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# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**AGRICULTURAL MANAGEMENT PRACTICES**

**FEBRUARY/MARCH 2018**

**MARKING GUIDELINES**

**MARKS: 200**

**These marking guidelines consist of 12 pages.**

**SECTION A****QUESTION 1****1.1 Multiple Choice**

1.1.1 A ✓✓

1.1.2 C ✓✓

1.1.3 C ✓✓

1.1.4 B ✓✓

1.1.5 A ✓✓

1.1.6 C ✓✓

1.1.7 B ✓✓

1.1.8 C ✓✓

1.1.9 D ✓✓

1.1.10 A ✓✓

(10 x 2) (20)

**1.2 Matching**

1.2.1 L ✓✓

1.2.2 E ✓✓

1.2.3 K ✓✓

1.2.4 J ✓✓

1.2.5 G ✓✓

1.2.6 H ✓✓

1.2.7 A ✓✓

1.2.8 C ✓✓

1.2.9 D ✓✓

1.2.10 B ✓✓

(10 x 2) (20)

**1.3 Correct Agricultural Term**

1.3.1 Medium term credit ✓

1.3.2 Variable costs ✓

1.3.3 Control ✓

1.3.4 Distribution ✓

1.3.5 Motivation ✓

1.3.6 Pooling system ✓

1.3.7 Production costs ✓

1.3.8 Selling ✓

1.3.9 Entrepreneurship ✓

1.3.10 Interpersonal skills ✓

(10 x 1) (10)

**TOTAL SECTION A: 50**

**SECTION B****QUESTION 2: PHYSICAL AND FINANCIAL PLANNING****2.1 Soil depth****2.1.1 Comparing soil A and soil E in a table form**

|                        | <b>Soil A</b> | <b>Soil E</b> |
|------------------------|---------------|---------------|
| Depth                  | Very deep ✓   | Shallow ✓     |
| Water infiltration     | High ✓        | Low ✓         |
| Drainage               | Well ✓        | Very poor ✓   |
| Water holding capacity | High ✓        | Low ✓         |

(8)

**2.1.2 Grow best**

- (a) Soil A – legumes ✓  
(b) Soil B – cereals ✓

(2)

**2.2 Preferring sweet veld**

- Grow on an average low rainfall throughout ✓
- Less supplements needed ✓
- It is nutritious throughout its growing stages ✓
- It stays palatable throughout, even during its matured stage ✓

(4)

**2.3 THREE disadvantages of intensive farming system**

- Prolonged use of agro-chemicals results in pollution of water and soil ✓
- Land treated with chemicals reduces the diversity of micro-organisms ✓
- Overuse of water leads to reduced nutrients in the soil ✓

(3)

**2.4 Different types of pastures**

| Artificial (planted) pastures | Natural pastures |
|-------------------------------|------------------|
| Clover ✓                      | Grassland ✓      |
| Perennial grasses ✓           | Scrub ✓          |
| Legumes ✓                     | Savannah ✓       |

(6)

**2.5 Labour illness****2.5.1 THREE methods to reduce the risk of losing income due to ill-health**

- Workers should be multi-skilled to provide backup skills when needed ✓
- Farmers should outsource certain farming activities and mechanisation ✓
- Farm business should have the ill-health policy and programmes in place ✓

(3)

- 2.5.2 **THREE items included in the ill-health policy and programme**
- Treatment and prevention programmes ✓
  - Care and support programmes ✓
  - Protection of infected and affected employees from stigma and discrimination ✓
- (3)
- 2.6 **Capital**
- 2.6.1 **Categorise the types of capital mentioned in the above cartoon**
- Working capital ✓
    - Wonder fertilizers ✓
    - Wonder herbicides ✓
    - Money ✓
  - Movable capital ✓
    - Wonder irrigation ✓
- (6)
- 2.6.2 **Advise farmer on extra money**  
Can apply for a loan ✓ (1)
- 2.6.3 **THREE important requirements for long term credit**
- The potential of the farm business ✓
  - The stage of development of the business ✓
  - The type of farming enterprise ✓
  - The credit worthiness of the farm business ✓ (Any 3) (3)
- 2.6.4 **Difference between sources of capital**
- (a) **External sources**
- Capital obtained from resources outside the farming enterprise ✓
  - It is not linked to the owner ✓ (2)
- (b) **Internal sources**
- Capital obtained from resources within the farming enterprise ✓
  - It is linked to the owner itself ✓ (2)
- 2.7 **Budget**
- 2.7.1 **FOUR pre-requisites to prepare the next cash-flow budget**
- The previous income statement for the same period ✓
  - The present balance sheet ✓
  - The balance sheet of the previous period ✓
  - Notes on the transactions that were conducted during the previous financial period ✓
  - Calculations on depreciation ✓ (Any 4) (4)
- 2.7.2 **THREE valuable comparisons from budget and financial statement**
- Profitability of the business ✓
  - Establish whether the current expenses are within acceptable limits ✓
  - Determining whether the business is making progress by comparing figures with those of previous period ✓ (3)
- [50]**

