



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

23 October 2020

This marking guideline consists of 8 pages.

SECTION A**QUESTION 1**

- 1.1 A
- 1.2 B
- 1.3 B
- 1.4 D
- 1.5 B
- 1.6 A
- 1.7 A
- 1.8 D
- 1.9 D
- 1.10 B

(10 × 1) **[10]****QUESTION 2**

- 2.1 False
- 2.2 False
- 2.3 True
- 2.4 False
- 2.5 True
- 2.6 False
- 2.7 True
- 2.8 False
- 2.9 False
- 2.10 True

(10 × 1) **[10]****QUESTION 3**

- 3.1 F
- 3.2 E
- 3.3 G
- 3.4 A
- 3.5 B

(5 × 1) **[5]**

QUESTION 4

- 4.1 Rational decision
- 4.2 Marketing objective
- 4.3 Capitalism
- 4.4 Elasticity of demand
- 4.5 Policy

(5 × 1) [5]

TOTAL SECTION A: 30**SECTION B****QUESTION 5**

- 5.1
 - Static nature of the market for agricultural goods.
 - The use of price support for farmers.
 (2 × 2) (4)
 - 5.2
 - Increase in agricultural production in a growing population leads to an increase in per capita income.
 - Surplus labour in the farming industry becomes available to other economic activities leading to high standards of living.
 - Improved farming net income generates capital for investment in and development of other industries.
 - Agriculture creates sales markets for the goods of other industries.
 - Agricultural activities earn foreign currency through exports.
 (5 × 2) (10)
 - 5.3
 - Capitalism
 - Communism
 - Socialism
 (3)
 - 5.4
 - Deregulation of marketing in terms of the Marketing Act of 1968.
 - Liberalising price control in terms of the Marketing Act of 1968.
 - A change in the taxation on agriculture.
 - A change in the direct budget spending on agriculture.
 - Abolition of the Land Measures Act in 1991.
 - Decrease in institutional confusion.
 - Labour legislation in agriculture.
 (Any 5 × 2) (10)
 - 5.5
 - Mediators
 - Public institutions
 - Consumers
 (3)
 - 5.6
 - 5.6.1 Income stability is the level at which the producer's income changes in relation to the change in price and supply of goods.
 - 5.6.2 Balance of payment is the measure of the flow of capital, both in and out of the country.
 (2 × 2) (4)
- [34]**

QUESTION 6

- 6.1 6.1.1
 - It is more likely that well defined objectives are achieved.
 - The process of formulating objectives encourages accuracy and allows constant revision.
 - Potential for conflict is high when the objectives for the farm differ from those of individuals involved in farming.
 - Managers get so involved in day-to-day activities of the farm and lose sight of the long-term objectives.
 - Objectives may change over time.
 - Objectives may originate from challenges.
 - Objectives must never become limitations in the activities of the farm.

(Any 5 × 2) (10)
- 6.1.2
 - They must be clearly understood.
 - They must be specific.
 - They must be flexible and adaptable to circumstances.
 - They must be easily achievable.

(4)
- 6.2
 - Intuitive decision
 - Rational decision
 - Central and satellite decision
 - Routine decision

(4)
- 6.3
 - A group will always have a leader.
 - The success of a group depends on whether the followers accept the leader's leadership style.
 - Interaction among members of a group in time leads to group norms.
 - Group cohesion indicates the extent of influence that the group has on individual members.
 - Groups are interdependent of each other.

(5)
- 6.4
 - Inputs – all resources that the business will use in the production process, e.g. human resources, equipment, buildings and capital investment.
 - Production process – the actual process in which sellable products are produced.
 - Output – is the final product that will be sold in the market.
 - Feedback – a form of feedback or comment to determine whether the process has delivered and met the results or objectives.
 - Coincidental occurrences – unplanned or unforeseen factors that cannot be controlled by the management and will cause the actual output deviates from planned output.

