This memorandum consists of 11 pages.
SECTION A

QUESTION 1

1.1 Multiple-choice questions
1.1.1 D ✓ ✓
1.1.2 C ✓ ✓
1.1.3 B ✓ ✓
1.1.4 A ✓
1.1.5 B ✓ ✓
1.1.6 A ✓
1.1.7 D ✓ ✓
1.1.8 C ✓ ✓
1.1.9 C ✓ ✓
1.1.10 D ✓ ✓ (10 x 2) (20)

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

1.3 Correct agricultural term
1.3.1 Selective grazing ✓
1.3.2 Extensive system ✓
1.3.3 Yield ✓
1.3.4 Sterilising ✓
1.3.5 Mechanisation ✓
1.3.6 Short-term credit ✓
1.3.7 Budget ✓
1.3.8 Supply and demand ✓
1.3.9 Planning ✓
1.3.10 Cooperative ✓ (10 x 1) (10)

TOTAL SECTION A: 50
SECTION B

QUESTION 2: PHYSICAL AND FINANCIAL PLANNING

2.1.1 FOUR effects of ill health on productivity
- Absenteeism from work ✓
- Loss of productive time during medical treatments ✓
- Work overload on healthy workers ✓
- Loss of experience ✓
- Increase in medical costs for the business ✓
- Lower profit margins ✓

(Any 4) (4)

2.1.2 The Unemployment Insurance Act, 2001 (Act 63 of 2001)
- It makes provision for the security of farm workers ✓
- When they become unemployed through illness, resignation, dismissal or retrenchment ✓

(2)

2.2 Items that must be included in a service contract
- The full name and address of the employer ✓
- The name and occupation of the employee ✓
- The date of commencement of services ✓
- Working day and working hours ✓
- Remuneration and overtime remuneration ✓
- Leave conditions ✓

(Any 5) (5)

2.3 Functions of soil as a resource in agricultural production
- Medium for plant growth/provides anchorage to plants ✓
- Supplies mineral/elements to the plants ✓
- Keeps and supplies moisture to the plants ✓
- Habitat for beneficial and non-beneficial micro-organisms ✓
- It plays a recycling function for polluted water and air ✓

(Any 4) (4)

2.4.1 Best methods of disposing chemical containers
- Incineration ✓
- Bury containers deep into the soil ✓
- Sending the containers back to the manufacturing company for reusing/recycle ✓

(Any 2) (2)

2.4.2 Effects of incorrect application of chemicals on soil and environment
- Soil degradation ✓
- Environmental pollution ✓
- Kills soil organisms ✓
- Underground water pollution ✓
- Surface water pollution ✓
- Drastic change in the soil reaction ✓

(Any 4) (4)
2.5 **Soil quality**
- Fertility
- Water holding capacity
- Physical activity
- Ability to erode

(Any 3) (3)

2.6 **Functions of contours in relation to control of soil erosion**
- By shortening the slope length the rate and quantity of water flow will be reduced
- Changes the angle of running water to be slower

(2)

2.7.1 **Advantages of using GPS in farm operations**
- Saving of inputs
- Application of input where it is required
- Saving money
- Optimal resource utilisation

(Any 3) (3)

2.7.2 **The abbreviation GPS in full**
- Global Positioning System

(1)

2.7.3 **Farming system that utilises GPS**
- Precision farming

(1)

2.7.4 **Definition of the term grid cell**
- Is the division of an agricultural field into small units
- For the purposes of soil sampling and soil analysis

(2)

2.7.5 **Type of data that can be obtained from grid cell**
- pH status
- Nutrient status of the soil
- Soil form/series
- Soil type

(Any 2) (2)

2.8 **Precautions to adhere to when using farm implements and machinery**
- Always wear appropriate protective clothing
- Never touch a moving part of a machine
- Make sure people are safe when coupling implements
- Make sure gears, pulleys are protected by a safety guard
- Only one person should be allowed on the tractor/implement
- Make use of correct tools for every operation

