



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

19 NOVEMBER 2018

This marking guideline consists of 11 pages.

QUESTION 1

- 1.1 1.1.1 D
 1.1.2 B
 1.1.3 C
 1.1.4 B
 1.1.5 D

(5 × 1) (5)

1.2

ECONOMIC SYSTEM	ADVANTAGES	DISADVANTAGES
Capitalism	<ul style="list-style-type: none"> It is a private initiative thus no state interference Enjoy economic freedom 	<ul style="list-style-type: none"> High social cost exist Experience high fluctuations Turbulent environment
Communism	<ul style="list-style-type: none"> State has full ownership therefore can utilize all resources in a specific field of choice. 	<ul style="list-style-type: none"> There is low productivity There is low standard of living for participants There is limited or no opportunity for planning
Socialism	<ul style="list-style-type: none"> Possibilities of full employment exist Uncertain economic conditions are regulated by the state. 	<ul style="list-style-type: none"> There is little encouragement in state undertakings.

(Any ONE answer for each) (3 × 2) (6)

- 1.3 1.3.1 • Monetary policy
 • Fiscal policy
 • Foreign/International trade policy (3)

- 1.3.2 • Monetary policy is a law through which the central bank influences the nation's money supply by targeting an interest or inflation rate to ensure price stability and general trust in the currency.
 • Fiscal policy is the law by which government adjusts its spending levels and tax rates to monitor and influence the country's economy
 • Foreign/international trade policy is the government's actions designed to increase net export by promoting exports or restricting imports through tariffs, import quotas and export subsidies. (3 × 2) (6)

1.4	1.4.1	GDP is the acronym for gross domestic products✓ and it refers to the measure of the quantities of goods and services produced within border of a country within a given period of time.✓	
	1.4.2	<ul style="list-style-type: none"> • Unemployment rate increases as more workers may be retrenched. • Employees may be paid very lower wages • Economic recession will be experienced 	(Any 2 × 1) (2 × 2) (4)
1.5	1.5.1	Gross Domestic Product	(1)
	1.5.2	Is the value of all the final goods and services produced in a given period or a year within the boundaries of a country.	(2)
	1.5.3	<ul style="list-style-type: none"> • Unemployment • Depression 	(2)
1.6		<ul style="list-style-type: none"> • It is concluded that the African consumers will make up the biggest portion of the population which implies third world orientation trade. • It is also assumed that the population in South Africa will increase by about 20 million over the next 20 years meaning that there will be a drastic increase for demand of food production resources if the per capita consumption stays the same • It is also assumed that the South African economy will experience enormous pressure to deliver goods based on the increase in population numbers. 	(3 × 2) (6)

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QUESTION 2

2.1	2.1.1	Is the process of combining and coordinating the human, physical and financial resources in a manner that a product that is on demand is produced at an affordable price in a conducive working environment for employees.
	2.1.2	Refer to unforeseen circumstances that are outside the control of the management causing the output to deviate from the intended output.
	2.1.3	Refers to the type of power where the manager has the right to demand execution of duties from subordinates and the manager can discharge employees if they do not obey instructions.

(3 × 2)
(6)

- 2.2 2.2.1 • Examine the problem
• Develop alternative solutions
• Evaluate alternatives
• Implement the best solution (4)
- 2.2.2 • Examine the problem
• It involves becoming aware of the problem and diagnosing the root cause before attempting to solve it.
• Develop alternative solutions
• It involves gathering information of possible solutions to the identified problem.
• Evaluate alternatives
• It involves assessing the possible solutions with regard to their advantages and disadvantages and the best solution to the problem is selected.
• Implement the best solution
• It involves the actual implementation of the best solution and monitoring the implementation. Changes to the decision are made when the need arises. (8)
- 2.3 2.3.1 • Long-term objective
• Medium-term objective
• Short-term objective (3)
- 2.3.2 (a) I intend to increase profit by 30% in 2020.
(Any appropriate answer)
- (b) I intend to increase production by 20% in 2018 through expansion of broiler houses. (Any appropriate answer)
- (c) I aim to train three employees on broiler production skills before the end of 2017 financial year.
(Any appropriate answer)
(3 × 2) (6)
- 2.4 2.4.1 In organising employees I will ensure that:
• First I plan a hierarchical structure✓ as to clearly indicate the different levels of authority and communication lines in the organisation.✓
• Secondly I will have to assign authority and responsibility to different employees in line with the organisational structure.✓ This will ensure that each and every employee is clear about his/her duties and what is expected of him in the organisation.✓
• Thirdly I will determine the most efficient span of control✓ by outlining the number of employees under the leadership of each manager so that each and every employee knows the immediate supervisor and whom to report to. ✓ (6)