(5 × 2) (10)
- 6.5 Line organisation (1)
- [34]**

QUESTION 7

- 7.1
- Ensure that the sender understands the message before it is communicated.
 - Use both formal and informal techniques.
 - Use different ways to communicate.
 - Do away with communication barriers.
 - Use the feedback technique.
 - Be a good listener.
- (6)
- 7.2
- Prepare employees for training.
 - Use description and demonstration.
 - Allow employees to actively take part in the training session.
 - Follow the employees' progress.
- (4 × 2) (8)
- 7.3
- Budget
 - Policies
 - Standard procedures, programmes or schedules
 - Projections
 - Whole-farm planning
 - Linear programming
 - Calendar of activities
- (7)
- 7.4
- Determine the objective before any planning, organising, implementing and controlling can take place.
 - Acquire and organise all necessary information.
 - Identify the problem and the cause.
 - Find a solution and identify any other alternatives.
 - Evaluate all alternatives with the assistance of decision-making criteria.
 - Plan preventative measures for any coincidence that will harm the probable success of the solution.
 - Accept the decision.
 - Implement the decision.
 - Evaluate the results of the decision after implementation.
- (9)
- 7.5
- Physical and monetary inventory.
 - Physical production details.
 - Financial information.
 - Human resource records of each individual employee.
- (4)
[34]

QUESTION 8

- 8.1
- Physical distribution of produce – includes all activities that involve the actual handling of products from the farm to the consumer.
 - Economic aspect – includes all actions that enable the easy flow of goods between sellers and buyers. (2 × 2) (4)
- 8.2
- Seasonal supply – production of most agricultural products are seasonal in nature.
 - Production in small quantity – farming enterprises are small in stature and it is difficult to co-ordinate farmers' production activities so that they can market their goods at the same time.
 - Nature of agricultural products – most agricultural products are intermediary goods and are not used in their original form by consumers.
 - Agricultural market conditions – involve two aspects: no real opportunity for farmers to be innovative because of the static nature of agricultural markets; the introduction of price support to farmers.
 - Marketing position of the farmer – it is preferable that the price mechanism in agriculture also functions accurately and effectively. (5 × 2) (10)
- 8.3
- Economic risk
 - Physical risk
 - Human risk (3)
- 8.4
- Short-term information – is designed to inform farmers about the optimum allocation of goods that are harvested or animals that are ready for sale. It focuses on buying and selling as prices are affected. Farmers study recent information about prices of different qualities of goods placed on the market.
 - Medium-term information – is relevant to goods currently in the production process not yet ready for sale. It includes information on production tendencies, production costs and prices.
 - Long-term information – provides information regarding expected tendencies in the near future that will guide farmers in their selection of new branches and/or extensions, or reduction in branching. This information reduces the farmer's risk factor. (3 × 3) (9)
- 8.5
- International
 - Economic
 - Political-juristic
 - Socio-economic
 - Ecological
 - Technological (Any 4 × 1) (4)

- 8.6 8.6.1 Elasticity of demand for a product is the sensitivity of demand for a particular product to any price changes of that product.
- 8.6.2 The macro marketing approach is where the attention is focused on marketing as a social and economic process by which consumers needs are satisfied through an exchange or transfer between producers and consumers.
- (2 × 2) (4)
[34]

QUESTION 9

- 9.1 • Auctions
• Agents, speculators, wholesalers
• Direct sales
• Co-operatives
• Production contract (5)
- 9.2 9.2.1 Target market refers to a particular group of consumers who have similar needs and characteristics and who will buy the same kinds of goods.
- 9.2.2 Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying goods and services and ideas to target markets to achieve organisational objectives.
- 9.2.3 Marketing objectives is simply a target that the farmer sets for him-/herself and the farming operation.
- (3 × 2) (6)
- 9.3 • Product – is determined by the nature/character of the market.
• Price – is determined by the market conditions.
• Distribution/venue/place/location – determined by consumers' needs or buyers' demands.
• Promotion – is determined by financial position/ability of buyers. (4 × 2) (8)
- 9.4 • It identifies strength, weaknesses, opportunities and threats.
• This includes the external and internal environment (availability of capital, entrepreneurship and skill to manage human resources and production).
• Evaluation of progress achieved by this programme.
• Guides the farmer in decisions – whether to adapt production to prices and the current target market.
• Evaluate future threats.
• Guides farmers on environmental factors that may affect them.
• Guides farmers on how the economy will affect production and sales.
• Guides farmers on the influence that increased imports will have on the farm's products.
• Guides farmers on how changing labour legislation could affect workers' availability.
- (9)

- 9.5
- Minimum prices/floor prices
 - Maximum prices/ceiling prices
 - Absolute prices
 - Quotas
- (4)
- 9.6 The cobweb theory differs from the equilibrium theory in that cobweb theory for provides time lag between production and sales.
- (2)
- [34]**

TOTAL SECTION B: 170
GRAND TOTAL: 200