MARKS: 200

This memorandum consists of 11 pages.
SECTION A

QUESTION 1

1.1  1.1.1  D √√
     1.1.2  C √√
     1.1.3  B √√
     1.1.4  A √√
     1.1.5  B √√
     1.1.6  C √√
     1.1.7  A √√
     1.1.8  B √√
     1.1.9  C √√
     1.1.10 D √√  (10 x 2)  (20)

1.2  1.2.1  J √√
     1.2.2  D √√
     1.2.3  A √√
     1.2.4  F √√
     1.2.5  L √√
     1.2.6  I √√
     1.2.7  C √√
     1.2.8  K √√
     1.2.9  E √√
     1.2.10 H √√  (10 x 2)  (20)

1.3  1.3.1  Soil drainage ✓
     1.3.2  Wind ✓
     1.3.3  Planning ✓
     1.3.4  Labour ✓
     1.3.5  Controlled ✓
     1.3.6  Decision making ✓
     1.3.7  Deposit slip ✓
     1.3.8  Auction ✓
     1.3.9  Sugaring ✓
     1.3.10 Ingredients ✓  (10 x 1)  (10)

TOTAL SECTION A:  50
SECTION B

QUESTION 2: ANIMAL AND CROP PRODUCTION

2.1 2.1.1 Four basic data items required
• Soil characteristics✓
• Topographic data✓
• Climatic information✓
• Present farm practices✓
• Future ideas for the farm✓
• The history of the farm ✓

(Any 4) (4)

2.1.2 Soil data to collect
• Soil series✓
• Soil type✓
• Soil texture ✓
• Soil structure ✓
• Degree of erosion ✓
• Length and degree of slope ✓
• Present soil boundaries ✓

(4)

2.1.3 Four soil functions in the production process
• Soil stores and releases water for use by plants through capillary water ✓
• Soil allows air movement for respiration of plant roots and micro-organisms ✓
• Soil releases plant nutrients for absorption by plant roots ✓
• Soil serves as a growth medium for plants ✓
• Soil serves as a source of raw material ✓

(Any 4) (4)

2.1.4 Soil water
• Bonded water ✓
• Capillary water ✓
• Hygroscopic water ✓
• Gravitational water/seepage water ✓

(4)
2.2 2.2.1 Three factors that influence capital needed
- Land prices ✓
- Nature of farming activities operated ✓
- Capacity of the business ✓
- Production method ✓
- Capacity of undertaking ✓
- Prices of equipment ✓
- Prices of production elements ✓

(Any 3) (3)

2.2.2 Factors determining loan payments
- Income ✓
- Fixed responsibilities ✓
- Interest rate ✓
- Loan period ✓

(Any 2) (2)

2.3 2.3.1 Two problems from case study
- Insufficient labourers during peak periods. ✓
- Workers not busy/not productive during certain times of the year. ✓

(2)

2.3.2 Peak periods
- Lambing periods. ✓
- Harvesting periods. ✓
- Weeding periods. ✓

(3)

2.3.2 Three possible solutions
- Staff must work overtime during peak periods. ✓
- Extra workers must be hired during peak periods. ✓
- Farmers can invest in machinery. ✓

(3)

2.4 2.4.1 Five generic functions of farm manager
- Planning ✓
- Organising ✓
- Coordination ✓
- Implementing ✓
- Leading ✓
- Control/evaluation ✓
- Decision making ✓
- Communication ✓

(Any 5) (5)

2.4.2 Steps in decision making
- Step 1: Describe/identify the problem/objective ✓
- Step 2: Identify all possible solutions ✓
- Step 3: Evaluate all the possible solutions according to their advantages and disadvantages. ✓
- Step 4: Choose the best solution ✓

(4)

2.4.3 Accumulative nature of decision making
- A decision one makes will influence the next result ✓

(1)
2.5 2.5.1 Type of farming system of farmer A
   • Extensive farming ✓ (1)

