



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4

20 November 2024

This marking guideline consists of 8 pages.

QUESTION 1: MODULE 1 FARMING PERSPECTIVE

- 1.1 1.1.1 Gross domestic product / GDP.
 1.1.2 Agricultural policy.
 1.1.3 Price stability.
 1.1.4 Import cost.
 1.1.5 Deregulation of marketing.
 1.1.6 Multi-lateral agreements.
(6 × 1) (6)
- 1.2
 - It is for regulating✓ and supporting during production.✓
 - It oversees application of relevant legislation to agriculture and industrial sector.
 - It plays a supportive role by providing funds and guidance to farmers.
 - Supports farmers to resume production after disasters like drought, floods.(Any 3 × 2) (6)
- 1.3
 - By using more efficient irrigation systems
 - By optimal use of water resources
 - By recycling water
 - By water conservation(Any 2 × 2) (4)
- 1.4
 - Price
 - Quantitative control measures
 - Technology policy(3)
- 1.5
 - By contributing to the welfare of the population of the country
 - Increases production of food to a growing population
 - Leads to an increase in per capita income
 - Agriculture creates sales market for goods to other industries
 - Earns foreign currency exchange through exports
 - Surplus labour due to mechanization in agriculture goes to other economic activities(Any 5 × 2) (10)
- 1.6 Mixed economy is applied anywhere✓ where a particular system is applied with the characteristics of another system.✓ This is because the three economic systems (capitalism, socialism and communism) are not applied in their true form anywhere in the world.✓(3)
- 1.7 1.7.1 Free competition
 1.7.2 No competition
 1.7.3
 - Resides with private enterprise
 - Freedom of choice and decision-making(Any 1 × 1)

- 1.7.4
- Resides with the state only
 - Management forms part of political party
 - No freedom of decision-making (Any 1 × 1)
- 1.7.5
- Employees free to choose career
 - Free to choose trade union and may strike (Any 1 × 1)
- 1.7.6
- Have limited choice of careers
 - Trade union governed by the state (Any 1 × 1)
- 1.7.7
- Freedom of choice
 - Private ownership of production factors (Any 1 × 1)
- 1.7.8
- No freedom of choice
 - State owns and control all industries and agriculture (Any 1 × 1)
(8 × 1)

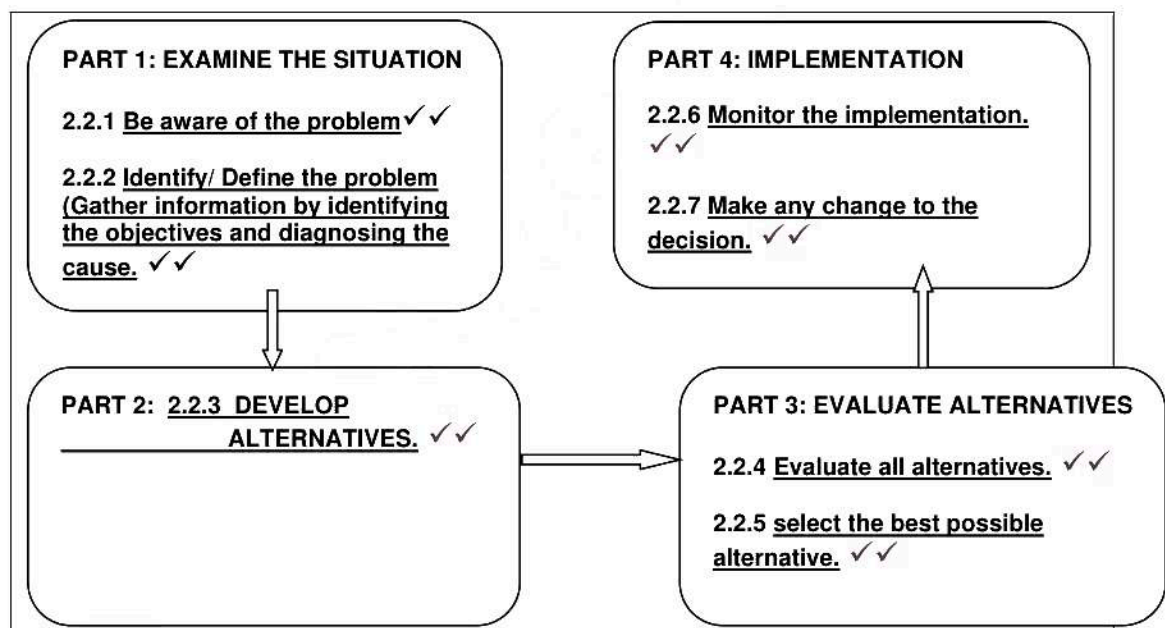
(8)
[40]

QUESTION 2: MODULE 2 THE SCOPE OF FARMING MANAGEMENT

- 2.1 2.1.1 Legitimate power is power where the manager has the right to demand execution of duties from his subordinates.
- 2.1.2 Effective control is a management process whereby the manager attempts to limit the deviations from the planned activities or achievements with little interference.
- 2.1.3 Task objectives refer to the best possible and most effective ways of completing tasks set for the farmer over a short term.
- 2.1.4 Marketing function in a farming environment is that function which deals with the sale of the product to the consumers.
- 2.1.5 Rational decision is a decision that is always based on an analysis of different aspects of a problem.

