Citrus Business Management Programme

Module 3

Plan Your Business: Financial Aspects

Summative PoE Guide

P.O. Box 461, Hillcrest, 3650
(031) 765-3410

Content originator:
Scientific Roets (Pty) Ltd, P.O. Box 461, Kokstad, 4700

Additional content and adaptation:
Citrus Academy

Learning programme and material developer:
Carol Harington (Rapid Skills Warehouse)

Contents

Learner Orientation

Background Information

The main theme of this module is guidance for entrepreneurs in the financial considerations and planning aspects that needs to be taken into account when starting or running an emerging business.

The module will cover aspects such as:

- Determining business viability
- Step-by-step guidance for business planning
- Costing and pricing concepts and decisions

This module contributes to the exit level outcome and associated criteria:

3. Demonstrate an understanding of basic economics within a market economy.
   - 3.1. An understanding is demonstrated of new venture financing sources and opportunities.
   - 3.2. An understanding is demonstrated of the principles of micro and macroeconomics.
   - 3.3. Potential threats and opportunities within the economic environment are identified for future business decision making.
   - 3.4. An understanding is demonstrated of business competitiveness.

Range: Business competitiveness includes but is not limited to factors such as inflation, exchange rates, interest rates, economic indicators and competition.

This module comprises of 3 unit standards and attracts 19 credits.

This module is aligned to unit standards:

Viability	114596	Research the viability of new venture ideas / opportunities	C	4	5
Business planning	114592	Produce business plans for a new venture	C	4	8
Costing and Pricing	263455	Apply the principles of costing and pricing to a business venture	C	4	6

Unit Standard Information

Research the viability of new venture ideas/opportunities

<table>
<tr><td>SAQA US ID</td><td colspan="4">UNIT STANDARD TITLE</td></tr>
<tr><td>114596</td><td colspan="4">Research the viability of new venture ideas/opportunities</td></tr>
<tr><td colspan="5">ORIGINATOR</td></tr>
<tr><td colspan="5">SGB Generic Management</td></tr>
<tr><td colspan="5">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</td></tr>
<tr><td colspan="5">-</td></tr>
<tr><td colspan="3">FIELD</td><td colspan="2">SUBFIELD</td></tr>
<tr><td colspan="3">Field 03 - Business, Commerce and Management Studies</td><td colspan="2">Generic Management</td></tr>
<tr><td>ABET BAND</td><td>UNIT STANDARD TYPE</td><td>PRE-2009 NQF LEVEL</td><td>NQF LEVEL</td><td>CREDITS</td></tr>
<tr><td>Undefined</td><td>Regular-Fundamental</td><td>Level 4</td><td>NQF Level 04</td><td>5</td></tr>
<tr><td colspan="2">REGISTRATION STATUS</td><td>REGISTRATION START DATE</td><td>REGISTRATION END DATE</td><td>SAQA DECISION NUMBER</td></tr>
<tr><td colspan="2">Reregistered</td><td>2015-07-01</td><td>2018-06-30</td><td>SAQA 10105/14</td></tr>
<tr><td colspan="2">LAST DATE FOR ENROLMENT</td><td colspan="3">LAST DATE FOR ACHIEVEMENT</td></tr>
<tr><td colspan="2">2019-06-30</td><td colspan="3">2022-06-30</td></tr>
</table>

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This Unit Standard is aimed at learners who wish to identify and screen new ideas and/or opportunities with the intention of establishing and/or participating in a new venture.

The qualifying learner is capable of finding information about different industry sectors; explaining the purpose of potential new ventures; identifying characteristics of successful ventures and evaluating new venture opportunities.

The qualifying learner will be able to:

- Identify and assess own business ideas/opportunities for a new venture.
- Analyse the viability of a selected idea/opportunity against specific screening variables.
- Research the potential of a particular idea/opportunity as a new venture.
- Analyse a range of risks associated with a new venture.
- Evaluate new venture ideas/opportunities based on research findings.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners accessing this qualification will have demonstrated competence in Computer Literacy, Mathematical Literacy and Communications at NQF level 3 or equivalent.