- 2.4.2
- Line organisation
 - Functional organisation
 - Staff and line organisation
- (3)
- 2.4.3
- Line organisation is an organisational structure where there only one person is the head of all employees and he is responsible for giving out instructions, and monitoring
 - Functional organisation is an organisational structure where one expert deals with all aspects related to his field of specialisation in the organization.
 - Staff and line organisation is an organisational structure that allows one person to lead a group of employees but also allow experts to advice on specialised tasks.
- (3 × 2) (6)
- 2.4.4
- During expansion of the business
 - If there are technological changes in the business
 - If training and development of employees will create other opportunities for their utilisation in the business
- (3)
[45]

QUESTION 3

- 3.1
- 3.1.1 Induction
- 3.1.2 Projection
- 3.1.3 Strategic planning
- 3.1.4 Calendar of activities
- 3.1.5 Budget
- (5 × 1) (5)
- 3.2
- 3.2.1
- Induction
 - New training
 - Developmental training
- (3)
- 3.2.2
- It is important to prepare the employees for training by motivating them.
 - During training the use of descriptions and demonstrations is important for better understanding, also respond to participants' questions for clarity.
 - Allow employees to actively participate in the training session
 - Follow up on the employee's progress in execution of the newly acquired skill or knowledge.
- (4)
- 3.3
- 3.3.1 (a) Solvency refers to the ability of the farm business to meet its long term financial obligations
- OR
- Solvency is the degree to which the current assets of the farm business exceed the current liabilities.

- (b) Liquidity refers to the ability of the business to meet its short term obligations.

OR

It is a degree to which assets can be quickly sold in the market without affecting the assets' price.

- (c) Gross production value is the measure of the value of goods and services produced in a business

(3 × 2) (6)

- 3.3.2 (a) Balance sheet
(b) Production records
(c) Balance sheet

(3 × 1) (3)

- 3.4 3.4.1
- Determine the rotation of crops in the farm.
 - Determine the most suitable layout of the farmlands.
 - Develop the crop production schedule having the order of cultivation on each piece of land.
 - Determine the type and amount of fertiliser to be applied for a particular crop.
 - Determine cultivation practices to use for each type of a crop.
- (5)

- 3.4.2 (a) Procedures will be used to prescribe methods of how to do activities when performing duties in the farm.

- (b) Budget will be used to indicate how much will be required for each production branch by projecting the expenses based on production cost and the expected income thereof.

- (c) Calendar of activities will be used indicate all activities involved in the production, how they are going to be performed, by whom in terms of human resource and when, also how much cost will be involved approximately.

(3 × 2) (6)

- 3.4.3
- The relevant information is not always available and it is expensive to obtain yet planning should be based on facts.
 - Planning rest on reliable information, if it is not the case it will mean the planning is based on assumptions.
 - Often circumstances change after a final plan has been made thus a plan cannot be implemented under changed circumstances and re-planning will be required.
 - Plans must adapt to the changing environment yet too many changes can cause a feeling of insecurity among employees leading to them distrusting any future plans.
- (4)

- 3.4.4
- Ensure good communication with employees.
 - Ensure quality recruitment and selection of employees.
 - Organise professional training and development of employees.
 - Motivate employees in the work place.

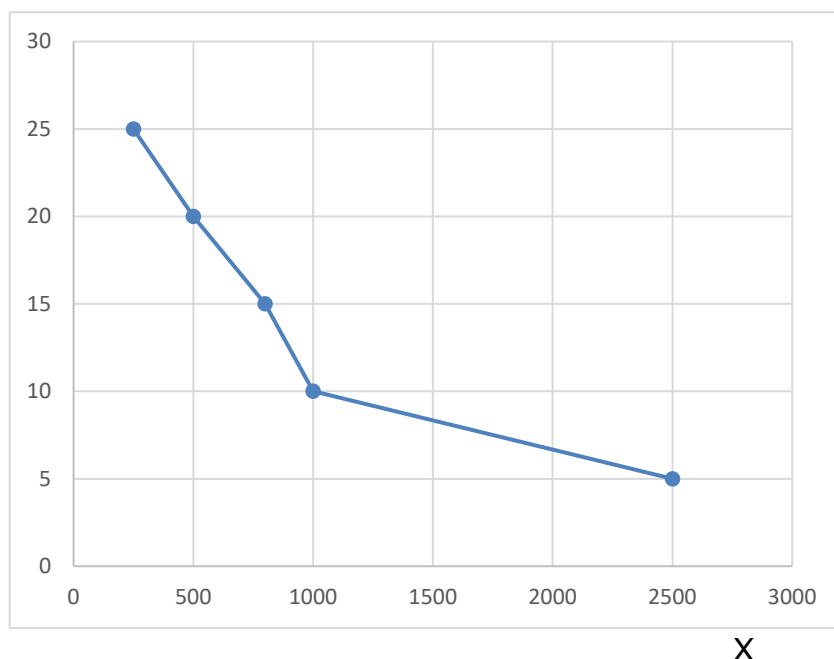
(4)
[40]

