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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

AGRICULTURAL MANAGEMENT PRACTICES

FEBRUARY/MARCH 2016

MARKS: 200

TIME: 3 hours

This question paper consists of 12 pages.

INSTRUCTIONS AND INFORMATION

1. This question paper consists of TWO sections.
2. Answer ALL the questions in the ANSWER BOOK.
3. Read the questions carefully and answer only what is asked.
4. Number the answers correctly according to the numbering system used in this question paper.
5. You may use a non-programmable calculator.
6. Round off ALL calculations to TWO decimal places, unless stated otherwise.
7. Write neatly and legibly.

SECTION A**QUESTION 1**

- 1.1 Various options are provided 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, for example 1.1.11 A.

- 1.1.1 The best camp system for sustainable grazing in sour veld:
- A One-camp system
 - B Two-camp system
 - C Three-camp system
 - D Four-camp system
- 1.1.2 The use of a trademark, product description and a diagram that represents the content is part of ...
- A marketing legislation.
 - B standardisation legislation.
 - C labelling legislation.
 - D agricultural product standards.
- 1.1.3 One of the best ways to motivate a labourer to increase productivity on the farm is to ...
- A shorten working hours.
 - B acknowledge good, productive work.
 - C give longer lunch breaks.
 - D give some alcoholic beverages.
- 1.1.4 The quantity of a product available for purchase by consumers at different prices:
- A Supply
 - B Demand
 - C Market elasticity
 - D Market equilibrium
- 1.1.5 The income statement of an enterprise can be derived from the ...
- A daily balance sheet.
 - B daily cash flow.
 - C budget sheet.
 - D annual balance sheet.

1.1.6 Which of the following are components of the demand chain?

- (i) Market
- (ii) Distribution
- (iii) Sales
- (iv) Services

Choose the correct combination from above.

- A (i), (iii) and (iv)
- B (i), (ii) and (iv)
- C (i), (ii) and (iii)
- D (ii), (iii) and (iv)

1.1.7 ONE of the following is NOT a method used to promote an agricultural product:

- A Advertising
- B Direct mail marketing
- C Trade fairs and exhibitions
- D Selling to a state agent

1.1.8 Effective mechanisation in farming is a solution for the ...

- (i) lack of education amongst farm workers.
- (ii) cost of training for farm workers.
- (iii) increasing shortage of farm workers.
- (iv) production of better products.

Choose the correct combination from above.

- A (i) and (ii)
- B (ii) and (iii)
- C (i), (ii) and (iii)
- D (i) and (iv)

1.1.9 A possible reason for using long-term credit is to ...

- A pay the electricity bill.
- B buy animal feeds.
- C build a new processing plant.
- D buy replacement animals.

1.1.10 The actions that describes the changes to primary agricultural products at an industrial plant:

- A Distribution
- B Preservation
- C A marketing chain
- D Processing

(10 x 2) (20)

- 1.2 Choose a description from COLUMN B that matches an item/phrase in COLUMN A. Write only the letter (A–L) next to the question number (1.2.1–1.2.10) in the ANSWER BOOK, for example 1.2.11 M. Each description in COLUMN B may be used only ONCE.

COLUMN A	COLUMN B
1.2.1 Marketing mix	A eliminates undesirable conduct and creates a feeling of solidarity in a farming business
1.2.2 Agricultural Product Standards Act, 1990 (Act 119 of 1990)	B classifying grass species according to their palatability as influenced by their reaction to grazing
1.2.3 Discipline	C an aspect of a marketing plan worth considering
1.2.4 Climate	D product, price, place and promotion
1.2.5 Pasture management	E determines the viability of a business idea
1.2.6 Depreciation	F provides measures to maintain essential national quality standards
1.2.7 Consumer taste	G formed by a number of people who decide to work together for a common purpose
1.2.8 Inventory	H the loss of value of a movable asset due to wear and tear
1.2.9 Pool system	I involves supervision
1.2.10 Feasibility study	J a record that indicates all assets at a certain time
	K the principle of cooperative marketing
	L conditions that change every year but still show similarities within a specific season from one year to the next

(10 x 2)

(20)

- 1.3 Give the CORRECT agricultural term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.10) in the ANSWER BOOK, for example 1.3.11 Recording.
- 1.3.1 When animals graze in a camp and give preference to certain plants or parts of plants over others
- 1.3.2 A production system used in dry regions where animals are kept on natural veld
- 1.3.3 The quantity of a product produced per hectare in a given season
- 1.3.4 Processing of an agricultural product at high temperatures to ensure that no living organisms are present in the product
- 1.3.5 Changing the production methods of an enterprise from labour-intensive to machinery-based
- 1.3.6 The type of credit that a farmer obtains from a cooperative for the next production season
- 1.3.7 The financial statement that indicates all possible income and expenditure of a farming enterprise for the following year
- 1.3.8 The method of determining prices for agricultural products in an open-market system
- 1.3.9 A management principle used to ensure that all activities on the day are catered for and that all resources are utilised optimally to ensure maximum profitability
- 1.3.10 An agricultural institution run by a board of members that buys and sells farm products in bulk according to set standards (10 x 1) (10)

TOTAL SECTION A: 50

SECTION B**QUESTION 2: PHYSICAL AND FINANCIAL PLANNING**

Start this question on a NEW page.