**QUESTION 3: ENTREPRENEURSHIP, RECORDING, MARKETING, BUSINESS PLANNING AND ORGANISED AGRICULTURE****3.1 Labour related records**

- Working hours for each day/week/month ✓
- The specific days that the seasonal workers have worked ✓
- Total days of leave taken by the workers ✓
- Remuneration of workers ✓
- Misconduct by workers ✓
- Work performance of workers ✓

(Any 5) (5)

**3.2 Data items reflected on source documents**

- Number of product ✓
- Date of transaction ✓
- Description of article or purchase ✓
- Total amount of sales ✓
- Company name ✓
- Payment method ✓
- Buyer or seller information ✓

(Any 4) (4)

**3.3 Income statement****3.3.1 INCOME STATEMENT FOR YEAR ENDING 31 DECEMBER 2017**

| <b>INCOME</b>    | <b>VALUE<br/>(Rand)</b> | <b>EXPENDITURE</b>             | <b>VALUE<br/>(Rand)</b> |
|------------------|-------------------------|--------------------------------|-------------------------|
| Sale of carrots  | 11 500                  | Soil preparation               | 10 000                  |
| Sale of onions   | 28 000                  | Harvesting cost                | 6 000                   |
| Sale of tomatoes | 20 000                  | Casual labour                  | 8 000                   |
| Sale of cabbages | 9 400                   | Seeds                          | 6 500                   |
|                  |                         | Fertiliser                     | 10 000                  |
|                  |                         | Disease, pest and weed control | 10 000                  |
|                  |                         | Repair and maintenance         | 15 500                  |
|                  |                         | Packaging and                  | 4 000                   |
| <b>TOTAL</b>     | <b>68 900</b>           | <b>TOTAL</b>                   | <b>70 000</b>           |

One mark for correct entries in expenditure ✓

One mark for correct entries in income ✓

One mark for correct total in expenditure ✓

One mark for correct total in income ✓

(4)

**3.3.2 Profit or Loss**

- Profit/Loss = Income – Expenditure  
= R68 900 – R70 000  
= – R1 100,00 ✓
- It was a loss ✓

(2)

**3.4 Financial definitions**

**3.4.1 Definition of break-even point**

- It is the level of production at which the costs are covered ✓
- OR**
- When income derived from produce is equal to output ✓ (1)

**3.4.2 Definition of debtor**

- Person/business that owes the farm money ✓ (1)

**3.5 Balance sheet**

| <b>ASSETS</b>              | <b>VALUE</b>            | <b>LIABILITIES</b> | <b>VALUE</b>            |
|----------------------------|-------------------------|--------------------|-------------------------|
| Fixed assets               |                         | Capital            | R115 000                |
| <b>Land</b>                | <b>3.5.1 /</b>          |                    |                         |
| Buildings                  | R50 000                 | Mortgage loan      | R120 000                |
| <b>Second hand tractor</b> | <b>3.5.2 / R50 000✓</b> |                    |                         |
| Implements                 | R25 000                 |                    |                         |
|                            |                         |                    |                         |
| Current assets             |                         | Current            |                         |
|                            | 20 000                  | <b>Creditors</b>   | <b>3.5.5 / R10 000✓</b> |
| <b>Cash</b>                | <b>3.5.3 / R2 000✓</b>  | Bank overdraft     | R15 000                 |
| <b>Debtors</b>             | <b>3.5.4 / R13 000✓</b> |                    |                         |
|                            |                         |                    |                         |
| Total                      | R260 000                | Total              | <b>3.5.6 /</b>          |

(6)

**3.6 Marketing plan**

**3.6.1 Importance of compiling a strategic marketing plan**

- Meet customers' needs ✓
- Generate profit ✓ (2)

