

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

MANAGEMENT: FARMING N4

12 JUNE 2013

This marking guideline consists of 7 pages.

QUESTION 1: FARMING IN PERSPECTIVE

- | | | | | |
|-----|---|---|-------------|------|
| 1.1 | 1.1.1 | False | | |
| | 1.1.2 | True | | |
| | 1.1.3 | True | | |
| | 1.1.4 | False | | |
| | 1.1.5 | False | (5 x 2) | (10) |
| 1.2 | 1.2.1 | C; D; G; I | | (4) |
| | 1.2.2 | B; E; H | | (3) |
| | 1.2.3 | A; F; J | | (3) |
| 1.3 | <p>Food for growing population</p> <ul style="list-style-type: none"> • Increase in per capita income <p>Releasing of surplus labour for other economic activities</p> <ul style="list-style-type: none"> • Improve standard of living <p>Net income earner</p> <ul style="list-style-type: none"> • Capital for investment in primary, secondary and tertiary industries <p>Market for outputs of other industries</p> <p>Earn foreign exchange</p> <ul style="list-style-type: none"> • Through exports <p>Supply goods and services</p> <ul style="list-style-type: none"> • Raw material for secondary industries • Supporting services, e.g. transport | | | |
| | | | (Any 5 x 2) | (10) |
| 1.4 | 1.4.1 | <p><u>Public/Governmental institutions:</u></p> <p>Regulating role
Through laws
e.g. labour laws</p> <p>Supporting role
State funded research
and extension to farmers, drought and disaster relief</p> | | |
| | | | | (5) |

1.4.2 Consumers:

Buy products to use or consume

The purpose of production is to satisfy the needs of the consumer

The aim to make a profit

A market is created

The farmer is therefore responsible to ensure consumer-driven production.

(5)
[40]

QUESTION 2: THE SCOPE OF FARMING MANAGEMENT

- 2.1
- Must be understandable
 - Must be specific
 - Must be flexible
 - Must be achievable
- (4 × 2) (8)

- 2.2 Attitude of the farmer
- All farmers are not willing to set goals.
- Financial status of the farming business
- Farmers can be motivated by good financial circumstances to set goals.
- Age and health of the farmer
- High age and weak health condition can influence goal setting negatively.
- Ambition and ability of the farmer
- An ambitious farmer will be more disciplined with goal setting.
- Progress with the achievements of goals
- Success with the achievement of goals will motivate the farmer/make him (her) more skillful – set more goals.
- Reaction on own performance
- The correct deductions should be made and followed by the correct actions.
- (Any 5 × 2) (10)

- 2.3
- 2.3.1 S
- 2.3.2 L
- 2.3.3 L
- 2.3.4 M

2.3.5	M		(5 × 2)	(10)
2.4	2.4.1	Decision maker relies on experience and sensing Not enough information/takes a change		(2)
	2.4.2	Analysis of the problem Follow the steps in the decision making process		(2)
2.5	Planning – what must be done Organising – how it must be done Implementation – give the order for it to be done Control – has it been done properly		(4 × 2)	(8) [40]

