



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

15 November 2022

This marking guideline consists of 7 pages.

QUESTION 1

- | | | | |
|-----|--|---|-------------|
| 1.1 | 1.1.1 | B,✓ G,✓ H,✓ J✓ | (4) |
| | 1.1.2 | A,✓ D,✓ F✓ | (3) |
| | 1.1.3 | C,✓ E,✓ I✓ | (3) |
| 1.2 | 1.2.1 | GDP is an acronym for Gross Domestic Product.✓ It is the measure of the quantity of goods and services produced within the borders of a country within a definite period of time.✓ | (2) |
| | 1.2.2 | Low GDP causes unemployment, which influences balance of payments positively because it leads to a decrease in income,✓✓ the demand of import goods will decrease,✓✓ therefore less money will flow out of the country.✓✓ | (6) |
| | 1.2.3 | The government puts control measures on imported goods in order to protect its farmers against cheap imported goods✓ by charging levies or tariffs on imported products✓ causing the imported goods to have less competition with local markets.✓ In this way, imports are discouraged✓ thus making local goods enjoy preference in the market.✓✓ | (5) |
| 1.3 | Life expectancy is increasing because: | | |
| | <ul style="list-style-type: none"> • of low child mortality rate. • of better medication. • population growth rate is higher than death rate. • more young people increase demand for preferred foods. • difference between age group and ethnic group in needs of consumers. | | |
| | | (5 × 2) | (10) |
| 1.4 | The level at which the producer income changes in relation to the changes in price and supply of goods. | | (2) |
| 1.5 | Water is becoming an increasing short-supply commodity✓ and the demand of natural water is increasing with a growing urban population competing with use of water in agriculture.✓ Therefore, water for agricultural use is monitored✓ and use is restricted by the state.✓ Water for irrigation is becoming expensive✓ thus increasing the production cost in agriculture businesses. | | (5) |
| | | | [40] |

QUESTION 2

2.1	2.1.1	D		
	2.1.2	B		
	2.1.3	C		
	2.1.4	A		
	2.1.5	C		
			(5 × 1)	(5)
2.2		• A group will always have a leader. • The success of a group will depend on whether the followers accept the leader's leadership style. • The interaction among the members of a group leads to a group norm that is a generally acceptable standard of behaviour that every member has to maintain. • Group cohesion indicates the extent of influence that the group has on the individual member. • Groups are interdependent of each other.	(5 × 2)	(10)
2.3	2.3.1	Land		
	2.3.2	Capital		
	2.3.3	Labour		
	2.3.4	Management/Entrepreneur		
	2.3.5	Compare actual with projected achievement/feedback		
	2.3.6	Monitor transformation of inputs into output		
	2.3.7	Goods		
			(7 × 1)	(7)
2.4		Production management system		(2)
2.5	2.5.1	• Financial objectives • Personal objectives		(2)
	2.5.2	Financial objectives are quantifiable, examples are yield and productivity, and personal objectives are not quantifiable and not always clearly described.	(2 × 2)	(4)
2.6		• By acquisition of funds by financing. • By applying funds through buying assets known as investments. • By administration of funds and reports on financial matters.	(3 × 2)	(6)
2.7		• Better discipline among employees will be experienced. • Formal structures will diminish corruption and undermining of authority within the organisation.	(2 × 2)	(4)
				[40]

QUESTION 3

- | | | | | |
|-----|--|---|---------|--------------|
| 3.1 | 3.1.1 | True | | |
| | 3.1.2 | True | | |
| | 3.1.3 | False | | |
| | 3.1.4 | True | | |
| | 3.1.5 | True | | |
| | | | (5 × 1) | (5) |
| 3.2 | <ul style="list-style-type: none"> • Planning is always based on facts. • Planning rests on reliable information. • Often circumstances change after a final decision is taken. • Plans must adapt to the changing environment. | | | (4 × 2) (8) |
| 3.3 | <ul style="list-style-type: none"> • Prepare the employee for training. • Use descriptions and demonstrations and reply to the employee's questions when uncertainty arises. • Allow the employee to actively take part in the training sessions. • Follow the employee's progress in the execution or application of the newly acquired skills and knowledge. | | | (4 × 2) (8) |
| 3.4 | <ul style="list-style-type: none"> • Identify all the resources that will be required • Record all the available resources. • Determine the potential of the available land. • Plan crop or animal production. • Allocate the resources accordingly, e.g. use of machinery, farm implements, buildings and labour needs. | | | (5 × 2) (10) |
| 3.5 | <ul style="list-style-type: none"> • strategic planning • operational planning • reactive planning | | | (3) |
| 3.6 | 3.6.1 | Policy is a document or instrument that guides the particular operations of the farm. | | |
| | 3.6.2 | Strategic planning entails the development of a broad and long-term plan on how to attain the mission of the farm business. | | |
| | 3.6.3 | A programme determines the order in which any given set of tasks is executed to complete the objectives. | | (3 × 2) (6) |
| | | | | [40] |