UNIT STANDARD RANGE

- Risks include demand, competition, capability to produce/service at an economic and marketable price, level of capital require.

- Failure factors include capital management, credit management, technical ability, market access and size, marketing/selling skills, management capability, business growth, personal life conflict.
- Evaluation refers to the size and type of market segment, product range, sources of supply, physical facilities, essential services, financial resources, return on investment, staffing needs, technology requirements, legal/regulatory compliance, growth potential.

Produce business plans for a new venture

SAQA US ID	**UNIT STANDARD TITLE**			
114592	Produce business plans for a new venture			
ORIGINATOR				
SGB Generic Management				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies			Generic Management	
ABET BAND	**UNIT STANDARD TYPE**	**PRE-2009 NQF LEVEL**	**NQF LEVEL**	**CREDITS**
Undefined	Regular-Fundamental	Level 4	NQF Level 04	8
REGISTRATION STATUS		**REGISTRATION START DATE**	**REGISTRATION END DATE**	**SAQA DECISION NUMBER**
Reregistered		2015-07-01	2018-06-30	SAQA 10105/14
LAST DATE FOR ENROLMENT		**LAST DATE FOR ACHIEVEMENT**		
2019-06-30		2022-06-30		

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This Unit Standard has as its core purpose to equip learners with the necessary knowledge and skills to produce business, financial and/or operations plans for implementing a new venture. It will also address the economic and administrative issues that prevent the starting of a new venture and contribute to the inability of an entrepreneur to sustain a new venture

The qualifying learner will be able to:

- Identify, gather and analyse the relevant information needed to compile a business plan.
- Formulate an ethical framework for the operational plans of a new venture.
- Establish and prioritise business, financial and/or operational goals and objectives for a new venture.
- Design and present business, financial and/or marketing plans based on a budget for a new venture.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners accessing this qualification will be competent in Computer Literacy, Mathematical Literacy and Communications and NQF level 3 or equivalent.

UNIT STANDARD RANGE

- Legal business types for new ventures.
- Legislation applicable to the sector in which the new venture is situated.

- Legal registrations include PAYE, VAT, UIF, RSC, COIDA, Skills Development Levy and Industry registrations.
- Business, financial, marketing and/or operations plans.
- Elements of a business plan.
- Codes of ethics and conduct.

Apply the principles of costing and pricing to a business venture

SAQA US ID	**UNIT STANDARD TITLE**			
263455	Apply the principles of costing and pricing to a business venture			
ORIGINATOR				
Task Team - New Venture Creation				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies			Generic Management	
ABET BAND	**UNIT STANDARD TYPE**	**PRE-2009 NQF LEVEL**	**NQF LEVEL**	**CREDITS**
Undefined	Regular	Level 4	NQF Level 04	6
REGISTRATION STATUS		**REGISTRATION START DATE**	**REGISTRATION END DATE**	**SAQA DECISION NUMBER**
Reregistered		2015-07-01	2018-06-30	SAQA 10105/14
LAST DATE FOR ENROLMENT		**LAST DATE FOR ACHIEVEMENT**		
2019-06-30		2022-06-30		

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This unit standard replaces:

US ID	**Unit Standard Title**	**Pre-2009 NQF Level**	**NQF Level**	**Credits**	**Replacement Status**
114594	Apply the principles of costing and pricing to a business venture	Level 4	NQF Level 04	6	Complete

PURPOSE OF THE UNIT STANDARD

This Unit Standard is for learners who are required to applying the principles of costing and pricing in determining profit margins for a new venture. The Unit Standard will assist the learner in determining the future profitability by establishing whether the costs involved will generate sufficient profit to justify the launching of the new venture.
Learners credited with this unit standard will be able to:
- Explain the criteria of a price setting policy for a new venture.
- Analyse internal and external factors that impact upon pricing decisions.
- Demonstrate an understanding of the relationship between costs, revenue and profits.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that the learner has the following knowledge and skills:

- Mathematical Literacy at NQF Level 3.