- 2.1 The health of farm workers is important if a high level of productivity is to be achieved in a farming enterprise.
- 2.1.1 Name FOUR effects of ill health on the productivity of a farming enterprise. (4)
- 2.1.2 Explain the purpose of the Unemployment Insurance Act, 2001 (Act 63 of 2001). (2)
- 2.2 An important requirement when one person agrees to work for another is the drafting of a service contract. This service contract must comply with the stipulations of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997).
- State FIVE items that should be included in a service contract. (5)
- 2.3 State FOUR functions of soil as a resource in agricultural production. (4)
- 2.4 The correct disposal of containers with pesticides and herbicides (chemicals) is very important in sustainable environmental management.
- 2.4.1 Advise farmers in your area on the best methods of disposing of chemical containers. (2)
- 2.4.2 Describe the effects of the incorrect application of chemicals on soil and the environment. (4)
- 2.5 State THREE soil quality aspects derived from the interpretation of soil data. (3)
- 2.6 Explain the functions of contours in relation to how they enable the control of soil erosion. (2)
- 2.7 The use of machinery equipped with GPS sensors and various other types of measuring equipment is a new trend in farming.
- 2.7.1 Name any THREE advantages of using such machinery in farm operations. (3)
- 2.7.2 Write the abbreviation *GPS* in full. (1)
- 2.7.3 Name the farming system that uses GPS. (1)
- 2.7.4 Define the term *grid cell*. (2)
- 2.7.5 State TWO types of data that can be obtained from a grid cell. (2)
- 2.8 State FOUR precautionary measures that should be adhered to when farm workers are working with farm implements and machinery. (4)

- 2.9 A budget is part of the financial planning of any farming enterprise.
- 2.9.1 Describe THREE primary aims of a budget for a farm business. (3)
- 2.9.2 State FOUR advantages of a cash-flow budget. (4)
- 2.10 State FOUR sources of information on different production methods in a specific enterprise available to the farmer. (4)
- [50]**

QUESTION 3: ENTREPRENEURSHIP, RECORDING, MARKETING AND BUSINESS PLANNING

Start this question on a NEW page.

- 3.1 A business plan explains how an entrepreneur will make money and what the starting costs of the business will be.
- 3.1.1 Give THREE reasons why it is necessary to develop a business plan. (3)
- 3.1.2 Select TWO factors from the SWOT analysis method that will affect the analysis as follows:
- (a) Internally (2)
- (b) Externally (2)
- 3.2 Farming is one of the many forms of entrepreneurship.
- 3.2.1 Define the term *entrepreneurship*. (2)
- 3.2.2 Identify THREE characteristics of entrepreneurs. (3)
- 3.3 Explain how an agritourism business can be classified under each of the following types of agricultural businesses:
- 3.3.1 Primary business (1)
- 3.3.2 Secondary business (1)
- 3.3.3 Tertiary business (1)
- 3.4 Discuss the aim of record-keeping by a farmer. (2)
- 3.5 You are an expert in the use of computers in farming. Tabulate TWO advantages and TWO disadvantages of using computers for keeping records. (4)
- 3.6 Name THREE types of information about a farm worker that should be recorded. (3)
- 3.7 Name TWO types of information that should be recorded in the machinery log book. (2)

3.8 Briefly describe the use of the following source documents in the financial management of a farming business:

3.8.1 An inventory (1)

3.8.2 A cheque (1)

3.8.3 An invoice (1)

3.9 Use the information in the table below to complete the trial balance for a vegetable farming cooperative on 31 October 2014.

	R	c
Capital	250 000	00
Salaries	225 000	00
Debit orders	69 000	00
Bank charges	2 000	00
Vehicles	88 000	00
Sales	890 000	00
Cost of sales	550 000	00
Trading stock	176 000	00
Stationery	13 500	00
Cash withdrawals	45 000	00
Rent income	36 000	00
Interest on income	7 000	00
Interest on loan	4 000	00
Water and electricity	7 000	00
Advertising	2 000	00

**TRIAL BALANCE OF VEGETABLE FARMING COOPERATIVE
ON 31 OCTOBER 2014**

		Debit		Credit	
3.9.1	Capital				
3.9.2	Cash withdrawals				
	Vehicles	88 000	00		
	Trading stock	176 000	00		
	Debit orders	69 000	00		
	Sales			890 000	00
3.9.3	Rent income				
	Interest on income			7 000	00
	Cost of sales	550 000	00		
	Salaries	225 000	00		
3.9.4	Bank charges				
	Stationery	13 500	00		
	Interest on loan	4 000	00		
	Water and electricity	7 000	00		
	Advertising	2 000	00		
3.9.5	TOTAL				