(Any 4) (4)
2.9.1 **THREE primary aims of a budget for a farm business**
- To set limits on the amounts to be used for farming activities ✓
- To obtain credit on time ✓
- To coordinate resources and money spent as planned ✓
- To help determine whether to expand the business or not ✓

(Any 3) (3)

2.9.2 **Advantages of a cash flow budget**
- Provides a guideline for farming expenses ✓
- Informs the source of money ✓
- Prevents impulsive purchases by the farmer ✓
- Informs how much money is available each week or month ✓

(4)

2.10 **Sources of information available to the farmer**
- Websites ✓
- Publications from commodity associations ✓
- Agricultural extension services ✓
- Farmers’ information days ✓
- Publications from financial institutions ✓
- News media (newspapers, radio or television) ✓

(Any 4) (4)

QUESTION 3: ENTREPRENEURSHIP, RECORDING, MARKETING AND BUSINESS PLANNING

3.1.1 **THREE reasons for developing a business plan**
- To test the feasibility and economic viability of the business idea ✓
- To determine your financial needs ✓
- To guide daily operations ✓
- To ensure effective business management ✓
- To allow you to foresee problems ✓
- To gain knowledge about marketing opportunities ✓
- To reposition the business ✓

(Any 3) (3)

3.1.2 **TWO internal factors and TWO external factors from the SWOT analysis**
(a) **Internal factors**
- Strengths ✓
- Weaknesses ✓

(2)

(b) **External factors**
- Opportunities ✓
- Threats ✓

(2)

3.2.1 **Definition of entrepreneurship**
- It is the process of discovering, evaluating and exploiting opportunities ✓
- To start and grow a new business ✓

(2)
3.2.2 **THREE characteristics of entrepreneurs**
- Strong self-belief/confidence ✓
- Takes risks ✓
- Initiates things/self-starter ✓
- Good people skills ✓
- Handle responsibilities ✓
- Hard worker ✓
- Visionary ✓
- See opportunities ✓
- Decision maker ✓
- Reliable ✓
- Energetic ✓
- Management skills ✓

(Any 3) (3)

3.3.1 **Primary business**
- Producing an agricultural raw product ✓

(1)

3.3.2 **Secondary business**
- Processing of the agricultural raw product on the farm into another product ✓
- Processing the raw product to make it more acceptable for the consumer ✓

(Any 1) (1)

3.3.3 **Tertiary business**
- Service delivery to tourists/customers visiting the farm ✓

(1)

3.4 **Aim of keeping records by a farmer**
- Setting objectives for the enterprises ✓
- Planning and implementing farming activities ✓
- Planning for the future ✓
- Creating a data base (history) for the farm ✓

(Any 2) (2)

3.5 **Table of advantages and disadvantages of using computers**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easier access to information ✓</td>
<td>The farmer must be computer literate ✓</td>
</tr>
<tr>
<td>Calculations more accurately done ✓</td>
<td>In the case of electricity outage, records are not accessible ✓</td>
</tr>
<tr>
<td>More information can be stored in less space ✓</td>
<td>It is expensive to buy computers ✓</td>
</tr>
<tr>
<td>Comparisons can be made easier ✓</td>
<td>Technology must be updated on a regular basis ✓</td>
</tr>
<tr>
<td>Can make use of trusted and tested programs for production, financial and physical records ✓</td>
<td>It takes time to update data ✓</td>
</tr>
<tr>
<td>Transfer of information is easier ✓</td>
<td>(Any 2)</td>
</tr>
</tbody>
</table>

(Any 2) (4)
3.6 **Information about each farm worker**
- The farm worker's name and ID number ✓
- Personal information ✓
- Date of employment ✓
- Presence/Absence from work ✓
- Annual/Sick leave ✓
- Working hours and over-time ✓
- Contract of employment ✓
- 'In Natura' payment ✓ (Any 3) (3)

3.7 **Aspects in a log book for all farm machinery and implements**
- Date of purchase ✓
- Price of the item purchased ✓
- Annual depreciation on items bought ✓
- Quantity of each item bought, lost, replaced, and stock ✓ (Any 2) (2)

