



# higher education & training

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

## **NATIONAL CERTIFICATE (VOCATIONAL)**

### **AGRIBUSINESS NQF LEVEL 4**

(1011034)

**12 March 2019 (Y-Paper)  
13:00–16:00**

**This question paper consists of 10 pages and 3 answer sheets.**

**TIME: 3 HOURS  
MARKS: 200**

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**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. Answer QUESTIONS 3.1; 3.3 and 4.1 on the attached ANSWER SHEETS and hand them in with your ANSWER BOOK.
  5. Write neatly and legibly.
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**SECTION A****QUESTION 1**

1.1 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 The breakeven point is where ...

- A income is lower than costs.
- B the cost of production is equal to income.
- C consumers meet.
- D production costs are higher than income.

1.1.2 The record of all fixed and movable assets on a farm:

- A Inventory
- B Current asset
- C Balance sheet
- D Income statement

1.1.3 A product or raw material that can be bought or sold is called ...

- A man made.
- B material.
- C commodity.
- D mineral.

1.1.4 Someone owed money by a business is a ...

- A debtor.
- B asset.
- C manager.
- D creditor.

1.1.5 A cash book records ...

- A income and expenditure.
- B minor cash transactions.
- C credit sales.
- D credit purchases.

1.1.6 The document used to record money received from a customer for a cash sale of a product:

- A Invoice
- B Voucher
- C Cash book
- D Deposit slip

- 1.1.7 The government's second largest source of income:
- A Value added tax
  - B Capital gains tax
  - C Income tax
  - D Customs duty
- 1.1.8 Insurance forms part of the ... cost.
- A fixed
  - B variable
  - C production
  - D operational
- 1.1.9 The capacity of the business to proceed with business activities during unfavourable times or unforeseen setbacks:
- A Survival capacity
  - B Liquidity
  - C Repayment capacity
  - D Liquidity crisis
- 1.1.10 ... is information about how well the process of producing a product is being carried out.
- A Performance management
  - B Production performance
  - C Participatory management
  - D Walk-around management
- (10 × 1) (10)

- 1.2 Choose a/an item/word from COLUMN B that matches a description in COLUMN A. Write only the letter (A–Q) next to the question number (1.2.1–1.2.15) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	The period between two connected events infrastructure	A	human resources
1.2.2	The basic resources that are necessary for a country or an organisation to run smoothly	B	exchange
1.2.3	Protecting yourself from losing or failing by performing a counter-balancing action	C	receipt
1.2.4	The possibility that exists of selling something	D	market share
1.2.5	To give something and get something in return	E	lag time
1.2.6	A method used to calculate depreciation	F	processing
1.2.7	Information about a population of people	G	depreciate
1.2.8	The segment of the market that the enterprise supplies	H	sales potential
1.2.9	A formal request for a decision to be changed	I	cash grants
1.2.10	Capital assets wear out over a period of time	J	arbitration
1.2.11	An item owned by the business that has market value	K	straight line method
1.2.12	A financial book that records minor cash transactions	L	factors of production
1.2.13	People's skills and abilities that a company uses and pays for	M	asset
1.2.14	A process to settle a dispute	N	appeal
1.2.15	A written proof that money exchanged hands	O	hedge
		P	demographics
		Q	petty cashbook

(15 × 1) (15)

- 1.3 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only True or False next to the question number (1.3.1–1.3.10) in the ANSWER BOOK.
- 1.3.1 A balance sheet is an accounting record that shows the financial position of a business at a certain date.
- 1.3.2 A farmer who markets regionally has to understand the market and the risks involved in marketing his/her products locally.
- 1.3.3 A marketing plan should be developed after the production process has started.
- 1.3.4 Worker's annual leave can be calculated at one day per twenty one day's worked or one hour for every twenty one hours worked.
- 1.3.5 Learnerships are learning and training programmes that lead to an occupational qualification.
- 1.3.6 The person responsible for the cash should be the same person keeping the accounts.
- 1.3.7 The 15% value added tax also applies to all agricultural products.
- 1.3.8 A break-even sales point of a business is when the selling price covers all the production costs and makes a small profit.
- 1.3.9 Grain is produced in South Africa mainly in the form of maize and wheat.
- 1.3.10 A fixed price contract guarantees the producer a certain price for the product.
- (10 × 1) (10)
- 1.4 Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (1.4.1–1.4.5) in the ANSWER BOOK.
- 1.4.1 A debtor's invoice is regarded as ... document.
- 1.4.2 Someone who gives agricultural and business advice and training to emerging farmers.
- 1.4.3 The budget that includes all the farming operations for the year.
- 1.4.4 The capability of land to carry and feed animals.
- 1.4.5 Potential buyers who happen to pass a shop or stall.
- (5 × 1) (5)  
[40]
- TOTAL SECTION A: 40**

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

- 2.1 National Agricultural Marketing Council (NAMC) was established as a statutory body in 1997 to implement the provisions of the Marketing of Agricultural Products Act (Act 47 of 1996).
- 2.1.1 What is the National Agricultural Marketing Council? (2)
- 2.1.2 Name THREE reasons why it was established. (3)
- 2.1.3 What are the TWO main divisions of the NAMC? (2)
- 2.1.4 Briefly explain the functions of each division mentioned in QUESTION 2.1.3. (2 × 2) (4)
- 2.2 Name and explain FIVE stages in commodity marketing. (5 × 2) (10)
- 2.3 For a business to run successfully, you need to keep complete financial records. To complete these financial records you need information from source documents.
- Give FOUR examples of source documents. (4)
- 2.4 Which TWO financial record books are considered the most important on a farm? (2)
- 2.5 Name THREE things to be considered before applying for a loan. (3)
- 2.6 State FIVE reasons why the balance between the cash analysis book and the bank statement must be reconciled. (5 × 2) (10)
- [40]**

**QUESTION 3**

- 3.1 Use the information below to prepare a cash analysis book for Mr Ebenezer's farm for the month ended June 2018, use the attached ANSWER SHEET 1.

