



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1030(E)(N19)H

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

(4090544)

19 November 2018 (X-Paper)
09:00–12:00

This question paper consists of 10 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
MANAGEMENT: FARMING N4
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 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.

1.1.1 Which ONE of the following is NOT a mediator among the role players in agriculture?

- A Distributors
- B Processors
- C Suppliers
- D Producers

1.1.2 Which ONE of the FOUR production factors falls under the category of human resources?

- A Land
- B Labour
- C Capital
- D Entrepreneurship

1.1.3 Increasing profit is the main drive behind this economic system:

- A Mixed economy
- B Socialism
- C Capitalism
- D Communism

1.1.4 South Africa and Malawi signed a trade agreement to regulate the flow of goods between the two countries in the year ...

- A 1986.
- B 1990.
- C 1989.
- D 1910.

1.1.5 Through this Act pricing policy in the maize industry changed from cost-plus bias to a more market oriented system:

- A Labour legislation in agriculture
- B Deregulation of marketing in terms of the Marketing Act of 1968
- C Change in the direct budget spending on agriculture
- D Liberalising price control in terms of the Marketing Act of 1968

(5 × 1)

(5)

- 1.2 Draw the table below in the ANSWER BOOK and tabulate the advantages and disadvantages of the following most important forms of economic systems:

ECONOMIC SYSTEM	ADVANTAGES	DISADVANTAGES
Capitalism		
Communism		
Socialism		

(3 × 2)

(6)

- 1.3 The main aim of agricultural policy is to guide the development of agriculture in a way that the factors of production are utilised effectively.

1.3.1 Name THREE macro-economic instruments that may be used to execute the agricultural policy.

(3)

1.3.2 Explain each of the instruments/policies mentioned in QUESTION 1.3.1.

(3 × 2)

(6)

- 1.4 Read the case study below and answer the questions.

SOUTH AFRICAN GDP

GDP in South Africa was expected to be 360.00 USD Billion by the end of 2016's first quarter, according to Trading Economics global macro models and analysts' expectations. According to the country's long-term econometric models, the South Africa GDP is projected to trend around 420.00 USD Billion in 2020. Each country strives to attain a strong GDP, as this is an indicator of the performance of the country's economy. A serious decrease in GDP of a country can be attributed to inter alia, depression and unemployment.

The other issue that countries are concerned with (South Africa included) is the country's balance of payment. Balance of payments is an indicator of money flowing into and out of the country. This flow of money is determined by the visible imports and exports, the invisible exports and imports, and the movement of capital to and from the country are taken into account. So there is a clear connection between GDP and the balance of payments, and both are of importance in agricultural prices. Therefore it means that a low GDP or high GDP affects the country's economy.

1.4.1 Define the concept *GDP*.

(2)

1.4.2 What would be the impact of the decreased GDP to the country as a whole?

(2)

1.5 Answer the following questions based on GDP of a country:

- 1.5.1 What does the abbreviation GDP stand for? (1)
- 1.5.2 Write the acronym GDP in full. (2)
- 1.5.3 Give TWO factors that may have a negative effect on the GDP of the country. (2)

1.6 It is expected that population growth rate will increase by 2,26 % per annum over the next 20 years. An increase in population means an increase in the demand for food. An increase in population also indicates the potential future markets for South Africa's population.

State THREE deductions that are made in relation to the anticipated South African population increase. (3 × 2)

(6)
[35]

QUESTION 2

2.1 Define the following terms:

- 2.1.1 Farming management
- 2.1.2 Coincidental occurrences
- 2.1.3 Legitimate power (3 × 2) (6)

2.2 'A manager's task is primarily that of decision making on a daily basis.'

- 2.2.1 List FOUR basic steps of a *rational decision*. (4)
- 2.2.2 Describe what each step of a rational decision listed in QUESTION 2.2.1 entails. (4 × 2) (8)

2.3 Well defined farming objectives set a clear guideline of what needs to be achieved in the farming business.

- 2.3.1 Name THREE categories of objectives according to time period. (3)
- 2.3.2 Set objectives for your emerging broiler production business based on the aspects given below as a guideline.

NB: Objectives must always adhere to the SMART principle

- (a) Profitability
- (b) Productivity
- (c) Employee empowerment

(3 × 2) (6)

- 2.4 The farm manager has to organise the available resources in such a way that the best possible production is achieved.
- 2.4.1 Discuss how you would organise the employees in your farming business. (6)
- 2.4.2 Name THREE forms of organisational structures that are common in the agricultural sector. (3)
- 2.4.3 Explain each of the THREE organisational structures mentioned in QUESTION 2.4.2. (6)
- 2.4.4 Suggest THREE circumstances that will necessitate changes to the organisational structure of your farm business. (3)
- [45]**

QUESTION 3

- 3.1 Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (3.1.1–3.1.5) in the ANSWER BOOK.
- 3.1.1 Familiarising a new employee to the procedures, rules and practices on the farm.
- 3.1.2 Predicting the flow of future events based on given information and pre-empted expectations.
- 3.1.3 The development of a long-term strategy to realise the farm's mission.
- 3.1.4 An instrument that is used in the evaluation of capital and labour.
- 3.1.5 A written document that expresses the farmer's objectives and projections in financial terms for a particular period. (5 × 1) (5)
- 3.2 Training workers on farms is another way farmers use to improve their workers' productivity.
- 3.2.1 Name the THREE categories of training that can be offered to your employees. (3)
- 3.2.2 Suggest FOUR strategies the trainer can apply to ensure the effectiveness in training of employees. (4)