**3.6.2 Questions to acquire information**

- Where will I sell my product? ✓
  - Who is the client? ✓
  - What is the size of my potential client base? ✓
  - What is the location of my clients and how will it affect my sales? ✓
  - What are the client's needs and requirements? ✓
  - Will I sell directly to the client? ✓
  - Will I sell wholesale to convenience store? ✓
  - What are the seasonal price changes? ✓
  - What are the quality standards that I have to adhere to? ✓
- (Any 5) (5)



3.7 **Business plan**

3.7.1 **Description of basic features of a business plan related to product**

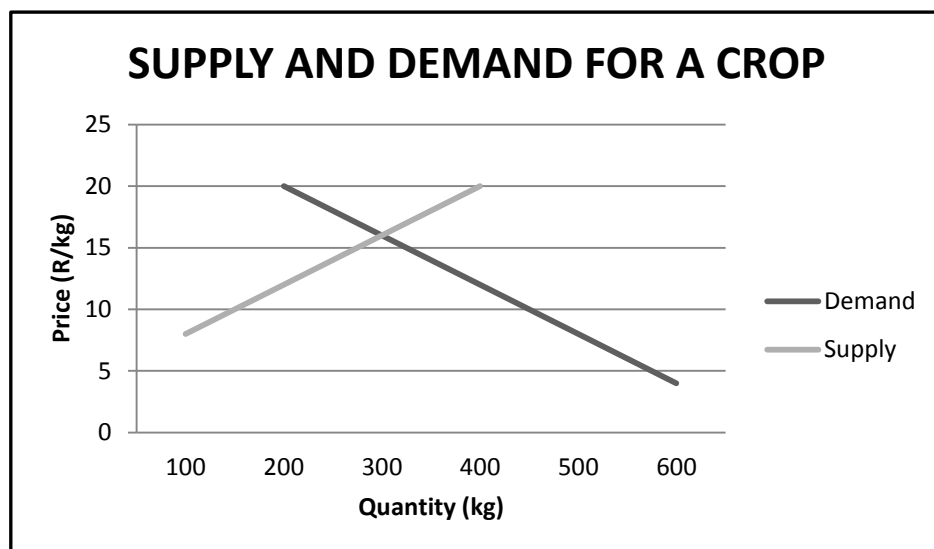
- Product description that will derive from the farming enterprise ✓
- Market analysis to seek the best market to sell the product ✓
- Operational plan on how to produce the product ✓
- Financial analysis including budgets and the use of capital ✓
- Appendices attached as support documents ✓ (Any 4) (4)

3.7.2 **FOUR aspects of place to sell**

- Distance to the market ✓
- Size of the market ✓
- Storage facilities ✓
- Infrastructure surrounding the market ✓
- Buying power of customers ✓
- Identity/Name of the market ✓ (Any 4) (4)

3.8 **Marketing**

3.8.1 **Graph representing the supply and demand for a crop**



**Allocation of marks:**

- Applicable heading ✓
- Labelling and values of x-axis and y-axis ✓
- Labelling graphs ✓
- Correct supply graph ✓
- Correct demand graph ✓ (5)

- 3.8.2 **Price at market equilibrium**  
R16,00✓ (1)
- 3.8.3 **TWO possible reasons for the shortage**
- Consumers buy more when price is low and with no increase in supply, leads to a shortage ✓
  - Farmers supply/market less of a crop when price is low that tend to lead to shortages because of a higher demand from consumers ✓
  - Socio-economic factors – when people have more money they buy more and shortages can occur during higher buying timeframes ✓
  - Natural disasters/hail/floods/drought causes less products to be harvested ✓
  - Seasonal yields differ between different years. Demand increases that leads to shortages ✓ (Any 2) (2)
- 3.8.4 **TWO strategies to deal with shortages**
- Modify planting or harvesting times✓ – to supply sufficiently during periods of short supply ✓
  - Process products✓ – to prolong shelf life so that they could be sold during periods of short supply ✓ (4)
- [50]**

**QUESTION 4: HARVESTING, PROCESSING, MANAGEMENT AND AGRITOURISM**

**4.1 Harvesting**

**4.1.1 Factors take into consideration during harvesting a crop**

- Availability of transport ✓
  - Labour requirements ✓
  - Storage ✓
  - Weather conditions ✓
  - Marketing trends ✓
- (Any 4) (4)