3.8.1 **An inventory**
- An inventory form is used to provide the farmer with a complete list of all assets belonging to the farming enterprise ✓ (1)

3.8.2 **A cheque**
- A cheque is used to withdraw cash from the bank or it can be used to pay for services/goods rendered ✓ (1)

3.8.3 **An invoice**
- An invoice is used to document the sale of goods ✓ (1)

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

<table>
<thead>
<tr>
<th></th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9.1 Capital</td>
<td>250 000</td>
<td>00</td>
</tr>
<tr>
<td>3.9.2 Cash withdrawals</td>
<td>45 000</td>
<td>00</td>
</tr>
<tr>
<td>Vehicles</td>
<td>88 000</td>
<td>00</td>
</tr>
<tr>
<td>Trading stock</td>
<td>176 000</td>
<td>00</td>
</tr>
<tr>
<td>Debit orders</td>
<td>69 000</td>
<td>00</td>
</tr>
<tr>
<td>Sales</td>
<td>890 000</td>
<td>00</td>
</tr>
<tr>
<td>3.9.3 Rent income</td>
<td>36 000</td>
<td>00</td>
</tr>
<tr>
<td>Interest on income</td>
<td>7 000</td>
<td>00</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>550 000</td>
<td>00</td>
</tr>
<tr>
<td>Salaries</td>
<td>225 000</td>
<td>00</td>
</tr>
<tr>
<td>3.9.4 Bank charges</td>
<td>2 000</td>
<td>00</td>
</tr>
<tr>
<td>Stationery</td>
<td>13 500</td>
<td>00</td>
</tr>
<tr>
<td>Interest on loan</td>
<td>4 000</td>
<td>00</td>
</tr>
<tr>
<td>Water and electricity</td>
<td>7 000</td>
<td>00</td>
</tr>
<tr>
<td>Advertising</td>
<td>2 000</td>
<td>00</td>
</tr>
<tr>
<td>3.9.5 TOTAL</td>
<td>1 183 000</td>
<td>00</td>
</tr>
</tbody>
</table>
3.10 **Factors which determine the economic viability of a farm**
- Output per season ✓
- Price obtained per unit ✓
- Costs of inputs ✓
(Any 2) (2)

3.11 **Wholesalers and commission agents**
- Wholesalers transfer goods from producers to retailers by handling quantities of product as large as possible at lower prices ✓
- Commission agents operate on behalf of wholesalers/producers at a certain percentage as commission ✓
(2)

3.12.1 **Marketing system**
- Free marketing ✓
(1)

3.12.2 **Marketing aspect**
- C ✓
**Reasons**
- The most intermediaries are used ✓
- The product has been value added ✓
(3)

3.12.3 **Marketing channel**
- Farm stall marketing ✓
(1)

3.13 **Methods of setting prices**
- Cost/Pricing plus % profit ✓
- Competition oriented/going rate pricing/Market oriented pricing ✓
- Cost plus two times labour/labour plus two times cost ✓
- Supply and demand ✓
- Break – even – point
(Any 2) (2)

3.14.1 **Calculate gross income**
- Gross income = 4 ton x 10 ha x R3 000/ton ✓
  = R120 000 ✓
(2)

3.14.2 **Calculate break-even point**
- Yield break even point = \( \frac{(PC+VC)}{SP} \) ✓
- Yield break even point = \( \frac{(R4 000+R2 000)}{R3 000} \) ✓
  = 2 ton/ha ✓
(2) [50]
QUESTION 4: HARVESTING, PROCESSING, AGRITOURISM AND MANAGEMENT

4.1 Importance moisture content at harvesting
- Moisture contributes to mass according to which payment is done
- High moisture content causes produce to be susceptible to fungal attack
- High moisture content promotes rotting (Any 2) (2)

