



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

NOVEMBER EXAMINATION 2011

**AGRIBUSINESS
NQF LEVEL 2**

18 NOVEMBER 2011

This marking guideline consists of 7 pages.

QUESTION 1

- | | | | | |
|-----|--------|---|------------------------------------|------|
| 1.1 | 1.1.1 | C | Stock control system | |
| | 1.1.2 | N | Internal control manual | |
| | 1.1.3 | D | Historical cost | |
| | 1.1.4 | J | General ledger | |
| | 1.1.5 | G | Occupational Health and Safety Act | |
| | 1.1.6 | K | Withdrawal | |
| | 1.1.7 | L | Source document | |
| | 1.1.8 | M | Debtors journal | |
| | 1.1.9 | O | Gross production value | |
| | 1.1.10 | A | Collateral | |
| | 1.1.11 | F | Post harvesting | |
| | 1.1.12 | B | Market research | |
| | 1.1.13 | H | Grading | |
| | 1.1.14 | I | Communal marketing | |
| | 1.1.15 | E | Water | (15) |
| 1.2 | 1.2.1 | A | Stock bin card | |
| | 1.2.2 | D | Input cost | |
| | 1.2.3 | A | Along the road or path | |
| | 1.2.4 | C | Silo | |
| | 1.2.5 | A | Production record | |
| | 1.2.6 | A | Skilled labour | |
| | 1.2.7 | B | Supply | |
| | 1.2.8 | A | Prepaid | |
| | 1.2.9 | A | Village marketing | |
| | 1.2.10 | C | Snow | (10) |
| 1.3 | 1.3.1 | | Interest | |
| | 1.3.2 | | Socio-economic | |
| | 1.3.3 | | Gross farm revenue | |
| | 1.3.4 | | Net farm income | |
| | 1.3.5 | | Vegetable/crop | (5) |

TOTAL SECTION A : 30**SECTION B****QUESTION 2**

- | 2.1 | 2.1.1 | <table border="1"> <thead> <tr> <th>FIXED COST</th> <th>VARIABLE COST</th> </tr> </thead> <tbody> <tr> <td>A Salary</td> <td>B Fuel, oil, grease</td> </tr> <tr> <td>C Depreciation</td> <td>E Weed control</td> </tr> <tr> <td>D Telephone rentals</td> <td>F Poultry feed</td> </tr> <tr> <td>G Interest on loans</td> <td>H Seeds and seedlings</td> </tr> <tr> <td>K Insurance</td> <td>I Fertilizer</td> </tr> <tr> <td></td> <td>J casual workers</td> </tr> </tbody> </table> | FIXED COST | VARIABLE COST | A Salary | B Fuel, oil, grease | C Depreciation | E Weed control | D Telephone rentals | F Poultry feed | G Interest on loans | H Seeds and seedlings | K Insurance | I Fertilizer | | J casual workers | (11) |
|---------------------|-----------------------|--|------------|---------------|----------|---------------------|----------------|----------------|---------------------|----------------|---------------------|-----------------------|-------------|--------------|--|------------------|------|
| FIXED COST | VARIABLE COST | | | | | | | | | | | | | | | | |
| A Salary | B Fuel, oil, grease | | | | | | | | | | | | | | | | |
| C Depreciation | E Weed control | | | | | | | | | | | | | | | | |
| D Telephone rentals | F Poultry feed | | | | | | | | | | | | | | | | |
| G Interest on loans | H Seeds and seedlings | | | | | | | | | | | | | | | | |
| K Insurance | I Fertilizer | | | | | | | | | | | | | | | | |
| | J casual workers | | | | | | | | | | | | | | | | |
| | 2.1.2 | Total Expenditure for 3 months = R49 500,00 ✓✓ | (1) | | | | | | | | | | | | | | |

- 2.1.3 Total Expenditure for 3 months = R49 500.00 ✓
Total expenditure for 1 month = R49 500,00 ÷ 3 ✓
= R16 500,00 ✓ (2)
- 2.1.4 $18\ 000 \div 49\ 500 \times 100 = 36\%$ (2)
- 2.2 2.2.1
- Documents can easily be assessed or found when they are needed.
 - They will be well preserved, clean and safe
 - Record of all financial transactions can be provided.
 - It provides information of the farms financial status. (4)
- 2.2.2 **Record must be useful:**
Should contain only information that will be needed in the future to make decision for the farm.
- Records must be simple:**
It must be simple so that it can be understood easily.
- Records must be easy to work with:**
It must be clear and easy so that you can easily see what happened in the farm during the previous weeks.
- Records should not be duplicated:**
There should not be duplication to avoid confusion.
- Records should be kept electronically:**
This will be safe and people cannot easily assess any information without the farm manager's knowledge/concern/permission.
- Should be inexpensive:**
Should not cost too much and it should suit the type of farming.
(1 mark = stating criteria; 1 mark = explanation)
(Any 5 x 2) (10)
[30]

QUESTION 3

- 3.1 3.1.1 R29 500,00
3.1.2 R1 120,00
3.1.3 R2 950,00
3.1.4 R4 425,00
3.1.5 R1 205,00
3.1.6 R8 400,00
3.1.7 R4 570,00
3.1.8 R3 690,00
3.1.9 R3 045,00
3.1.10 R2 335,00
3.1.11 R22 040,00 (11)