(1)

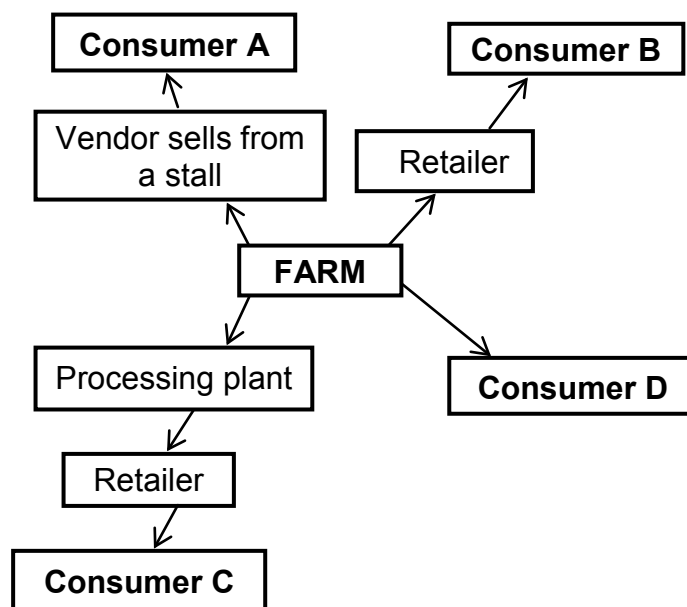
(1)

(1)

(1)

(2)

- 3.10 Name TWO factors that determine the economic viability of a farm. (2)
- 3.11 Distinguish between *marketing directly to wholesalers* and *marketing through commission agents*. (2)
- 3.12 The diagram below illustrates the route followed by a product from the farm to different consumers.



- 3.12.1 Identify the marketing system illustrated in the diagram above. (1)
- 3.12.2 Indicate the consumer (A, B, C or D) that will pay the most for the product that originated on the farm. Support your answer with TWO reasons. (3)
- 3.12.3 Identify the type of marketing channel applicable to Consumer A. (1)
- 3.13 Name TWO methods of setting the price for an agricultural product. (2)
- 3.14 The break-even point is a point where costs are equal to income or where the total income is equal to the total expenses. Study the information on an agricultural product below and answer the questions that follow.

Selling price (SP)	R3 000 per ton
Fixed costs (FC)	R4 000 per hectare
Variable costs (VC)	R2 000 per hectare
Hectares planted	10 hectare
Yield	4 ton per hectare

- 3.14.1 Calculate this farmer's gross income per season. (2)
- 3.14.2 Calculate the minimum yield per hectare that this farmer has to obtain to break even. (2)

[50]

QUESTION 4: HARVESTING, PROCESSING, AGRITOURISM AND MANAGEMENT

Start this question on a NEW page.

- 4.1 Give TWO reasons why it is important to consider moisture content during harvesting. (2)
- 4.2 Tabulate the advantages and disadvantages of storing perishable crops using the following storage techniques:
- 4.2.1 Cooling (2)
- 4.2.2 Freezing (2)
- 4.3

The processing of agricultural products has advantages and disadvantages. Processing helps small- to medium-sized producers to be less vulnerable to price fluctuation on the market.
- 4.3.1 Explain the term *value-adding*. (2)
- 4.3.2 State TWO advantages of value-adding in agribusiness. (2)
- 4.3.3 Explain how adding value to raw agricultural products contributes to the financial sustainability of a farming enterprise. (2)
- 4.4 Microbes survive and multiply under favourable environmental conditions.
- 4.4.1 State FOUR conditions under which microbes will NOT survive. (4)
- 4.4.2 Name TWO food products derived from using fermentation bacteria during processing. (2)
- 4.5 Many farmers export their agricultural products to benefit from the value of the currencies of other countries.
- 4.5.1 Explain the term *export*. (1)
- 4.5.2 Name TWO aspects regarding the export of agricultural products that the farmer can be held accountable for. (2)
- 4.6 Discuss the environmental rules and regulations for vehicles and trailers which must be adhered to when transporting animals. (8)
- 4.7 Discuss the role of local communities in agritourism with reference to the following:
- 4.7.1 Empowerment of the community (2)
- 4.7.2 Involvement of community members (2)
- 4.7.3 Awareness of agritourism (2)

- 4.8 Control is the managerial task that ensures the coordination and effective functioning of all business activities in a farming enterprise.
- 4.8.1 Name the possible steps a farmer has to implement for the efficient management of workers. (4)
- 4.8.2 State THREE advantages of control measures. (3)
- 4.9 Explain FIVE reasons for replanning an enterprise in agribusiness. (5)
- 4.10 Discuss THREE ways in which a farming business can promote the well-being of employees and communities in the area. (3)
- [50]**
- TOTAL SECTION B: 150**
- GRAND TOTAL: 200**