**4.1.2 Describing basic principles of post-harvest handling**

- Handle with care to avoid damage or cutting or crushing or bruising of the produce ✓
  - Remove damaged items from good quality items during the sorting process ✓
- (2)

**4.2 Storage**

**4.2.1 Storage facility in the picture**

Silo ✓ (1)

**4.2.2 Environmental factors that are controlled in a silo**

- Temperature ✓
  - Moisture/Humidity ✓
  - Air ✓
  - Light ✓
- (Any 3) (3)

**4.3 Difference between sorting and grading**

| <b>Sorting</b>  | <b>Grading</b>  |
|---|---|
| Removal at first sight of some undesirable additional materials e.g. leaves or stones ✓             | The assessment of a number of characteristics of a product to obtain an indication of its overall quality ✓ |
| Separation of raw materials into categories on the basis of shape, size, weight, image and colour ✓ | An expensive operation due to long process of setting standards ✓   |
| Segregating grains, fruit or vegetables between marketable and unmarketable products ✓              | Requires skilled personnel ✓  |

(6)

**4.4 Processing**

**4.4.1 THREE fermentation processes that van be used in preservation**

- Sugar fermentation ✓
  - Milk sugar/lactose fermentation ✓
  - Acid forming fermentation ✓
- (3)

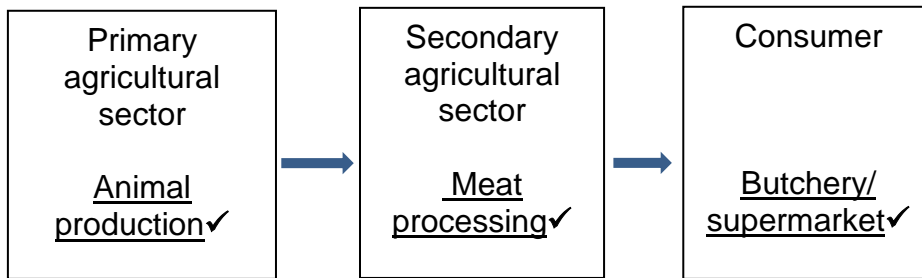
4.4.2 **Effect of moisture in the cooling process**

- Moisture enhances the cooling process/Makes the process faster ✓
- If moisture froze it can damage the product ✓

(2)

4.5 **Agricultural chain**

4.5.1 **Schematic presentation of an agri-business chain**



OR



(3)

4.5.2 **THREE tertiary sector inputs**

- Storage ✓
- Transport ✓
- Marketing agents ✓
- Market agents ✓
- Advertising companies ✓
- Finance brokers ✓
- Insurance brokers ✓

(Any 3) (3)

4.6 **Main functions performed by packaging**

- To contain the product ✓
- To protect the product ✓
- To sell the product ✓

(3)

4.7 **Factors indicating viability of value adding**

- Equipment available ✓
- Facilities available ✓
- Demand for processed product ✓

(Any 2) (2)

4.8 **Scenario agritourism**

4.8.1 **Definition of the term product route**

- Agritourism route where tourists see and learn ✓
- About all stages of the production of an agricultural product ✓

(2)

- 4.8.2 **Activities in the scenario**
- Touring the rooibos route ✓
  - Viewing and feeling the tea plants in their natural state ✓
  - Learning about the harvesting and curing of the final product ✓
  - Learning the history of the rooibos plant ✓ (Any 2) (2)

- 4.8.3 **Aspects that illustrate educational potential**
- Knowledge of the cultural and historical heritage of the place ✓
  - Sustainable utilisation of our natural resources ✓
  - Promotion of healthier eating habits ✓ (3)

- 4.8.4 **THREE entrepreneurial characteristics in the scenario**
- Hardworking ✓
  - Creative ✓
  - Can identify unique opportunities ✓
  - Confident ✓ (Any 3) (3)

#### 4.9 **Management**

- 4.9.1 **Role of farm manager in maintaining the financial viability**
- Planning the production process ✓
  - Organizing the different activities on the farm ✓
  - Coordination of all sectors of the production process ✓
  - Controlling the production process ✓
  - Decision making on a day to day basis ✓
  - Motivation of labour force ✓ (Any 4) (4)

- 4.9.2 **FOUR basic types of coordination**
- Informal coordination ✓
  - Programmed coordination ✓
  - Liaison coordination ✓
  - Group coordination ✓ (4)
- [50]**

**TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**