2.5.2 Type of farming system of farmer B
   • Intensive farming ✓ (1)

2.5.3 Motivation of QUESTION 2.5.2
   • High capital investment ✓
   • High output on small piece of land ✓
   • High number of animals on small area ✓
   • Feeding of animals with a mixed feed ✓ (4)

2.5.4 Farming method
   • Feedlot ✓ (1)

2.6 Visible aspects to evaluate
   • Plant/vegetation coverage ✓
   • Soil erosion ✓
   • Alien plant invasion ✓
   • Bush/weed invasion ✓ (4) [50]
QUESTION 3: RECORDING, FINANCIAL STATEMENTS AND ENTREPRENEURSHIP

3.1  3.1.1  THREE prerequisites of a good farm record
• Recording must be accurate/authentic ✓
• Information (data) must be easy to retrieve ✓
• It must be clear/user friendly ✓
• It must be up to date ✓
(Any 3)  (3)

3.1.2  THREE steps to develop inventory
• Step1: Make a physical count of all available property in the farm business ✓
• Step 2: Evaluate the property item at the current market value ✓
• Step 3: Make a closing inventory at the end of the year ✓
NOTE: Order is important.  (3)

3.2  3.2.1

A bar graph of workers' salaries from the year 2005 to 2010

Workers salary from 2005 to 2010 ✓

Marking rubric
• Heading ✓
• Correct y-axis labelling ✓
• Correct x-axis labelling ✓
• Correct graphs ✓  (4)
3.2.2 THREE factors for rapid salary increase from 2008 to 2010
- Introduction of labour laws/legislation ✓
- Democratic dispensation of 1994/more labourers in management positions ✓
- Farm workers recognition by the Department of labour ✓
- Minimum wage policy ✓
- Better skilled workers ✓
- Unionisation/bargaining power of farm workers ✓  (Any 3)  (3)

3.2.3 Calculate workers’ salary increases as percentage (2009 to 2010)
- R1 900,00 – R1 500,00 = R400,00 ✓
- Increase % = \frac{400}{1500} \times 100 \times 100 ✓
  = 26,27% ✓
Or
- Increase % = \frac{R1 900,00 - R1 500,00}{R1 500,00} \times 100
  = 26,27%  (3)

3.3 Means of money payments
- Cash ✓
- Cheque ✓
- Bank deposit ✓
- Internet/bank transfer ✓  (4)

3.4 3.4.1 Net profit of farmer A
- R67 100,00 – R51 000,00 ✓ = R16 100,00 ✓  (2)

3.4.2 Net profit of farmer B
- R61 700,00 – R50 000 ✓ = R11 700,00 ✓  (2)

3.4.3 More successful farmer and TWO reasons
- Farmer A is more successful ✓
- Make more profit/Net profit is higher than farmer B/farmer B net profit is lower ✓
- Farmer B feed costs are higher/Sales on waste is lower ✓
- Farmer A is a better marketer of waste ✓  (Any 2 reasons)  (3)

3.5 3.5.1 FOUR main features of a cash flow budget
- It concerns cash transactions only ✓
- Income and expenses are recorded in the actual month in which the transaction occurs with the respective activity ✓
- The timing of the cash received or expended has a direct bearing on the bank balance ✓
- It is usually prepared for a session or one year ✓  (4)
3.5.2 **FOUR important reasons for a Cash Flow Budget**
- It indicates where and when money will be needed for any undertaking ✓
- It indicates the source of money into the business ✓
- It evaluates the loan needs of the farm ✓
- It determines the credit worthiness of the farm ✓
- It guides one against the misuse of funds ✓
- It determines the ability of the farmer to meet the short term financial obligations/payments on bank accounts ✓ (Any 4) (4)