QUESTION 4

4.1 4.1.1
Y

GRAPH ON SUPPLY OF POTATOES

**PRICE
IN
RAND**



QUANTITY OF POTATO BAGS NEEDED PER UNIT OF TIME

Check that the graph has the following elements

- X-axes are labelled and their values are correctly indicated.✓✓
- Y-axes are labelled and their values are correctly indicated.✓✓
- Points are correctly plotted.✓
- The graph has a heading.✓

(6)

4.1.2 R25 per bag

(1)

4.1.3 250 bags were bought by the consumers because the price was higher.

(1)

- 4.1.4
- Lower price increases the demand but producers wish to supply less as their profit is low.
 - Higher price reduce the demand whereas producers wish to supply more because they know they will get high profit.

(2)

- 4.1.5 Is a demand curve. (1)
- 4.1.6 Supply curve opposes the demand curve. (1)
- 4.1.7 The demand curve represents the quantity of goods or products which can be purchased at a given time by consumers at all possible prices whereas the supply curve represents the amount of products or services offered for sale at a specific price, at a specific place in a particular period of time. (2 × 1) (2)
- 4.2 4.2.1 Agricultural goods are produced in a raw material form which still needs to be processed as it is not consumable in its original form.✓ This means only a small percentage is sold directly to the final consumer.✓ Profits from added value of the goods do not go to the farmer rather to the intermediaries who are responsible for processing food.✓
- 4.2.2 Farmers produce small quantities that enable them to access big markets as compared to big industrial enterprises.✓ It is also difficult to coordinate all farmers' production such that they can market their product together.✓ Individual farmers do not have enough finance to launch their own marketing campaign.✓ (2 × 3) (6)
- 4.3 4.3.1
- Functional approach
 - Institutional approach
 - Analytical approach
- (3)
- 4.3.2
- The functional approach classifies the different activities according to their functions making a distinct between primary and secondary function in the marketing process.
 - The institutional approach involves analysing the marketing structures which are different organisations and institutions involved in marketing such as dealers, retail, wholesale, agents etc.
 - The analytical approach classifies and describes the marketing problems according to their economic elements, not function. (3 × 2) (6)
- 4.4
- Acquisition and provision of information
 - Standardisation and grading
 - Recomposition
 - Storage
 - Financing
 - Bearing the risk (Any 2 × 1) (2)

- 4.5 4.5.1 Price elasticity of demand refers to the percentage change in the demand for a product in relation to the percentage change in the price for that particular product.
- 4.5.2 Income elasticity of demand refers to the percentage change in the demand for the product due to the percentage change in income of the consumer.
- 4.5.3 Constant elasticity refers to a percentage change in the price of the product result to the percentage change of quantity products demanded by consumers i.e. a decline in the price of a product causes the increase of the demand for the product or vice versa.
(3 × 2) (6)
- 4.6 South Africa is a dualistic market because it is divided into two parts which are the first world and third world segments.✓ The third world is the African market of today which is the main component of the market, Africans earn low income which they spend on buying food.✓ This market differs from the first world market which has different consumer's needs and behaviours.✓
(3)
[40]

