



**higher education  
& training**

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

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE (VOCATIONAL)**

**NOVEMBER 2010**

**AGRIBUSINESS  
NQF LEVEL 2**

**11 NOVEMBER 2010**

**This marking guideline consists of 8 pages.**

**SECTION A****QUESTION 1**

1.1	1.1.1	A	Micro-climate	
	1.1.2	D	Movable asset	
	1.1.3	B	Owners equity	
	1.1.4	C	Direct cost	
	1.1.5	D	Use ear plug	
	1.1.6	C	Salvage value	
	1.1.7	B	Topography	
	1.1.8	B	Supply	
	1.1.9	A	Conversion	
	1.1.10	A	Pre paid	
	1.1.11	A	Entrepreneurship	
	1.1.12	C	Communal marketing	
	1.1.13	A	O horizon	
	1.1.14	B	Electronic	
	1.1.15	A	Infrastructure	(15)
1.2	1.2.1	C	Cost of conversion	
	1.2.2	D	Inventory	
	1.2.3	H	Consumable items	
	1.2.4	O	Journal	
	1.2.5	G	Occupational Health and Safety Act	
	1.2.6	B	Mixed farming	
	1.2.7	P	Market equilibrium	
	1.2.8	J	Land bank	
	1.2.9	F	Post harvest operation	
	1.2.10	Q	Market research	
	1.2.11	K	Hydroponic farming	
	1.2.12	L	Leaching	
	1.2.13	M	C horizon	
	1.2.14	N	Balance sheet	
	1.2.15	E	Indirect cost	(15)
<b>TOTAL SECTION A:</b>				<b>30</b>

**SECTION B****QUESTION 2**

- 2.1 2.1.1 Cost of purchase: - purchase price, taxes, transport, and handling.  
Cost of conversion: - raw materials, direct labour, overhead cost.  
Other cost / Miscellaneous (3)
- 2.1.2 Fresh produce market (1)
- 2.1.3 Good prices for the products  
Large quantity of produce can be sold.  
Wider market for the products  
High quality products which boost the image of the farmer.  
(Any 3 x 1) (3)

2.2 **FIXED AND VARIABLE COST**

2.2.1

Fixed cost	Value (R )	Variable Cost	Value (R )
Salaries ✓	6000.00	Seeds and seedlings✓	250.00
Interest paid✓	800.00	Fertilizer✓	360.00
Insurance ✓	480.00	Wages✓	4500.00
		Herbicides and pesticides✓	160.00
		Electricity and water✓	440.00
<b>TOTAL</b>	<b>7280.00</b>		<b>5710.00</b>

(8)

- 2.2.2 Total production cost = Fixed cost + Variable cost  
= R7280.00 + R5710.00  
= R12990.00 (2)
- 2.2.3 R12990.00 (1)

- 2.3 Full protective clothing  
Read instructions on containers carefully and follow the instructions.  
No eating, smoking nor drinking when working with chemicals.  
Destroy and incinerate empty containers.  
Use chemicals for recommended purpose (5)

- 2.4 2.4.1 Copies of Identity document of signatories  
Completed application form with specimen signatures  
Proof of residence/fixed address – utility bill  
Collateral / guarantee (Any 2 x 1) (2)
- 2.4.2 Issued with a cheque book  
Assess to cash and debit cards  
Direct debit / automatic account payment  
Pay for goods and services by cheque or debit cards without carrying large sums of money  
Keeping track of the money in the bank – monthly statements  
Access to electronic banking facilities eg. Internet, cellphone banking  
Assess to bank overdraft facilities  
Positive balance – gain interest (Any 5 x 1) (5)
- [30]**

**QUESTION 3**

- 3.1 Petty cash is a small amount of money that is kept in the farm / business to buy small items without going to the bank or issuing a cheque. (2)
- 3.2 Cash should be handled by only 1 person.  
It should be kept under lock in a safe or cabinet.  
Proper records should be kept. (3)
- 3.3 Income: this is the money received from sales  
Expenditure: payments made for purchases.  
Balance: amount left after subtracting expenditure from income (6)

## 3.4 Petty cash journal of MERRYWOOD FARMS

Date	Description	Receipt (R.00)	Payments (R.00)
1 Oct.	Bal. b/f	165	
6 Oct.	Cash from finance	550	
8 Oct.	Diesel		250
10 Oct.	Pesticides		150
18 Oct.	Coffee, sugar & biscuit		130
28 Oct.	Repair puncture		125
30 Oct.	Cash from finance	550	
	Totals	1265	655
31 Oct.	Amount in petty cash	610	