QUESTION 4

- 4.1
- Acquisition and provision of information
 - Standardisation and grading
 - Recomposition
 - Storage
 - Financing
 - Bearing the risk
- (Any 5 × 1) (5)
- 4.2
- 4.2.1
- Physical distribution of produce
 - Economic aspect
- (2)
- 4.2.2
- Physical distribution of produce is about all the activities involved in the actual handling of the product from the farm right up to the table of the consumer✓✓ and the economic aspect concerns all actions that enable the easy flow or transfer of goods between the seller (farmer) and the buyer (consumer) therefore this activities are intertwined.✓✓
- (4)
- 4.3
- 4.3.1
- Economic risk
 - Human risk
 - Physical risk
- (3)
- 4.3.2
- Economic risk originates from the price difference that can be caused by the difference in demand and supply.
 - Human risk is cause by human being due to dishonesty, such as theft or negligence.
 - Physical risk can be caused by natural disasters such as fires, storms, accidents, etc., causing damage and losses. (3 × 2)
- (6)
- 4.4
- Macro marketing approach views marketing as a social and economic process.✓ Consumers' needs are satisfied by exchange or transfer action between producers and consumers.✓ Thus bridging the gap between consumers and producers is done by all necessary activities.✓ Whereas the micro marketing approach focuses on individual enterprise✓ and needs to make profit through its marketing process.✓✓
- (6)
- 4.5
- African markets are consisted of two parts, which are the first world and third world segments.✓ Third world is also known as African markets, which today is the main component of the market.✓ It differs from the first world market since it has different consumers' needs and behaviours.✓ Africans earn low income thus they spend it on buying foods.✓
- (4)
- 4.6
- Price elasticity of demand is the percentage change in the demand for a product in relation to the percentage change in the price of that product.
- (2)

- 4.7
- Product planning✓ the farmer offers the right product at the right place, time and price in the right quantity as required by the buyer.✓
 - Negotiations✓ the two parties need to negotiate this transaction until an agreement is reached on actions like delivery, method of payment.✓
 - Contractual agreement✓ this concludes the transaction for the transfer of ownership from the producer to the consumer.✓ (3 × 2)

(6)
[40]

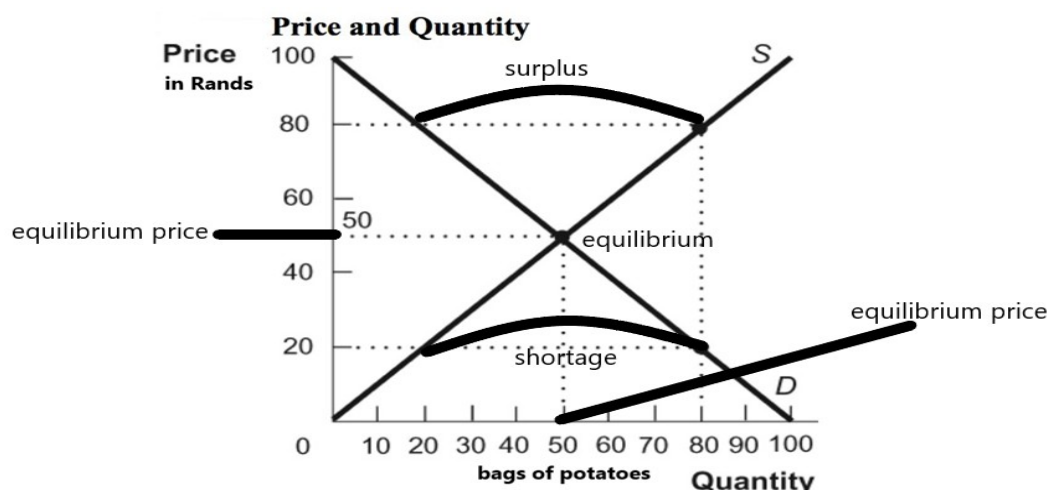
QUESTION 5

- 5.1
- 5.1.1 Production orientation
 - 5.1.2 Marketing objectives
 - 5.1.3 Situational analysis (SWOT analysis)
 - 5.1.4 Target market
 - 5.1.5 Marketing strategy
- (5 × 2) (10)

- 5.2
- Production orientation values production as the most important activity in the business✓✓ whereas marketing orientation prioritizes consumers' needs thus farmers produce goods that were in definite demand by consumers rather than first producing goods and then searching for buyers.✓✓ (4)

- 5.3
- Undertake a situational analysis.
 - Design marketing objectives.
 - Determine the positioning and differential advantage of the product.
 - Select a target market and determine the size of the market.
 - Design a strategic marketing mix.
- (5)

5.4



- correct axes.✓
 - correct labelling of axes.✓
 - correctly drawn demand curve.✓
 - correctly drawn supply curve.✓
 - correct labels of demand and supply curve.✓
 - correct surplus label.✓
 - correct shortage label.✓
 - correct equilibrium label.✓
 - correct equilibrium price and quantity labels.✓✓
- (10)

- 5.5 Demand of agricultural products✓ is created by the use the product has for consumers.✓ Agricultural prices are not accurate✓ because production happens on farms away from consumers, and the producer-consumer communication problem exists.✓ Furthermore, it is problematic to get cheap products for consumers✓ because of manufacturing cost, storage cost and transport cost.✓ (6)
- 5.6 Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying goods, services and ideas to target markets to achieve organisational objectives. (2)
- 5.7
- Auctions
 - Agents, speculators, wholesalers
 - Direct sales
 - C-operatives
 - Production contracts
- (Any 3 × 1) (3)
- [40]**
- TOTAL: 200**