



# higher education & training

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

## **NATIONAL CERTIFICATE**

## **MANAGEMENT: FARMING N5**

(4090555)

**28 September 2020 (X-paper)**  
**09:00–12:00**

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

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**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. Use only a black or blue pen.
  5. Write neatly and legibly.
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**QUESTION 1**


- 1.1 Briefly explain THREE expected social and political changes that may influence South African farmers in future. (9)
- 1.2 Name and discuss FOUR steps to be followed when promoting and developing an entrepreneurship.  (4 × 3) (12)
- 1.3 Give FOUR reasons why entrepreneurship is important in agriculture and explain each reason. (12)
- 1.4 Draw a labelled diagram of the THREE dimensions of entrepreneurial activities. (3 × 2) (6)
- 1.5 Name ONE approach of entrepreneurship. (1)
- [40]**


**QUESTION 2**

- 2.1 Compare PARTNERSHIPS and CLOSED CORPORATIONS in view of the following criteria. Copy and complete the table below in the ANSWER BOOK.
- 2.1.1 Number of members
- 2.1.2 Continuity 
- 2.1.3 Liability for debts
- 2.1.4 Tax commitments
- 2.1.5 Profit-sharing


	PARTNERSHIPS	CLOSED CORPORATIONS
2.1.1		
2.1.2		
2.1.3		
2.1.4		
2.1.5		

(5 × 2) (10)


- 2.2 Answer the following questions regarding the sole trader:
- 2.2.1 Define the term *sole trader*.  (2)
- 2.2.2 State FOUR advantages of being a sole trader. (4 × 2) (8)
- 2.2.3 State FOUR disadvantages of being a sole trader. (4 × 2) (8)


- 2.3 Answer the following questions with regard to a partnership:
- 2.3.1 Define the term *partnership*.  (2)
- 2.3.2 State THREE requirements that differentiate a partnership agreement from other contracts. (3 × 2) (6)
- 2.3.3 Explain the tax considerations of a partnership. (2 × 2) (4)
- [40]**

### QUESTION 3



- 3.1 Answer the following questions regarding the selection of crop divisions:
- 3.1.1 State FIVE factors that affect the profitability of a crop branch. (5)
- 3.1.2 State FIVE soil characteristics that should be included in the crop inventory.  (5)
- 3.1.3 Name FIVE types of information, that play a role in crop division, that should be included in the overview of the farm. (5)
- 3.2 The extent to which the environment affects the farming concern depends greatly on the type of the farming concern, as well as the objectives determined by the farmer.
- 3.2.1 Briefly explain why environmental analysis should be considered when strategic planning is drawn up. (5 × 2) (10)
- 3.2.2 Name and briefly explain FOUR external factors that should be considered when drawing up a strategic plan. (4 × 3) (12)
- 3.2.3 State THREE economic influences that affect the production process in South Africa. (3)
- [40]**

### QUESTION 4

- 4.1 Define the following terms:
- 4.1.1 Testate succession
- 4.1.2 Legatee
- 4.1.3 Codicil 
- 4.1.4 Heir
- 4.1.5 Substitution
- (5 × 2) (10)

- 4.2 A will can be a unilateral written instruction wherein the exact stipulations are formed about the way in which the testator's worldly possessions must be dealt with after death. 
- 4.2.1 State the guidelines for drafting a practical and effective will. (8)
- 4.2.2 Briefly explain the requirements of an effective legal will. (10)
- 4.2.3 Name FIVE documents that must be submitted to the magistrate's office within 14 days of the death of a person. (5)
- 4.3 Name FIVE persons that may act as an administrator of a trust. (5)
- 4.4 Define the term *trust*. (2)
- [40]**

### QUESTION 5

- 5.1 Briefly explain the following terms of insurance:
- 5.1.1 Short-term insurance  (5 × 2) (10)
- 5.1.2 Long-term insurance (5 × 2) (10)
- 5.2 Name FOUR questions to be asked to determine the extent and cost of short-term insurance. (4)
- 5.3 Briefly explain comprehensive coverage insurance. (3 × 2) (6)
- 5.4 Answer the following questions regarding harvest-insurance:
- 5.4.1 What is covered? (3)
- 5.4.2 What is not covered?  (3)
- 5.4.3 How are the premiums determined and calculated? (4)
- [40]**
- TOTAL: 200**