(1 mark for each correct entry) (10)

- 3.5 Form and intensity of precipitation [rainfall, snow]  
Seasonal changes  
Transpiration and evaporation  
Slope of the land  
Depth of soil profile  
Soil texture / permeability of parent material  
Soil structure  
(Any 5 x 1) (5)
- 3.6 Distance to the market  
Quality of road  
Bulkiness of the product  
Type of product being transported eg. requires re Fridgeration  
Price of petrol/diesel  
(4)  
**[30]**

**QUESTION 4**

- 4.1 Name / number/ identification of ewe  
Type of breed  
Identification of sire/ billy  
Date of mating  
Date of lambing  
Weight of lamb  
Gender of lamb (male / female) (7)
- 4.2 4.2.1 Improve quality of products  
Products become attractive  
Sell at higher price to get more profit  
Products last longer  
Job creation thereby reducing unemployment  
(Any 4 x 1) (4)
- 4.2.2 Broilers:  
Dressing (slaughtering & plucking of feathers & cleaning)  
Butchering ( cutting into pieces)  
Preparing braai pack / Mixed boxes  
Cooking  
Smoking  
Roasting  
Grading  
Flavouring eg. Peri-peri  
(Any 4 x 1)
- OR

		Vegetables: Washing Grading Packaging Drying Cutting or peeling Bottling Mixed boxes for family use.	(Any 4 x 1)	(4)
4.3	4.3.1	The quantity of goods that producers are prepared to sell at a certain price.		(1)
	4.3.2	R3.00		(1)
	4.3.3	12 cabbages		(1)
	4.3.4	Point of equilibrium		(1)
	4.3.5	Usefulness of the product Price Quality Number of consumers Taste of the product Buying power of consumers	(Any 4 x 1)	(4)
	4.3.6	10 cabbages		(1)
4.4		Fences and gates Store room Cold room Roads / transport system Electricity Water system Farm / poultry building / Abattoir Workers houses Battery cages Telephone	(Any 6 x 1)	(6) <b>[30]</b>

**QUESTION 5**

5.1	Number of workers	= 20	
	Wage / worker / month	= R1800.00	
	Number of months employed	= 12	
5.1.1	Total wage	= R1800 x 20 x 12	
		= <b>R432000.00</b>	(2)
5.1.2	UIF deducted from wages	= R432000 x 1%	
		= <b>R4320.00</b>	(2)
5.1.3	UIF added by college	= 432000 x 1%	
		= <b>R4320.00</b>	(2)
5.1.4	Total amount paid to UIF fund	= 4320 + 4320 (4320 x 2)	
		= <b>R8640.00</b>	(2)

5.2 **Income Statement of Ntombi Farms**

<b>Revenue (Sales)</b>		
500 carrots at R4.50 each		R2250.00
<b>Expenses</b>	<b>value</b>	
<b>Variable cost</b>		
Transport		150.00
Pesticides & fertilizers		60.00
Wages		500.00
<b>Total variable cost</b>		710.00
<b>Gross Profit</b>	(2250 – 710)	1540.00
<b>Fixed costs</b>		
Insurance		50.00
Interest		63.00
Rent		250.00
<b>Total fixed cost</b>		363.00
<b>Total expenses</b>	(710 + 363)	1073.00
<b>Net income</b>	(2250 – 1073) / (1540 – 363)	1177.00

- 5.3 Do not squeeze ripe tomatoes during harvesting  
 Do not drop, cut or bruise tomatoes when you are picking them  
 Wash tomatoes with clean water and dry them  
 Put them gently in the boxes  
 Prevent them from drying out or being burnt by the sun.  
 Remove all damaged or rotten tomatoes to prevent the spread of rot or disease.  
 Store them in a cool place / room (Any 5 x 1) (5)

5.4	Performance of different sections/ enterprise Correct planning, organisation and implementation. Effective farming practises to achieve improved production. Compare production with other farms and set standard to be achieved. Effective control of workers Decision on type of machine and how long it will be kept (Any 5 x 1)	(5) <b>[30]</b>
	<b>TOTAL SECTION B:</b>	<b>120</b>
	<b>GRAND TOTAL:</b>	<b>150</b>