UNIT STANDARD RANGE

N/A

information

Unit Standard References

The SAQA registered unit standards associated with this learning program are included in this guide for your information.

Please do not hesitate to ask the facilitator or assessor to explain anything that you do not understand or need help with.

Associated Qualification

This unit standard forms part of the learner support materials for the following qualification:

Further Education and Training Certificate: New Venture Creation

<table>
<tr><td>SAQA QUAL ID</td><td colspan="4">QUALIFICATION TITLE</td></tr>
<tr><td>66249</td><td colspan="4">Further Education and Training Certificate: New Venture Creation</td></tr>
<tr><td colspan="5">ORIGINATOR</td></tr>
<tr><td colspan="5">Task Team - New Venture Creation</td></tr>
<tr><td colspan="3">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</td><td colspan="2">NQF SUB-FRAMEWORK</td></tr>
<tr><td colspan="3">SERVICES - Services Sector Education and Training Authority</td><td colspan="2">OQSF - Occupational Qualifications Sub-framework</td></tr>
<tr><td>QUALIFICATION TYPE</td><td colspan="2">FIELD</td><td colspan="2">SUBFIELD</td></tr>
<tr><td>Further Ed and Training Cert</td><td colspan="2">Field 03 - Business, Commerce and Management Studies</td><td colspan="2">Generic Management</td></tr>
<tr><td>ABET BAND</td><td>MINIMUM CREDITS</td><td>PRE-2009 NQF LEVEL</td><td>NQF LEVEL</td><td>QUAL CLASS</td></tr>
<tr><td>Undefined</td><td>149</td><td>Level 4</td><td>NQF Level 04</td><td>Regular-Unit Stds Based</td></tr>
<tr><td colspan="2">REGISTRATION STATUS</td><td>SAQA DECISION NUMBER</td><td>REGISTRATION START DATE</td><td>REGISTRATION END DATE</td></tr>
<tr><td colspan="2">Reregistered</td><td>SAQA 10105/14</td><td>2015-07-01</td><td>2018-06-30</td></tr>
<tr><td colspan="2">LAST DATE FOR ENROLMENT</td><td colspan="3">LAST DATE FOR ACHIEVEMENT</td></tr>
<tr><td colspan="2">2019-06-30</td><td colspan="3">2022-06-30</td></tr>
</table>

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This qualification replaces:

Qual ID	Qualification Title	Pre-2009 NQF Level	NQF Level	Min Credits	Replacement Status
23953	Further Education and Training Certificate: New Venture Creation (SMME)	Level 4	NQF Level 04	162	Complete

Learner Details

First name:	
Surname:	
ID number:	
Mobile phone contact number:	
E-mail address:	
Postal address:	
Dates on which you completed this summative PoE guide:	
Declaration:	I hereby confirm that: • I received the assessment plan and schedule. • I understand my rights in terms of special needs, re-assessment, feedback and appeals against assessment decisions. • I completed the summative assessment independently without assistance from anyone else.
Date:	
Place:	
Signature:	
Signature of Assessor:	

information

Important

Please remember that this document is seen as legal evidence of your competence. It is very important that you sign and date each section where requested. Your signature confirms that this work is your own and that you have not committed fraud in any way.

Section 1: Summative Assessment Activities

S114596.1 – Personal Analysis Questionnaire

- ✓ Work individually to complete this analysis questionnaire.
- ✓ Analyse the questions and statements carefully and answer from your own experience.
- ✓ Do not discuss your answers with other learners as it is important that the answers reflect your OWN understanding.
- ✓ Time to spend on this assessment activity: 3 hours.

