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

<table>
<thead>
<tr>
<th></th>
<th>Soil A</th>
<th>Soil E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depth</td>
<td>Very deep✓</td>
<td>Shallow ✓</td>
</tr>
<tr>
<td>Water infiltration</td>
<td>High ✓</td>
<td>Low ✓</td>
</tr>
<tr>
<td>Drainage</td>
<td>Well ✓</td>
<td>Very poor ✓</td>
</tr>
<tr>
<td>Water holding capacity</td>
<td>High ✓</td>
<td>Low ✓</td>
</tr>
</tbody>
</table>

(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
  - Clover ✓
  - Perennial grasses ✓
  - Legumes ✓

- Natural pastures
  - Grassland ✓
  - Scrub ✓
  - 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 ✓
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 ✓

2.6 Capital
2.6.1 Categorise the types of capital mentioned in the above cartoon
- Working capital ✓
  o Wonder fertilizers ✓
  o Wonder herbicides ✓
  o Money ✓
- Movable capital ✓
  o Wonder irrigation ✓

2.6.2 Advise farmer on extra money
Can apply for a loan ✓

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)

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 ✓

(b) Internal sources
- Capital obtained from resources within the farming enterprise ✓
  - It is linked to the owner itself ✓

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)

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 ✓
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

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

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 ✓

\[ 3.4.2 \text{ Definition of debtor} \]
- Person/business that owes the farm money ✓

3.5 Balance sheet

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>VALUE</th>
<th>LIABILITIES</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td>Capital</td>
<td>R115 000</td>
</tr>
<tr>
<td>Land</td>
<td>3.5.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>R50 000</td>
<td>Mortgage loan</td>
<td>R120 000</td>
</tr>
<tr>
<td>Second hand tractor</td>
<td>3.5.2</td>
<td>R50 000✓</td>
<td></td>
</tr>
<tr>
<td>Implements</td>
<td>R25 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>Current</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20 000</td>
<td>Creditors</td>
<td>3.5.5 / R10 000✓</td>
</tr>
<tr>
<td>Cash</td>
<td>3.5.3</td>
<td>R2 000✓</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>3.5.4</td>
<td>R13 000✓</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>R260 000</td>
<td>Total</td>
<td>3.5.6 /</td>
</tr>
</tbody>
</table>

3.6 Marketing plan

3.6.1 Importance of compiling a strategic marketing plan
- Meet customers’ needs ✓
- Generate profit ✓

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)
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**

![Graph showing 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✓

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) [50]

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]
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

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

(6)

4.4 Processing

4.4.1 THREE fermentation processes that can 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

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