



# higher education & training

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

## **NATIONAL CERTIFICATE MANAGEMENT: FARMING N4**

(4090544)

**20 November 2019 (X-Paper)  
09:00–12:00**

Calculators may be used.

**This question paper consists of 9 pages.**





**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
MANAGEMENT: FARMING N4  
TIME: 3 HOURS  
MARKS: 200


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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. Write neatly and legibly.
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**QUESTION 1: FARMING IN PERSPECTIVE**

- 1.1 Name SIX structural adjustments that the South African agricultural sector underwent since 1980. (6)
- 1.2 'Various market forms are used in agriculture internationally to satisfy fundamental economic needs.' 
- Indicate to which market form each of following characteristic has relevance. Write answer only the answer next to the number (1.2.1–1.2.4) in the ANSWER BOOK.
- 1.2.1 Low productivity is peculiar to this system.
- 1.2.2 The expenditure of the consumer is limited by his or her income.
- 1.2.3 Basic industries are owned by the state.
- 1.2.4 There is free competition in this market form. (4 × 1) (4)
- 1.3 Water scarcity is ONE of the major challenges brought about by climate change. This dilemma also applies to South Africa as the Western Cape is reported to be experiencing a serious water shortage.
- 1.3.1 Name FOUR factors of production.  (4)
- 1.3.2 Suggest FOUR mechanisms that South African farmers can apply to achieve efficient use of water as a natural resource. (4)
- 1.4 Answer the following questions based on the broader economic environment.
- 1.4.1 Write the acronym *GDP* in full. (1)
- 1.4.2 Define *GDP*.  (2)
- 1.4.3 Compare the effect of unemployment to both *GDP* and *balance of payments*. (2 × 2) (4)
- 1.5 Define each of the following terms:
- 1.5.1 Income stability 
- 1.5.2 Entrepreneurship
- 1.5.3 Capitalism (3 × 2) (6)

- 1.6 As agriculture is important in the socioeconomics of a country it is crucial for different role players to join hands in ensuring the success and sustainability of the agricultural sector.
- 1.6.1 Discuss the major role of agriculture in the economic sector. (4)
- 1.6.2 Explain the role of consumers in agriculture.  (3)
- 1.6.3 Give any TWO reasons for the increased life expectancy in South Africa which will result in changed future agricultural consumer patterns. (2)
- [40]**





## QUESTION 2: FARMING MANAGEMENT

- 2.1 Categorise the following farming objectives as LONG-TERM OBJECTIVES, MEDIUM-TERM OBJECTIVES or SHORT-TERM OBJECTIVES. Choose the answer and write only 'Long term', 'Medium term' or 'Short term' next to the question number (2.1.1–2.1.5) in the ANSWER BOOK.
- 2.1.1 Starting new operations in a farming business.
- 2.1.2 Increasing the cabbage yield of a farm. 
- 2.1.3 Building an effective management component.
- 2.1.4 Preparing a seed bed correctly.
- 2.1.5 Improving the rate of profitability of the farm. (5 × 1) (5)
- 2.2 Human resource management is one of the crucial business functions and it should be managed effectively for the successful achievement of organisational goals.
- 2.2.1 Explain any THREE main roles of the human resource department in an organisation.  (3 × 2) (6)
- 2.2.2 Name FOUR managerial functions in an organisation. (4)
- 2.2.3 Distinguish between *routine* and *rational* decisions. (2 × 2) (4)
- 2.2.4 Chronological list the steps of *rational decision-making*.  (7)
- 2.3 Define the term *farming management*. (4)

- 2.4 'Clear organisational structure is very important.'
- 2.4.1 Explain *organisational structure*. (2)
- 2.4.2 Identify THREE forms of organisational structure used in the agricultural sector. (3)
- 2.4.3 Describe the forms of organisational structure mentioned in QUESTION 2.4.2. (3)
- 2.4.4 State TWO important functions of organisational structure. (2)
- [40]**

### QUESTION 3: MANAGEMENT FUNCTIONS OF THE FARMING ENTERPRISE

- 3.1 Various options are given as possible answers to the following statements. Choose the answer and write only the letter (A–D) next to the question number (3.1.1–3.1.5) in the ANSWER BOOK.
- 3.1.1 Planning aimed at how production factors will be combined over a short term to achieve the objectives of the farm.
- A Reactive planning  
B Tactical planning  
C Marketing plan  
D Strategic planning
- 3.1.2 ... is an instrument that guides the particular operation of the farm.
- A Budget  
B Policies  
C Schedules  
D Procedure
- 3.1.3 A measuring instrument used to determine the average milk production per cow on a dairy farm.
- A Production records  
B Income statement  
C Human resource records  
D Balance sheet
- 3.1.4 An attempt to predict the flow of future events based on given information and pre-empted expectations.
- A Projections  
B Planning  
C Programming  
D Forecasting

- 3.1.5 A training strategy where new, transferred, or promoted employees are familiarised with the policies, employees, and the job itself.
- A Developmental training   
 B Induction  
 C In-service training  
 D On-the-job training
- (5 × 1) (5)
- 3.2 Determine the appropriate measuring instrument that one will use to measure the following performance. 
- 3.2.1 Weaning percentage of calves on a farm.
- 3.2.2 Marketing cost for all needs of the market.
- 3.2.3 Number of animals in a herd.
- 3.2.4 Net value of a farm business.
- 3.2.5 Ratio between HR remunerations and cultivated area.
- (5 × 1) (5)
- 3.3 Planning is the most important function in an organisation and indicates the success or failure of an organisation. 
- 3.3.1 Briefly explain the procedure for strategic planning. (10)
- 3.3.2 Recommend any FOUR planning techniques a farmer can use to effectively achieve the organizational goal. (4)
- 3.3.3 Differentiate between *programme* and *schedule*. (2 × 2) (4)
- 3.4 Effective training is important for improving employee performance. 
- 3.4.1 Advise a farmer on how he/she can achieve efficiency of labour training. (8)
- 3.4.2 Suggest FOUR skills that constitute effective leadership. (4)
- [40]**

**QUESTION 4: MACRO-AGRICULTURAL MARKETING**

4.1 Study the information below and answer the questions that follow:

PRICE OF A BAG OF POTATOES (R)	SUPPLY	DEMAND
15	10	50
20	15	40
25	30	30
30	45	15
35	70	10


4.1.1 Describe *equilibrium price*.  (1)

4.1.2 Using the information in the above table, draw a graph to indicate the equilibrium price. (5)

4.2 Study the following table that illustrates the demand for a certain product and answer ALL the questions that follow.