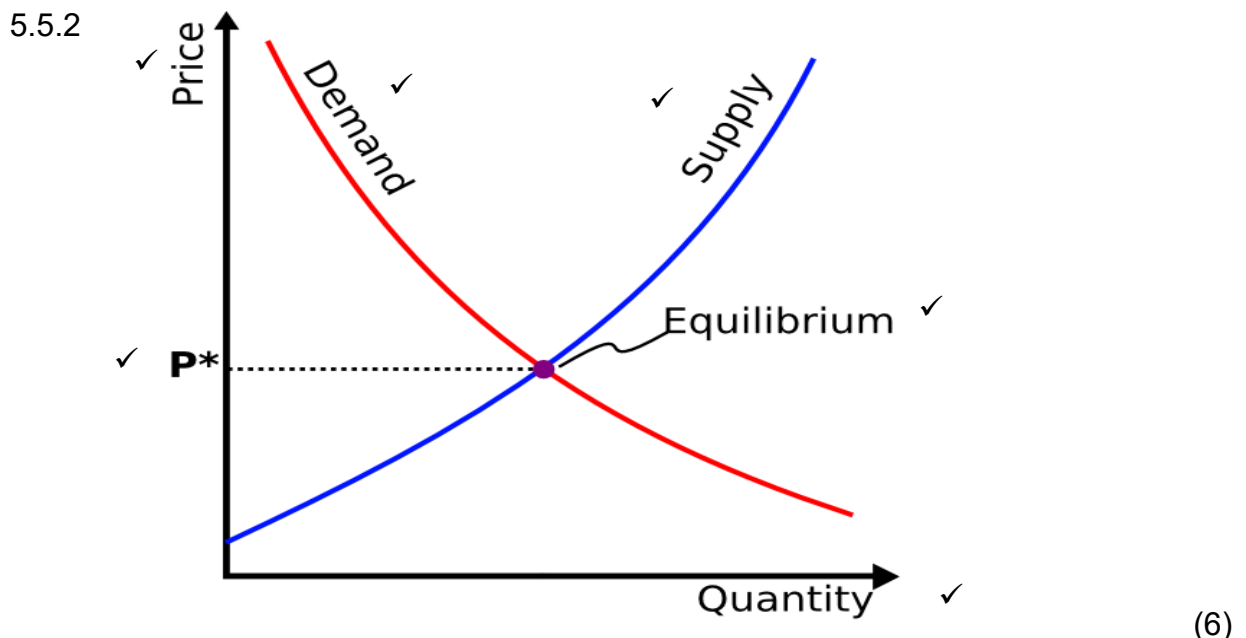
QUESTION 5

- 5.1 5.1.1 Decrease
5.1.2 Decrease
5.1.3 Decrease
5.1.4 Increase
(4 × 1) (4)
- 5.2 • The nature of the market as it determines the kind of the product.
• Market condition determine the asking price.
• Consumer needs which determine where and when goods are distributed.
• Financial position of the business as it determines how much money can be spent on promotion. (4)
- 5.3 • Minimum prices
• Maximum prices
• Absolute prices
• Quotas (4)
- 5.4 5.4.1 *Marketing* is a total system of business activities designed to plan, price, promote and distribute want-satisfying goods and services to the target market to achieve organisational objectives.
(Any relevant answer) (2)

- 5.4.2
- Production orientation values the production as the most important activity in the business; management decisions revolve around production such as to how to produce more product, how to achieve a high quality product.✓ The farmer produces first and then seeks the market.✓
 - Sales orientations stimulate sales by advertising, adding value to the product by packaging, promotion and unique trademarks.✓ It aims to ensure that there are enough buyers for the produced goods.✓
 - A marketing approach focuses on producing goods that are in definite demand by consumers.✓ This makes the business profitable even if competition increases technological developments and saturates markets.✓ (3 × 2) (6)

- 5.4.3
- Demographics as in terms of gender, age, level of education, level of income
 - Psychographics which identify lifestyle, values and attitude
 - Usage; type and frequency of usage
 - Benefits that customers hope to obtain from the product
 - Geographical location
 - Behaviour (Any 4 × 1) (4)

- 5.5 5.5.1 Is when the price of the suppliers is exactly equal to the price of the consumers or what consumers are ready to pay for the products. (2)



5.6	5.6.1	<ul style="list-style-type: none">• Marketing boards• Agents of the board		
	5.6.2	<p><i>Marketing boards</i> are responsible for purchases, sales, transport and promotion.</p> <p><i>Agents of the board</i> these are local co-operatives who store the product until it is transported.</p>	(2 × 2)	(4)
5.7	<ul style="list-style-type: none">• Undertake a situational analysis.• Design marketing objectives.• Determine the positioning and differential advantage of a product.• Select a target market and determine its size.			(4)
				[40]
			TOTAL:	200