QUESTION 3: MANAGEMENT FUNCTIONS IN FARMING

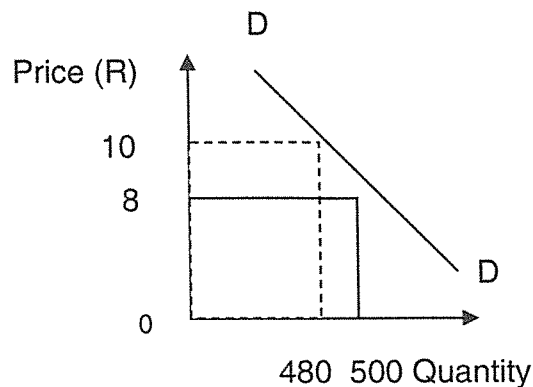
- 3.1
- Make a survey of all resources.
 - Determine the soil utilisation potential.
 - Plan horticultural and crop production system.
 - Plan animal production programme.
 - Plan machinery, tools, buildings and labour needs.
 - Estimate the income, expenditure and net income.
 - Plan the implementation of the preliminary programme.
- (7 × 2) (14)
- 3.2
- Can determine whether an intended plan is financially viable
 - A choice can be made between different alternatives.
 - Provision can be made for the capital needs of the coming year.
 - Formal framework for forecasting and goal setting
 - An instrument to measure the performance of a farming enterprise
 - External factors, e.g. the economy, styles, demand and supply considered.
 - Give a clear picture of the financial position of the farming business – improved financial control.
- (7 × 2) (14)
- 3.3
- Decide on the breed, housing and handling facilities.
 - Project the quantity and type of grazing produced on the farm.
 - Project the number of animals to be fed during different seasons.
 - Determine the fodder needs.
 - Compare the fodder needs – the available fodder and costs.
 - Determine the number of animals and animal products for selling and plan a marketing strategy.
- (6 × 1) (6)

3.4	3.4.1	Balance-sheet		
	3.4.2	Balance-sheet		
	3.4.3	Production records		
	3.4.4	Income Statement		
	3.4.5	Income Statement		
	3.4.6	Production records		
			(6 × 1)	(6)
				[40]

VRAAG 4: MACRO-AGRICULTURAL MARKETING

4.1	4.1.1	A		
	4.1.2	C		
	4.1.3	C		
	4.1.4	D		
	4.1.5	B		
			(5 × 2)	(10)
4.2	4.2.1	$\% \Delta \text{ in price} = \frac{2}{8} \times \frac{100}{1}$ $= 25\%$ $\% \Delta \text{ in quantity} = \frac{20}{500} \times \frac{100}{1}$ $= 4\%$ $ED = \frac{4}{25}$ $= 0.16$		(6)

4.2.2



(5)

4.2.3 $ED < 1$

(2)

4.2.4 substitutes

(2)

4.3 Short Term

- Products already been harvested
- Animals ready for selling

Medium term

- Products in process of cultivation
- Not ready for selling

Long term

- Expected tendencies in coming year
- New branches, expansion, reducing of branches

(3 × 3)

(9)

4.4 4.4.1 False

4.4.2 True

4.4.3 True

(3 × 2)

(6)
[40]**QUESTION 5: MICRO AGRICULTURAL MARKETING**

- 5.1
- Undertake a situation analyses.
 - Develop marketing objectives.
 - Determine the positioning and differential advantage.
 - Choose the target market and market size.
 - Design a strategic marketing mix.

(5)

5.2	<ul style="list-style-type: none"> • Demand for agricultural products in a deducted demand • Demand created by the utility of the product for the consumers • Consumer demand changes • Agricultural prices not a reflection of consumer demand • Distance between producers and consumers • Number of intermediaries • To get the products to the consumers cheaply • Marketing costs, e.g. transport cost, storing cost, etc. 	(3 × 3)	(9)
5.3	<p>Production orientation</p> <ul style="list-style-type: none"> • Production seen as the most important activity • Produce and then try to find a market • May succeed if there is a sufficient demand <p>Sales orientation</p> <ul style="list-style-type: none"> • Focus on the stimulation of sales • Adverts, distinguished packaging, brands, sales promotion • Try to enlarge market share <p>Marketing orientation</p> <ul style="list-style-type: none"> • Consumer orientation • Try to produce products for which there is a demand that will satisfy the needs of consumers • Farmers forced to take this step because of competition, technological development and satisfied consumer needs 	(3 × 4)	(12)
5.4	<p>Product – nature of the market</p> <p>Place (distribution) – needs of the consumers</p> <p>Price – market conditions</p> <p>Promotion – financial capacity (ability)</p>	(4 × 2)	(8)
5.5	5.5.1 Quantity demanded		
	5.5.2 Demand		
	5.5.3 Supply		
	5.5.4 Equilibrium		
	5.5.5 Equilibrium price		
	5.5.6 Equilibrium quantity	(6 × 1)	(6)
			[40]
		TOTAL:	200