Questions:

1. If you could start your own business tomorrow, what kind of business would you start? (1)

2. What advantages would having this kind of business hold for you as the business owner? (2)

3. What disadvantages would having this kind of business hold for you as the business owner? (2)

4. What advantages or disadvantages may this kind of business have for the labour market in your geographical area? (1)

5. What advantages or disadvantages may this kind of business have for the wider business sector in your area? (2)

6. Where would you go to find more information about this kind of business? Give at least two examples and explain how you would go about accessing these sources of information. (2)

7. Once you have considered the advantages and disadvantages as well as the additional information you find, you will be in a better position to decide whether the business venture you chose in question 1 is viable. What is the one thing that would make you reject this business idea? (1)

8. If you decided to go ahead and start this kind of business, what would the ideal features of this kind of business look like? In other words, describe the best case scenario for each of the following:

   8.1. Market share (1)

   8.2. Sales volume (1)

8.3. Asset value (1)

8.4. Extent of independence from outside control (1)

S114596.2 – Case Study Analysis Questionnaire and Recommendation Report

- ✓ Work individually to complete this case study analysis questionnaire.
- ✓ Read the case study carefully and then analyse and answer the questions and statements carefully.
- ✓ Do not discuss your answers with other learners as it is important that the answers reflects your OWN understanding.
- ✓ Time to spend on this assessment activity: 2 hours.

Case Study:

The owners of Citrusville Trust have been granted investment capital to start a supplementary SME business in addition to the settlement of a land claim on a 350 ha farm that produces export citrus. The farm also has a packhouse. The members of the trust decide that they would like to start a business supplying packaging materials to the packhouse.

You have been tasked to advise them on their decision-making process. Consider the following questions to guide you in your research and conclusions:

1. What kinds of skills, knowledge and attributes would the owner of such a type of business need in order to operate the business successfully? (3)

2. What kind of market conditions may influence the success or failure of this kind of business? (2)

3. How many competitors are currently in the marketplace? Is there a gap anywhere in the market? (1)

4. What kinds of technology and / or other technical resources would you need in order to operate this kind of business? (1)

5. Now compile a brief 1 – 2 page report on your findings and conclusions. (4) Ensure that you structure your report to include the following format:
   5.1. Introduction and purpose of the report (1)
   5.2. Background information (1)
   5.3. Criteria and findings (1)
   5.4. Recommendations and conclusion (1)

S114596.3 – Personal Research Report

- ✓ Work individually to complete this research task and then compile a report.
- ✓ Research statements and questions are provided to guide you in the content that is expected for the report.
- ✓ Do not discuss your research with other learners as it is important that the answers reflect your OWN understanding.
- ✓ Time to spend on this assessment activity: 2 hours.

Case Study:

You are considering opening a business supplying crop protection products such as fertilisers, pest control products and herbicides to the citrus farmers in your geographical area.

- ❖ Now research the business of crop protection product supply and how it generally works within the citrus sector. You can interview existing suppliers, the co-op, sales representatives and / or farm managers or foreman in your local area.
- ❖ Use the following research questions and / or statements to guide you in preparing a 1 – 2 page research report:

1. What kind of person would be a good entrepreneur for a crop protection products supply business? (2)

2. What skills, knowledge and attributes would this kind of person need? (3)

3. What skills, knowledge and attributes would the typical support staff of a supplier of crop protection products to the citrus industry require? (2)

4. If the available workforce did not have the skills or knowledge required, how and where could you go for training in order to capacitate them? (2)

5. How many other crop protection products suppliers operate in your geographical area? (1)

6. In your opinion, is there a need for a new business in crop protection products supply within your geographical area? (1)

7. What strategy would you apply in order to try and get a contract from a local grower in order to become their exclusive supplier of crop protection products? (2)

8. Where would you base the office and / or storage facility of this supply company? Why? (2)

9. What kinds of laws or regulations can you think of that may be important to consider as part of crop protection products supply in the citrus sector? (2)

