



# higher education & training

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Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

N1040(E)(J6)H

NATIONAL CERTIFICATE

**MANAGEMENT: FARMING N5**

(4090555)

**6 June 2018 (X-Paper)**  
**09:00–12:00**

**This question paper consists of 5 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
MANAGEMENT: FARMING N5  
TIME: 3 HOURS  
MARKS: 200

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**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Write neatly and legibly.
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## QUESTION 1

- 1.1 Answer the following questions regarding the entrepreneur:
- 1.1.1 Name TWO approaches of entrepreneurship. (2)
  - 1.1.2 State the THREE dimensions of the entrepreneurial process. (3)
  - 1.1.3 State FIVE personal characteristics of a good entrepreneur. (5)
  - 1.1.4 Briefly explain FOUR economic values of the entrepreneurship in the agricultural sector. (4 × 2) (8)
  - 1.1.5 Name any FIVE factors that can influence the business and cannot be controlled by the farmer. (5)
- 1.2 Compare the PARTNERSHIP and the CLOSED CORPORATIONS as forms of undertaking on the basis of the following criteria:
- 1.2.1 Corporate body
  - 1.2.2 Liability of debts
  - 1.2.3 Number of members
  - 1.2.4 Continuity
  - 1.2.5 Taxability (5 × 2) (10)
- 1.3 What is meant by *sole trader*. (2)
- 1.4 State any FIVE advantages of a sole trader. (5)
- [40]**

## QUESTION 2

- 2.1 Answer the following questions regarding partnership as a form of business.
- 2.1.1 Define the term *partnership*. (2)
  - 2.1.2 Give FOUR reasons why a partnership can be dissolved. (4)
  - 2.1.3 Name SIX common rights and obligations in which a partnership agreement should provide for. (6)
- 2.2 Outline SIX advantages of closed corporations. (6 × 2) (12)

- 2.3 Answer the following questions regarding risk and uncertainty in the farming strategy.
- 2.3.1 Differentiate between *risk* and *uncertainty*. (4)
- 2.3.2 Name EIGHT sources of risk and uncertainty in farming. (8)
- 2.3.3 State FOUR guidelines for decision-making in an uncertain environment. (4)
- [40]**

### QUESTION 3

- 3.1 Answer the following questions regarding strategic planning.
- 3.1.1 State FIVE characteristics of strategic planning.
- 3.1.2 Name FIVE advantages of strategic planning. (2 × 5) (10)
- 3.2 List FIVE factors that influence the profitability of crop branching. (5)
- 3.3 State FIVE factors that influence the profitability of animal branching. (5)
- 3.4 State and explain the FOUR most common factors that should be considered when a farming strategy is planned. (4 × 3) (12)
- 3.5 Name the steps in the formulation of a farming strategy. (8)
- [40]**

### QUESTION 4

- 4.1 Differentiate the following terms regarding estate administration.
- 4.1.1 Testate and intestate succession
- 4.1.2 Legatee and heir
- 4.1.3 Substitution and codicil (3 × 4) (12)
- 4.2 To be legal, a testament has to comply with certain requirements. Explain these requirements (10)
- 4.3 State FOUR guidelines to be followed when drafting a practical and effective will. (4 × 2) (8)
- 4.4 Give FIVE reasons for the use of testamentary trusts. (5)

- 4.5 Name any FIVE persons and/or bodies who generally act as administrators of an estate.

(5)  
[40]

### QUESTION 5

- 5.1 Choose the type of policy from COLUMN B that matches each description in COLUMN A. write only the letter (A–F) next to the question number (5.1.1–5.1.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
5.1.1	Only the paid premiums plus bonuses is paid out.	A	entrenched policy
5.1.2	Is taken out where the insured's needs are of a temporary nature.	B	pure endorsement policy
5.1.3	The insured amount is only paid when the insured dies.	C	endorsement policy with life coverage
5.1.4	This is a life policy with which a declining term cover policy is incorporated.	D	term policy
5.1.5	The insured amount is payable on the payout date or early death.	E	disability insurance
		F	whole-life policy

(5 × 2) (10)

- 5.2 Write explanatory notes on retirement annuities as an alternative for farmers to build their own pension fund for retirement.

(10 × 1) (10)

- 5.3 Discuss harvest insurance under the following headings:

5.3.1 What is covered? (4)

5.3.2 What is not covered? (3)

5.3.3 How the premiums are determined and calculated. (3)

- 5.4 Differentiate between the following principles of insurance:

5.4.1 Compensation

5.4.2 Security

(2 × 5) (10)

[40]

**TOTAL: 200**