(5 × 2) (10)

2.2



(14)

2.3

- Set achievement standards
- Observe the actual achievement
- Evaluate any deviation
- Apply corrective measures

(4)

2.4	2.4.1	Plans	(1)
	2.4.2	• Line organisation. • Functional organisation. • Staff and line organisation.	(3)
	2.4.3	• Prescriptions and rigid management will suppress the skill and ambition of employees and thus lead to a downward spiral in productivity. • An indifferent attitude may take root among employees, because management does not allow them to be creative in their jobs. • Where management is not in touch with the real tasks and do not understand the real responsibilities given to employees, the organisation will be inefficient, and employees will suffer. • Loyalty of employees to their managers is jeopardised. (4 × 2)	(8) [40]

QUESTION 3: MODULE 3 MANAGEMENT FUNCTION

3.1	• Physical and monetary inventory • Physical production details. • Financial information. • Human resource records of each employee.	(4)
3.2	• Planning is always based on facts. Often relevant information is not available or very expensive to obtain. • Planning rests on reliable information. If this is not available, then it will be based on assumptions. • Often circumstances change after a final decision is taken. This results in planning not taking place under changing circumstances. • Plans must be adapted to changing environment. Too many changes cause a sense of insecurity to workers and then distrust in future formal plans.	(4 × 2) (8)

- 3.3
- The farmer uses a budget to determine whether the planned operations are financially feasible.
 - It assists in financial planning, because it determines the capital needs of the farm for the next year.
 - Provides a formal framework to the farmer for making projections and setting objectives.
 - It is an instrument that is used by the farmer to evaluate and measure any achievement.
 - Enables the farmer to consider any external factors like economic cycles, supply and demand tendencies that influence the financial position of the farming business.
 - It gives a clear indication of the farm's financial achievements and improvements.
 - Improves financial control of the farm business by comparing the actual results with budgeted results.
- (Any 5 × 2) (10)
- 3.4
- Solvency.
 - Liquidity.
 - Net value.
 - Gross production value.
 - Production costs.
 - Administrative costs.
 - Marketing costs.
 - Profits.
- (Any 6 × 1) (6)
- 3.5
- Ensure that the sender understands the message before it is communicated.
 - Use both formal and informal communication techniques.
 - Use different ways to communicate.
 - Do away with communication barriers.
 - Use feedback techniques.
 - Be a good listener.
- (6 × 2) (12)
- [40]**

QUESTION 4: MODULE 4 MACRO AGRICULTURAL MARKETING

- 4.1
- How many consumers are there for the product?
 - Which goods does the consumer need?
 - Where does the consumers buy the products?
 - When does the consumer want to buy the product?
 - Why does the consumer want to buy the product?
 - How does the consumer buy the product?
- (Any 6 × 2) (12)

- 4.2
- Production of agricultural goods.
 - Marketing of agricultural goods.
- (2)
- 4.3
- 4.3.1 Describe the effect of price on the consumption; indicate which quantity of the product the consumer is willing to buy at difference prices.
- 4.3.2 Is the percentage change in relation to the price of goods and quantity of goods on market
- 4.3.3 Is the percentage change in relation to the price and quantities; less than one percent on market
- 4.3.4 Refers to the sensitivity of demand for a particular product to any price changes of that product.
- 4.3.5 Equilibrium price is when the price of the supplier is exactly equal to the price of the consumer or what consumers are ready to pay for the product/goods
- 4.3.6 Indication of the time lag between quantity and price. ✓✓
- (6 × 2) (12)
- 4.4
- Product planning
 - Negotiations
 - Contractual agreement
- (3)
- 4.5
- 4.5.1 Physical risk is a risk that lies in the natural causes (fire, thunder, earthquakes, floods), diseases, damage caused by animals, plagues and pests.
- 4.5.2 Human risk is a loss or damage of produce caused by people (theft, dishonesty, neglect by human beings).
- 4.5.3 Economic risk is damage or loss of produce that originate from the difference in supply and demand due to price differences. (3 × 2) (6)
- 4.6 *Dualistic market* is a South African consumer market which consists of two parts which are first world and third world segments. (2)
- 4.7
- Short-term information.
 - Medium term information.
 - Long-term information.
- (3)

[40]

QUESTION 5: MODULE 5 MICRO AGRICULTURAL MARKETING

5.1	5.1.1	C		
	5.1.2	A		
	5.1.3	D		
	5.1.4	A		
	5.1.5	B		
			(5 × 1)	(5)
5.2	• Production fluctuation of farm products occurs because of unpredicted weather conditions. • Supply of farm products adapts slowly because of long production process. • Negotiation power of individual farmers is weak and cannot influence market prices.			
			(3 × 2)	(6)
5.3	• Product • Distribution • Promotion • Price			
				(4)
5.4	5.4.1	• Minimum prices • Maximum prices • Absolute prices • Quotas		
				(4)
	5.4.2	Market stabilisation through producer association.		(2)
5.5	• Undertake a situational analysis. • Design marketing objectives. • Determine the positioning and differentiation advantage of the product. • Select target market and determine the size of the market. • Design a strategic marketing mix.			
			(5 × 2)	(10)
5.6	Most agricultural goods are earmarked by secondary producer to convert into secondary product. ✓ This intermediary adds value to the product of the farmer to influence price on the market. ✓✓			
				(3)
5.7	5.7.1	Graph B		(2)
	5.7.2	• Demand shifted from D1 to D2. • This is a shift of demand curve to the left. • Price dropped and even the quantity demanded decreased, which shows that the impact is not on the price.		(3)
	5.7.3	A		(1)
				[40]

TOTAL: 200