10. Now compile a brief 1 – 2 page report on your findings and conclusions. (4) Ensure that you structure your report to include the following format:

    10.1. Introduction and purpose of the report (1)

    10.2. Background information (1)

10.3. Criteria and findings (1)

10.4. Recommendations and conclusion (1)

S114596.4 – Knowledge Questionnaire

- ✓ Work individually to complete this knowledge questionnaire.
- ✓ Research statements and questions and answer the questions according to your own knowledge and understanding.
- ✓ Do not discuss your research conclusions with other learners as it is important that the answers reflect your OWN understanding.
- ✓ Time to spend on this assessment activity: 1 hour.
- ✓ Consider the following two types of business ventures within the citrus industry: Primary Growers and Packhouse Operators.

Questions:

1. What is risk management? (2)

2. Brainstorm a list of possible risk factors that may threaten the success of a primary citrus grower in South Africa? (2)

3. Pick the top three risks from the list you made, and discuss possible ways in which you can minimise or eliminate these specific risks. (3)

4. Think about a typical packhouse in the citrus industry. Give two examples of possible measures that are taken to reduce risks in a packhouse operation. (2)

5. Give two examples of possible insurance you would take out to protect yourself as a primary citrus grower? (2)

S114596.5 – Personal Conclusion, Rating Scale and Evaluation Report

- ✓ Work individually to complete this analysis questionnaire.
- ✓ Do not discuss your answers with other learners as it is important that the answers reflect your OWN understanding.
- ✓ Consider the type of venture you chose in the first activity above. (S114596.1 Question 1)
- ✓ Time to spend on this assessment activity: 2 hours.

Questions:

1. Conclude five points that you would monitor and measure in order to determine whether this kind of business venture would succeed or not. (5)

2. Now think about starting a labour-broking business venture supplying citrus farmers in your local geographical area. Discuss and rate the potential success or viability of this venture on the scale below. Motivate your choice of rating for each criteria. (2)

Rating scale for labour-broking business in the citrus sector: (12)

Rating criteria	**Unfavourable**	**Average favourability**	**Very favourable**	**Reasons for my choice**
Demand in the industry	No / low demand	Fair demand	High demand	
Competitors	Many competitors	Some competitors	No competitors	
Skills profile of typical workforce available	Low skills readily available, a lot of training needed	Fair skills readily available, but some training required	High skills levels readily available	
Cost of infrastructure development, equipment and assets	High cost and investment required	Some cost and investment required, but possible returns	Reasonable cost and good possible returns on investment	
Risks associated with labour-broking	High risk of failure and many security risks	Some risks of failure or security issues	Low risks of failure and few security issues	
Legal requirements	A high level of legal compliance requirements	A fair level of legal compliance requirements	A low level of legal compliance requirements	

3. Now compile a brief 1 – 2 page evaluation report on your findings and recommendations for the viability of starting a labour-broking business in your geographical area. (4) Ensure that you structure your report to include the following format:

   3.1. Introduction and purpose of the report (1)

   3.2. Background information (1)

   3.3. Criteria and findings (1)

   3.4. Recommendations and conclusion (1)

Section 2: Summative Assessment Activities

S114592.1 – Knowledge Questionnaire

- ✓ Work individually to complete this assessment activity.
- ✓ Please answer all the questions.
- ✓ Use a black pen and ensure that you complete the questions in your own handwriting.
- ✓ Time to spend on this assessment activity: 3 hours.

Questions:

1. You are asked to prepare a business plan. Write down in your own words what you understand the term business plan to mean. (1)

2. What do you think the main purpose of a business plan is? (1)

3. Do you think it is important for every business to have a business plan? Tick the correct answer below. (1)

☐ Yes ☐ No

4. Give examples of at least three problems and challenges an entrepreneur without a business plan may face? (3)

5. Write down at least four of the elements that should be included in a typical business plan.(4)

6. There are seven major sections of a business plan, and each one is a complex document. For each of the elements listed below, write down brief key notes describing the element and what should be included in it.