4.2. Tabulate advantages and disadvantages of storing perishable crops

<table>
<thead>
<tr>
<th>Advantages of storing perishable crops</th>
<th>Disadvantages of storing perishable crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1 Products keep longer ✓</td>
<td>4.2.1 It is expensive ✓</td>
</tr>
<tr>
<td>4.2.2 Quality will keep for a longer time ✓</td>
<td>4.2.2 Very expensive ✓</td>
</tr>
<tr>
<td></td>
<td>Change in taste ✓</td>
</tr>
</tbody>
</table>

(Any 1) (4)

4.3.1 Meaning of the term value adding
- Means taking a raw material and processing it
  OR
- Adding something to it to change raw material into a saleable item that would be purchased by a specific group of customers (Any 2) (2)

4.3.2 Advantages of value adding in agribusiness
- Increase the prize you get for your raw material/higher income
- Available throughout the year
- Longer shelf life
- You are master of your own destiny/determine the income
- Creates goodwill value
- Job creation (Any 2) (2)

4.3.3 Financial sustainability of a value added farming enterprise
- The farmer identifies a gap in the market and through processing value is added to a raw product
- The new value added product can generate an income which may contribute to the financial viability of the farm (2)

4.4.1 Conditions under which microbes will not survive
- Environment which is dry
- Where temperatures are low (cold)
- Where temperatures are very high (heat)
- Where there is no oxygen
- Where chemicals are present (Any 4) (4)

4.4.2 Food products from fermentation
- Yeast products like bread/wine/beer
- Vinegar
- Cheese
- Yogurt (Any 2) (2)
4.5.1 Exporting
- When products from one country is moved/sold to other countries for consumption or use. ✓

4.5.2 Liability on export products
- Latent defects ✓
- Faulty descriptions ✓
- Manufacturing defects ✓
- Faulty shipments ✓
- Inappropriateness of the article for the purpose ✓
(Any 2)

4.6 Rules and regulations to be followed during the transport of animals
- A non-slip floor (of truck or trailer) ✓ – to prevent animals from falling and hurting themselves ✓
- Adequate sidewalls of truck or trailer ✓ – to prevent animals from falling from vehicle ✓
- Height between decks in multi-tier vehicles should be adequate ✓ – to enable larger animals to stand fully erect and to allow free flow of air ✓
- Vehicle must be spacious ✓ – to ensure the safety of the animals during transportation ✓

4.7 Role of local communities in agritourism

4.7.1 Empowerment of community
- Community develops its own eco-attraction and provides employment for the whole community ✓
- Money spent by tourists filter through to the whole community ✓
(2)

4.7.2 Involvement by community members:
- Community members must work hand in hand with agritourism operators ✓
- They must conserve the environment by creating an area which is safe and attractive to tourists ✓
(2)

4.7.3 Awareness of agritourism
- Individuals become environmentally sensitive and try to preserve indigenous plants ✓
- Work towards development of land for agritourism, selling of local craft to tourists and make the area a friendly one ✓
(2)

4.8.1 Steps a farmer has to implement for efficient control
- Setting standards ✓
- Measuring and evaluating achievements ✓
- Measurements plus review of variances ✓
- Correction to achieve standards ✓
(4)
4.8.2 **Advantages to the farmer through the application of control measures**
- Deviation from planned activity brought to the attention of the manager (✓)
- Time and money are saved through speedy intervention (✓)
- Any problem which occur can be attended to in due time (✓)
- Production process is not interrupted (✓)

(Any 3) (3)

4.9 **Reasons for re-planning an enterprise in the farm business**
- Changes in technological and biological relationships (✓)
- Changes in the pattern of resources (✓)
- Labourers resign (✓)
- New inputs in the market (✓)
- Changes in prices (✓)
- Prices of certain inputs rise, e.g. fertiliser (✓)
- Risks and uncertainties (✓)
- Changes in weather patterns (✓)

(Any 5) (5)

4.10 **Ways that farm business promote well-being of workers**
- By being involved in social community programmes (✓)
- By implementing skills development programmes in the workplace (✓)
- Promoting safety in the workplace (✓)
- Providing learnerships for employees (✓)
- Giving bursaries to children of their employees (✓)

(Any 3) (3)

TOTAL SECTION B: 150
GRAND TOTAL: 200