- 3.3 'Different performances standards are used in a farm to successful execute the control function.'
- 3.3.1 Explain the following concepts that are used as performance standards in a farm business.
- (a) Solvency
 - (b) Liquidity
 - (c) Gross production value
- (3 × 2) (6)
- 3.3.2 Indicate an appropriate measurement instrument you would use for each of the following performance standards.
- (a) Growth in net value
 - (b) Average wean mass
 - (c) Gearing ratio
- (3 × 1) (3)
- 3.4 You are employed as a farm manager at Feed the Nation farm in the Vryheid area. The farm specialises in poultry, vegetables and maize production.
- 3.4.1 List the FIVE steps you would follow when planning a crop production division. (5)
- 3.4.2 Explain how you would apply the following planning techniques at Feed the Nation farm.
- (a) Procedures
 - (b) Budget
 - (c) Calendar of activities
- (3 × 2) (6)
- 3.4.3 Which are the FOUR possible limitations you may experience in your planning? (4)
- 3.4.4 Farm workers (employees) want to feel secure in their work and want to respect their employer.
- Give FOUR aspects a farm manager should do to ensure an effective leading function. (4)
- [40]**

QUESTION 4

- 4.1 The table below gives information about the average selling price and average quantity sold. Study it and answer the questions:

AVERAGE SELLING PRICE (R/Bag)	AVERAGE QUANTITY SOLD (Bags/Week)
5	2 500
10	1 000
15	800
20	500
25	250

- 4.1.1 Using the figures on the table, construct a line graph from which some conclusions can be made. (6)
- 4.1.2 Deduce from the graph drawn in QUESTION 4.1.1 the price at which the smallest number of bags of potatoes were purchased by the consumers. (1)
- 4.1.3 Justify your answer for QUESTION 4.1.2. (1)
- 4.1.4 Give TWO reasons for the fluctuations of the quantities of bags of potatoes offered for sale. (2)
- 4.1.5 Identify the type of graph you have drawn in QUESTION 4.1.1. (1)
- 4.1.6 Give the name of the graph that opposes the one you have drawn in QUESTION 4.1.1. (1)
- 4.1.7 Differentiate between the graph you have identified in QUESTION 4.1.5 and the graph given in QUESTION 4.1.6. (2 × 1) (2)
- 4.2 Briefly explain how the following factors affect the supply position of the farmer:
- 4.2.1 Nature of the agricultural products
- 4.2.2 Small production quantities (2 × 3) (6)
- 4.3 Different approaches have been developed to analyse complex agriculture marketing systems.
- 4.3.1 Name the THREE approaches to agricultural marketing. (3 × 1) (3)
- 4.3.2 Explain each of the THREE approaches mentioned in QUESTION 4.4.1. (3 × 2) (6)

- 4.4 Name TWO secondary activities of the agricultural market. (2)
- 4.5 Explain the following concepts in relation to agricultural marketing:
- 4.5.1 Price elasticity of demand
 - 4.5.2 Income elasticity of demand
 - 4.5.3 Constant elasticity
- (3 × 2) (6)
- 4.6 'The South African consumers market is a dualistic market'.
Explain the concept *dualistic market* with regard to the South African consumer markets. (3)
[40]

QUESTION 5

- 5.1 Indicate whether the following activities will INCREASE or DECREASE if the demand of a product is inelastic. Write only 'Increase' or 'Decrease' next to the question number (5.1.1–5.1.4) in the ANSWER BOOK.
- 5.1.1 Sales
 - 5.1.2 Price of a product
 - 5.1.3 Profit
 - 5.1.4 Production
- (4 × 1) (4)
- 5.2 Give FOUR factors that are the main decision making issues when marketing of a product is decided upon. (4)
- 5.3 Name FOUR strategies that were used in South Africa to stabilise prices in agriculture. (4)
- 5.4 Management's orientation towards marketing has changed over the years hence there is evolution, however three main marketing orientations exist, namely Production, Sales and Marketing or Consumer orientation.
- 5.4.1 Define the term *marketing*. (2)
 - 5.4.2 Discuss the THREE marketing orientations used in business environment. (3 × 2) (6)
 - 5.4.3 Name FOUR unique characteristics of a *target market*. (4)

- 5.5 Most prices of agricultural commodities in South Africa are the equilibrium prices that are formed by the market forces.
- 5.5.1 Define the term *equilibrium price*. (2)
- 5.5.2 Sketch a simple and labelled graph illustrating how equilibrium prices are formed. (6)
- 5.6 5.6.1 Name TWO main distribution channels that are used by farmers who produce statutory regulated goods.
- 5.6.2 Describe each of the distribution channels mentioned in QUESTION 5.6.1. (2 × 2) (4)
- 5.7 List the first FOUR steps to be followed in the development of a marketing strategy. (4)
- [40]
- TOTAL: 200**