   6.1. Executive summary (2)

6.2. Business description (2)

6.3. Marketing plan and strategy (8)

6.4. Design and development plan (6)

6.5. Operations and management plan (3)

6.6. Capital requirements schedule and cost of goods schedule (2)

6.7. Financial statements (3)

7. Make a list of possible sources that you would use to find the type of information you need to compile a business plan. (3)

8. What other resources do you think you may need in order to compile a successful business plan? An example may be access to a computer or information on the prices that other people in the same business charge. (2)

9. Explain how a business plan for an export citrus farm would differ from a business plan for a restaurant? (2)

10. List two types of legislation that you may have to take into account when drafting a business plan for an export citrus production unit. (2)

11. Explain why it is important to take the seasons and time of year into account when preparing a business plan for a citrus production unit. (1)

12. How will you make sure your business is actually running according to the business plan once you start operating? (1)

13. Explain why it is important to update a business plan periodically. (1)

S114592.2 – Knowledge Questionnaire

- ✓ Work individually to complete this assessment activity.
- ✓ Please answer all the questions.
- ✓ Use a black pen and ensure that you complete the questions in your own handwriting.
- ✓ Time to spend on this assessment activity: 2 hours.

Questions:

1. Explain in your own words what you understand the term ethical framework to mean. (1)

2. Explain in your own words what you understand a code of conduct to be. (1)

3. What is the purpose of drafting an ethical framework and a code of conduct in business? (1)

4. Give examples of two types of legislation or regulations that you would take into account when drafting an ethical framework or code of ethics for a citrus production unit. (2)

5. Give examples of two types of non-statutory regulations that you would take into account when drafting an ethical framework or code of ethics for a citrus production unit. (2)

6. Read through the following code of conduct for "Best Milk-Ever Dairy Farms", and highlight or underline the sections you would think is important to include in a code of conduct for your citrus production unit.

Code of Conduct for Workers of Best Milk-Ever Dairy Farms

Date: 30/06/2017

Best Milk-Ever Dairy Farms' general principles:

- Accountability
- Leadership
- Openness and objectivity
- Honesty
- Respect

Safety

We value the people on the farm. To this end, we all follow standard operating procedures that ensure tasks are undertaken to a safe standard.

Punctuality

The dairy industry is based on routine and cows need to be milked at regular intervals. Hence we value our people being prepared to start work as agreed. We understand that there may be occasions where people may need to make other arrangements if they are unavailable to ensure the necessary farm operations actually happen. It is a requirement to take appropriate action to inform others of the inability to meet a time commitment.

Communication

The business has a policy of communicating any information relevant to those in the team. Share information with your colleagues and encourage open communication and staff participation, this principle will keep all team members appropriately informed.

Confidentiality

All staff members must take care to maintain the integrity and security of the businesses records and information including personal information concerning staff.

Teamwork

Teamwork is essential for us to achieve our goals and perform well under pressure or in stressful circumstances. We expect all staff to establish effective collaborative relationships with other people in the business and interact appropriately and successfully with people of all different types and at different levels.

Work ethic

We have a commitment to work within the boundaries of what is a reasonable industry expectation. During agreed work hours, we expect that most of the efforts of people on the farm will be put towards the operations of the business. We appreciate that people need time for personal activities and will provide appropriate opportunities for this to occur.

Acceptance of direction

Taking direction and following operational guidelines is essential. However, we encourage team members to suggest appropriate improvements to procedures to improve efficiencies and safety.

Welfare of animals

We have high regard for the welfare of our stock. At all times, it is expected that animals will be handled in a manner such that it does not breach the guidelines of the national code of animal welfare.

Discrimination

The workplace is free from all forms of harassment, discrimination and workplace bullying and resolves workplace disputes and grievances in a fair and timely manner.

