



# higher education & training

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

## **NATIONAL CERTIFICATE**

### **MANAGEMENT: FARMING N5**

(4090555)

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

**This question paper consists of 6 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
MANAGEMENT FARMING N5  
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.
-

**QUESTION 1**


- 1.1 Choose the number of members from COLUMN B that matches a term in COLUMN A. Write only the letter (A–G) next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Public company	A	2–20 members
1.1.2	Sole trader 	B	1–10 members
1.1.3	Closed corporation	C	1–30 members
1.1.4	Partnership	D	1 member 
1.1.5	Private company	E	10–60 members
		F	1–50 members
		G	+7 unlimited members

(5 × 1)

(5)

- 1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.2.1–1.2.5) in the ANSWER BOOK. Correct the statement if it is FALSE.

- 1.2.1 Economic innovation refers to the 'HOW' of the entrepreneurship.
- 1.2.2 Any entity that wants to operate as a business must register with the South African Revenue Services. 
- 1.2.3 The sole trader is taxed separately from the owner in his private capacity.
- 1.2.4 There is a difference between the trust and other forms of ownership on the legal person (entity) of the business.
- 1.2.5 The trust is managed by the designated trustees on behalf of all beneficiaries.


(5 × 2)

(10)

- 1.3 Answer the following questions with regard to the entrepreneurial process.

1.3.1 Name THREE dimensions of entrepreneurial activities. (3)

1.3.2 State FIVE criteria that an undertaking must fulfil to be innovative. (5)

- 1.4 State FOUR personal characteristics of a good entrepreneur.  (4)

1.5 State FIVE functions of the entrepreneur in the production process. (5)

1.6 An enterprise can follow certain steps to improve entrepreneurship in the business.



Briefly list FOUR steps.

(4 × 2)

(8)  
[40]

## QUESTION 2

2.1 Answer the following questions regarding partnership:



2.1.1 Define the term *partnership*. (2)

2.1.2 Briefly explain the establishment procedures and administrative considerations of a partnership. (8)

2.1.3 Name EIGHT common rights and obligations on the management of a partnership. (8)



2.1.4 State any FOUR advantages of a partnership. (4)



2.2 After 30 years as sole owner of the farm Riverplaats, Phathuwo Malivha decides that his two sons should formally become partners of his farm. After much consideration, they decide to make it a closed corporation (Cc) owing to certain advantages.

2.2.1 State any FIVE advantages that a closed corporation can have for the three members and the farm. (5 × 2) (10)







2.2.2 Name the document that is used to start a closed corporation and the most important information that must be contained in the document. (8)  
[40]

**QUESTION 3**



- 3.1 Name the steps in the formulation of a farming strategy. (10)
- 3.2 Farmers can take certain steps to limit their risks.   
 Name any FIVE risk control strategies that can be followed. (5 × 2) (10)
- 3.3 Name FIVE advantages of a new building. (5)
- 3.4 Give FOUR reasons why exploring the business environment is important when strategic planning is done.  (4 × 2) (8)
- 3.5 State FOUR guidelines for decision-making in an uncertain environment. (4)
- 3.6 Name any THREE factors that influence the profitability of animal branching. (3)
- [40]**

**QUESTION 4**

- 4.1 Differentiate between the following types of policies:
- 4.1.1 Cover-orientated policies 
- 4.1.2 Investment-orientated policies (2 × 3) (6)
- 4.2 Identify the following life policies. Write only the name of the policy next to the question number (4.2.1–4.2.5) in the ANSWER BOOK.
- 4.2.1 The insured amount is payable only when the insured dies.
- 4.2.2 The insured amount is payable after expiration of a predetermined period or the early death of the insured.
- 4.2.3 The insured amount, plus bonuses, wherewith life coverage is not included, is payable after expiration of a predetermined period or death of the insured. 
- 4.2.4 A combination of a sole-life policy with profit, wherewith a term policy is incorporated.
- 4.2.5 This type of insurance offers protection if the insured is declared medical unfit for his/her normal work due to an accident. (5 × 2) (10)

- 4.3 Answer the following questions with reference to retirement annuities.
- 4.3.1 At what age can the return of this policy be drawn?  (2)
- 4.3.2 What part of the return of this policy is tax-free at retirement? (2)
- 4.3.3 List any THREE characteristics distinguishing retirement annuities from ordinary insurance policies. (3 × 2) (6)
- 4.4 Write explanatory notes on harvest insurance under the following questions:
- 4.4.1 What is covered? (4)
- 4.4.2 What is not covered?  (3)
- 4.4.3 How are the premiums determined and calculated? (3)
- 4.5 Briefly explain security as one of the principles of insurance. (4)
- [40]**

## QUESTION 5

- 5.1 Differentiate between a *legatee* and an *heir*. (4)
- 5.2 Define and give an example of the term *usufruct*.  (6)
- 5.3 Discuss the steps in the administration of an efficient will. (20)
- 5.4 State any FIVE prerequisites for an efficient will. (5 × 2) (10)
-  **[40]**
- TOTAL: 200**