3.6 **Reasons for a business plan**
- It can help the group to find, describe, and refine their competitive advantage ✓
- It can assist to move their business in a direction that the goal and the objectives of the business can be achieved ✓
- It can help them to identify and manage the risks as well as set priorities and make decisions ✓
- It shows the position of the business now, where the business is heading, also when and how to get there ✓
- It can help to spend money more wisely by prioritising actions and directions ✓
- It can help them to identify and take advantage of opportunities ✓
- It can assist to clarify roles and improve communication between the group members, employees and family members etc. ✓
- It is needed to obtain capital from a financial institution ✓ (Any 6) (6)

3.7 **3.7.1 Assets**
- Anything of value ✓
- In the possession of the business/on the farm ✓
  - OR
- Outstanding debits that other people owes the farm ✓
- Anything the farmer owns ✓ (2)

3.7.2 **Liabilities**
- The total values of claims ✓
- On the assets of the business by various suppliers ✓
  - OR
- Any outstanding accounts ✓
- In the farm business that the farmer owes ✓ (2)

3.7.3 **Product income**
- All Income received ✓
- Related to that specific product ✓ (2)

3.8 **THREE reasons for returning purchased items**
- Incorrect items received ✓
- Faulty item received ✓
- Business not satisfied with the items ✓ (3) [50]
QUESTION 4: HARVESTING, VALUE-ADDING, MARKETING, AGRITOURISM AND INDUSTRY

4.1 Reason for more effective harvesting by harvester
- A combine harvester combines different tasks which are cutting, sorting and cleaning at the same time

4.2 4.2.1 Identify management process
- Marketing/Market research

4.2.2 FOUR important factors in the physical functions of marketing
- Sorting
- Storing
- Grading
- Transport
- Processing
- Packaging
- Distribution

4.3 Visible criteria for the grading of harvested farm crops
- Size of the crop
- Colour of the crop
- Damages on the crop
- Form/shape of the crop
- Freshness of the crop
- Diseases/pests
- Stage of development
- Cleanliness
- Contamination/foreign seeds

4.4 4.4.1 FOUR critical components in design of packaging material
- Form that protect the product
- Outstanding features to draw people's attention/Brand/product recognising
- Easily printable
- Features that make it easy to handle
- Cost effectiveness
- Give information to consumers

4.4.2 THREE types of packaging material
- Plastic
- Carton
- Polystyrene
- Tin

Copyright reserved
4.5 4.5.1 Application of pooling system
- Produce of different farmers are pooled
- Product are treated/handled together
- Products are stored/sold as a unit (3)

4.5.2 FOUR advantages of co-operative marketing
- Farmers do not have to build their own storage or packing facilities
- Producers receive the average price of all the sales during a specific year
- Producers receive a guaranteed price, which gives them financial security
- It ensures orderly and effective marketing
- It simplifies management and bookkeeping (Any 4)

4.6 4.6.1 THREE methods of preservation to eliminate organisms
- Through heating
- Through filtration
- Through UV light or radiation (3)

4.6.2 FOUR methods of preservation for inhibiting growth of micro-organisms
- Applying cold
- Increasing the osmotic pressure
- Drying/dehydration
- Decreasing the pH through adding of acid (4)

4.7 4.7.1 Section of Agriculture addressed
- Agritourism/Game farming (1)

4.7.2 Main aims of game farming
- Tourism
- Hunting or harvesting for meat
- Breeding
- Conservation (4)

4.7.3 BIG FIVE animals
- Elephants
- Rhino
- Lion
- Leopard
- Buffalo (5)
4.8 4.8.1 THREE advantages of gate marketing
- No transport costs ✓
- Products can be sold by the farmer himself/no middle man or agent ✓
- Better suited to small scale farmers ✓
- No need for grading of produce ✓

(Any 3) (3)

4.8.2 TWO disadvantages of gate marketing
- The farmer will have to accept the local price for his products ✓
- The farmer will not necessarily be well located to sell products ✓

(2)

4.9 THREE factors of decision on functioning of the farm
- The speed with which the decisions are taken ✓
- The degree of accuracy with which the decisions are taken ✓
- The acceptability of the decision to those who are affected by them ✓

(3) [50]

TOTAL SECTION B: 150
GRAND TOTAL: 200