PRICE (R) PER UNIT	QUANTITY OF PRODUCTS IN KG
30	300
40	320

4.2.1 Calculate the percentage change in the price of the product. (3)

4.2.2 Calculate the percentage change in the quantity of the product demanded.  (3)


4.2.3 Calculate price elasticity of demand for this product. (3)

4.2.4 Name the form of demand applicable in the case of this product. (1)

4.2.5 Justify your answer for QUESTION 4.2.4.  (1)

4.3 4.3.1 Identify THREE possible risks during the transfer of goods to the consumer. (3)


4.3.2 Describe the THREE risks identified in QUESTION 4.3.1. (3)

4.3.3 List FIVE variables of the macro environment that affect agricultural marketing.  (5)


4.3.4 Discuss *selling* as a barter activity of marketing. (3)

4.3.5 Explain the FOUR buying power and consumer preferences of Africans. (4)

4.4 Give ONE word or term for each of the following descriptions. Write only the word or term next to the question number (4.4.1–4.4.5) in the ANSWER BOOK.

4.4.1 A supporting function that focuses on equal distribution of products throughout the year until its demand rises. 

4.4.2 Quantity offered for sale at a quoted price at a particular moment.

4.4.3 A primary activity in the market that deals with transferring a product from the point of production to a point where consumers access and buy it. 

4.4.4 Marketing approach that focuses on satisfying needs of consumers through taking goods from producers to consumers.

4.4.5 Classification of goods according to laid down standards.

(5 × 1)


(5)

**[40]**

#### QUESTION 5: MICRO-AGRICULTURAL MARKETING


5.1 Marketing is important for the success of an organisation, therefore developing an effective marketing strategy is important.

5.1.1 Explain the procedure for developing a marketing strategy. (5)

5.1.2 Identify THREE marketing orientations that businesses have evolved through.  (3)

5.1.3 Describe the THREE marketing orientations mentioned in QUESTION 5.1.2. (3 × 2) (6)

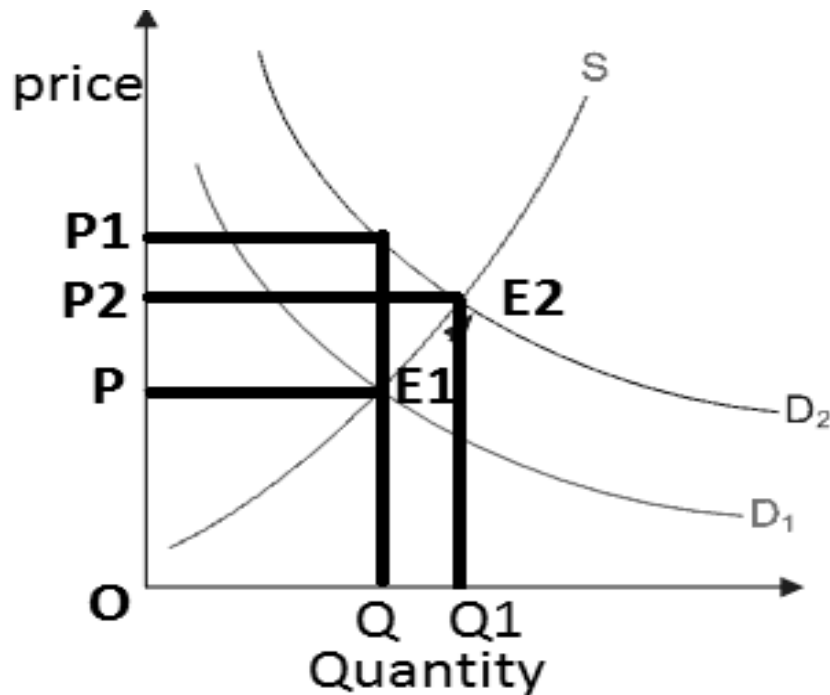
5.1.4 Discuss the FOUR elements of the marketing mix. (4 × 2) (8)

5.1.5 Name FIVE distribution channels a farmer can use to sell his/her products.  (5)

5.1.6 'Prices for agricultural goods vary quickly in open markets.'


Give FOUR reasons for this. (4)

- 5.2 Study the graph below illustrating demand for and supply of chicken portions in South Africa and answer the questions that follow:



- 5.2.1  $D_2$  represents an increase in the demand for chicken portions.

From the options below, choose a possible reason for the increase in demand and write the letter (A–C) of your chosen answer only next to the question number (5.2.1) in the ANSWER BOOK.

- A Consumers develop an interest in chicken portions.
- B The price for chicken portions declines. 
- C Cash crop producers decide to change to the production of chicken. (2)

- 5.2.2 Write down the symbol that represents equilibrium on the graph. (1)

- 5.2.3 Substantiate your answer to QUESTION 5.2.2.  (2)

- 5.2.4 State FOUR strategies applied by the South African government to stabilise prices. (4)



[40]

**TOTAL: 200**