<b>Date</b>	<b>Description</b>	<b>Value (R)</b>	
01/06/2018	Opening bank balance	R10 000	
03/06/2018	Sale of beef cattle (receipt no:1)	R22 000	
07/06/2018	Sale of milk (receipt no: 2)	R5 600	
09/06/2018	Purchases of spares (Cheque no: 1)	R5 000	
11/06/2018	Cash wages paid	R800	
14/06/2018	Sales of Maize for R800 and milk for R450 paid by cheque (receipt no: 3)	R1 250	
16/06/2018	Wages paid by cheque (cheque no:2)	R2 000	
18/06/2018	R1 200 was paid to the co-operative account by cheque no: 3 for the following items: Fertiliser R400, dairy feed R500 and fuel (R300)	R1 200	
23/06/2018	School fees paid by cheque no: 4	R800	
27/06/2018	Telkom account was paid by cheque no: 5	R98	(25)

- 3.2 Briefly explain the term *bank reconciliation*. (2)

- 3.3 Mr Ebenezer is a livestock and crop producer, use the information below to prepare the income statement for his farm for the year ended 31 December 2018. Use the attached ANSWER SHEET 2.

Milk Sales	130 000	
Beef sales	180 000	
Maize sales	70 000	
Seed	15 000	
Feed	70 000	
Vaccination	5 000	
Fuel and lubricants	18 000	
Wages	90 000	(11)

- 3.4 Name TWO types of assets that must be included in the asset register. (2)  
**[40]**



**QUESTION 4**

- 4.1 Emmanuel owns a pig farm in Limpopo known as Millennium Touch. Construct a balance sheet for the year ended 31 December 2018 using the following information.

Use the template provided on the attached ANSWER SHEET 3 to answer the question.

Land	R1 000 000,00	
Pig pens (units)	R 200 000,00	
Boars and sows	R 380 000,00	
Feed on hand (28/02/2018)	R 1 000,00	
Bank overdraft	R 10 000,00	
Vehicles and equipment	R 400 000,00	
Co-operative loan for equipment payable over 5 years	R 100 000,00	(14)

- 4.2 4.2.1 Differentiate between *breakeven price* and *breakeven yield*. (2 × 2) (4)
- 4.2.2 Give THREE methods for setting prices for goods and services. (3)
- 4.3 Name FOUR ways in which a business can be promoted. (4)
- 4.4 Tara has bought a tractor for ploughing. The cost of her truck was R350 000 and has a fixed depreciation value of 20% per annum over five years.
- Calculate the remaining value of the asset after THREE years, using the decline balance method. (7)
- 4.5 Explain the term *value adding* to a product. (2)
- 4.6 Name SIX variables that can be provided by a market research data. (6)

**[40]**

**QUESTION 5**

- 5.1 The basic rules that apply to workers within the agricultural sector are contained in the Sectoral Determination 13 (farm worker section).
- 5.1.1 State FIVE basic conditions of employment. (5)
- 5.1.2 List FIVE types of grievances that can occur in the farm. (5)
- 5.1.3 Briefly describe the steps to follow in handling a grievance. (14)
- 5.1.4 How can a farmer retain skills in his/her farm? (5)
- 5.1.5 What does CCMA stand for? (2)
- 5.1.6 Who can an employee contact if he/she feels that his/her grievances have not been settled? (2)
- 5.2 Mitchell bought a planter at a price of R270 000 including value added tax.
- 5.2.1 What is the standard percentage rate of value added tax on ALL goods and services? (1)
- 5.2.2 Determine the amount of value added tax that was paid for the tractor. (3)
- 5.2.3 Calculate the cost price excluding value added tax. (3)
- [40]**
- TOTAL SECTION B: 160**  
**GRAND TOTAL: 200**

ANSWER SHEET 1

EXAMINATION NUMBER

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QUESTION 3

3.1 Cash analysis book of Mr Ebenezer

Income side

Date	Particulars	Rec. No	Total amount	Beef sales	Dairy sales	Maize sales	Sundries

Expenditure side

Date	Particulars	Cheque No	Total amount	Feed	Wages	Fuel	Sundries

HAND IN WITH YOUR ANSWER BOOK.

ANSWER SHEET 2

EXAMINATION NUMBER:

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QUESTION 3.3

**INCOME STATEMENT OF MR EBENEZER'S FARM FOR THE YEAR  
ENDING DECEMBER 2018**

	<b>R</b>	<b>C</b>
<b>FARM INCOME</b>		
<b>TOTAL INCOME</b>		
<b>FARM EXPENDITURE</b>		
<b>TOTAL EXPENDITURE</b>		
<b>FARM PROFIT/LOSS</b>		

(11)

ANSWER SHEET 3

EXAMINATION NUMBER

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QUESTION 4

4.1

<b>Balance Sheet Of Emmanuel as at 31 March 2018</b>					
<b>ASSETS</b>		<b>Amounts</b>	<b>LIABILITIES</b>		<b>Amounts</b>
<b>Fixed assets:</b>			<b>Long term liabilities</b>		
<b>Medium-term assets:</b>			<b>Medium-term liabilities:</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		

**HAND IN WITH YOUR ANSWER BOOK.**