital he would need to start his poultry farm.  (3)
- 5.4.2 Explain the THREE types of capital mentioned in QUESTION 5.4.1 above. (6)
- [20]**

### QUESTION 6

- 6.1 There are two basic accounting methods available to small business. (1)
- 6.1.1 Name the TWO basic accounting methods.  (2)
- 6.1.2 Differentiate between the TWO accounting methods named in QUESTION 6.1.1. (4)
- 6.2 Discuss the THREE steps of developing an inventory. (3 × 2) (6)
-  6.3 Name THREE examples of sources needed for financial record keeping. (3)
- 6.4 One of the most important resources every farmer needs for an effective farming operation is having the basic infrastructure on the farm. (1)
- Name SIX types of basic infrastructure that the farm manager must ensure is in place in order to operate a successful onion and beetroot enterprise. (6)
- 6.5 A sound financial plan is the most important document needed before an entrepreneur can obtain a loan from the bank.  (1)
- Name the THREE financial statements that must be included in a balanced financial plan. (3)

6.6 The following is an example of a work plan on a farm that produces onions.

Study the table and then compile a short job description for Martha.

<b>Jobs to do</b> 	<b>Person(s) responsible</b>
Preparing seedbeds	Joyce
Planting seeds	Martha
Weeding and watering	Lucky
Preparing fields	Joyce
Transplanting seedlings	Martha
Weeding and watering	Lucky
Harvesting	Martha and Joyce
Packing	Martha

(4)

6.7 Define the term *farmer*.



(2)

[30]

**TOTAL SECTION C: 50**  
**GRAND TOTAL: 150**