- 3.2 **Quantity of products** on the market in a particular day/time and quantity bought.
E.g. 50 cabbages are sold on Monday and if 40 cabbages are sent to the market on Tuesday, demand will be more than supply so price of cabbage will go up. (3)
- Changes in demand for product** caused by changes in consumption pattern of consumers.
E.g. price of meat increase during festive seasons since demand is higher than ordinary days. (3)
- Changes in demand for similar product** e.g.
If consumers develop taste for sweet potatoes, there will be surplus of ordinary potatoes on the market so the price of potato will drop while the price of sweet potato will increase. (3)
(1 mark = factor; 2 mark = example)
(Candidates can give similar examples)
- 3.3 3.3.1 Farm manager sells directly to retailers or large companies after signing an agreement or contract with them. (2)
- 3.3.2 Markets for the products are guaranteed.
Prices are agreed before production.
Reduced marketing margins so higher prices can be obtained. (3)
- 3.3.3 Higher prices for produce
Higher profit margin
Good storage
Easy to be transported
Job creation to the community (5)
- [30]**

QUESTION 4

- 4.1 4.1.1 R6 500,00
4.1.2 R10 500,00
4.1.3 R13 850,00
4.1.4 R13 850,00
4.1.5 R3 4450,00
4.1.6 R5 550,00
4.1.7 R18 900,00
4.1.8 R18 900,00
4.1.9 R9 700,00
4.1.10 R0,00
4.1.11 R29 500,00
4.1.12 R12 200,00 (12)
- 4.2 Monitor how the farm is progressing to achieve its goals.
 Identify problems in meeting financial obligations.
 Indicate when cash is available for new investments (3)

WEMBLEY FARMING ENTERPRISE		
INCOME STATEMENT		
PERIOD: AUGUST 2011		
RECEIPTS		
Broiler sales	R8 000,00	½ mark
Sale of eggs	R750,00	½ mark
Sale of cabbages	R1 550,00	½ mark
Sale of goats	R11 400,00	½ mark
Sale of vegetables	R4 700,00	½ mark
TOTAL RECEIPTS	R26 400	✓
PAYMENTS		
Purchase of tomato boxes	R1 000,00	½ mark
Construction of broiler houses	R12 000,00	½ mark
Machinery repairs	R800,00	½ mark
Interest	R1 200,00	½ mark
Pesticides	R500,00	½ mark
Vet Bills	R600,00	½ mark
Wages	R4 800,00	½ mark
TOTAL PAYMENTS	R20 900	✓
	NET PROFIT	R5 500
		✓

(9)

4.4 4.4.1 Soil; Water; Topography; Climate; Vegetation (Any 2 x 1) (2)

4.4.2 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 2 x 1) (2)

4.4.3 Reduce income tax/income tax exemption
New technology
Improved efficiency
Financing is easy
Manufacturers guarantee on new equipment
(Any 2 x 1) (2)

[30]

QUESTION 5

5.1	Budget for individual enterprises Cash flow plan/statement Income statement Balance sheet	(4)
-----	--	-----

- 5.2 5.2.1 This is the system of farming whereby livestock and crop production are integrated on the same farm. (2)
- 5.2.2
- Waste products from animals serve as manure to fertilise soil. Improve the soil structure.
 - Crop residues serve as fodder for the animals.
 - Farmer can practise organic farming.
 - Good or higher production
 - Higher income/profit
- (Any 2 x 1) (2)
- 5.3
- Practise crop rotation.
 - Correct method of irrigation
 - Plant and harvest crops at the correct time or period.
 - Spray crops with pesticides and fungicides
 - Prevent flooding or improve upon drainage system.
- (Any 4 x1) (4)
- 5.4
- | | | | |
|-------------------------|---|-------------------|--|
| Quantity of feed bought | = | 60 bags | |
| Unit cost of feed | = | R80,00 | |
| Cost of feed bought | = | R80,00 x 60 | |
| | = | R4800,00 | |
| Transport cost | = | R150,00 | |
| Total expenses on feed | = | R4800,00 + 150,00 | |
| | = | R4950,00 | |
- 5.4.1 Qnt. Of feed used = Quantity bought – Quantity left
= 60 – 8
= 52 bags (1)
- 5.4.2
- | | | | |
|-----------------------|---|------------------------------|-----|
| Cost of 1 bag (50 kg) | = | Total cost ÷ Quantity bought | |
| | = | R4950,00 ÷ 60 | |
| | = | R82,50 | |
| Kg of feed wasted | = | 10 kg | |
| Cost of 10 kg | = | R82,50 x 10 ÷ 50 | |
| | = | R16,50 | (3) |
- 5.4.3
- | | | | |
|-----------------------|---|--------------------|-----|
| Total cost of 52 bags | = | 52 x R80,00 | |
| | = | R4160,00 | |
| Transport | = | R150,00 | |
| Total cost | = | R4160 + 150 | |
| | = | R4310,00 | |
| Savings made | = | R4950,00 – 4310,00 | |
| | = | R640,00 | (3) |
- 5.4.4 No.
Transport was charged for a trip but not for number of bags transported. (2)

5.5	Details of each worker (full name, surname, ID No etc) Their salary scale and how many hours they work The leave they have taken Tax number, contact details, next of kin	(4)
5.6	A legal requirement to keep accurate records of all employees SARS may want to check the records for tax purposes	(3)
5.7	Profit Give employment to the community Poverty alleviation/improve lives of people	(2)
		[30]
	TOTAL SECTION B:	120
	GRAND TOTAL:	150