Respect

All staff are treated courteously and with respect.

Efficiency

We ensure that work is performed in an efficient, economical and effective manner and to a standard acceptable to the business. We are conscientious in carrying out our duties and make the most productive use of our time while on duty. We work co-operatively and effectively within the team environment.

Training

The business has a policy of inducting and training all staff into new tasks and skills. It also strives to give people an opportunity to pursue career development in dairying through training and education within the business.

Environmental awareness

This business respects and complies with all relevant environmental legislation, regulations and government policies. It adheres to all approved environmental guidelines and standards applicable to the area of work and minimises pollution and environmental impacts as a result of any activities.

Alcohol and drugs

No-one consumes alcohol or drugs when working or works when under the influence of alcohol or drugs.

Phone use

Phone use for work purposes only is permitted during work hours. Use of personal phones including text messaging is only allowed at designated work breaks. Phones are not permitted to be used in vehicles whilst driving.

7. In the South African agricultural context, there are some very specific social and ethical considerations that should form part of codes of conduct and codes of ethics for a new business. For each of the following statements, indicate whether you think it is important to include it or not: (7)

Issue	**Important**	**Not important**
No discrimination on basis of race or religion		
Equality for people of all gender		
Inclusion of people living with disability in the workforce		
Zero tolerance of drug and alcohol abuse		
Fair treatment of pregnant women		
Zero tolerance of child labour		
Natural resource conservation principles		

8. In some cases, the business owner may have a set of personal values that goes beyond the normal business standards for ethics and conduct. Examples of these values are often found in terms of cultural or religious belief systems. For each of the examples listed below, include a possible value that the person may choose to include in his or her business ethical framework.

   8.1. Xhosa Traditionalist (1)

8.2. Devout Christian (1)

8.3. Devout Muslim (1)

8.4. Devout 7^{th}-day Adventist (1)

8.5. Devout Jew (1)

8.6. Devout Member of the ZCC Church (1)

S114592.3 – Knowledge Questionnaire

- ✓ Work individually to complete this assessment activity.
- ✓ Please answer all the questions.
- ✓ Use a black pen and ensure that you complete the answers in your own handwriting.
- ✓ Time to spend on this assessment activity: 2 hours.

Questions:

1. Give at least two example of each (4):

   In column A – Your personal objectives

   In column B – Your business's objectives

Column A – Personal Objectives	**Column B – Business Objectives**

2. Select any one personal goal and one business-aligned goal from the columns above, and then draft a list of objectives indicating how these goals could be achieved. (2)

Column A – Personal Objectives	**Column B – Business Objectives**
Goals to achieve it:	

3. For each of the goals you identified above, classify them as short term, medium term or long term goals. (2)

Goal	**Short term**	**Medium term**	**Long term**

4. Read through the instructions below and then analyse the objectives that you set for your business and formulate a vision statement. (2)

Developing a Vision Statement

- The vision statement includes a vivid description of the organisation as it effectively carries out its operations.
- Developing a vision statement can be quite culture-specific. Participants may use methods ranging from highly analytical and rational to highly creative and divergent, such as focused discussions, divergent experiences around daydreams and sharing stories. Discuss with the role-players how they might like to arrive at a description of their organisational vision.
- Developing the vision can be the most enjoyable part of planning, but the part where time easily gets away from you.
- Note that originally, the vision was a compelling description of the state and function of the organisation once it had implemented the strategic plan, in other words, a very appealing image toward which the organisation was guided by the strategic plan. Recently, the vision has become more of a motivational tool, too often including highly idealistic phrasing and activities which the organisation cannot realistically aspire to.

5. Briefly describe how the business objectives and goals you identified will contribute to:

5.1. Your local community (1)

5.2. The citrus industry (1)

5.3. The South African economy (1)

6. Give one example of how you will go about incorporating cultural values and beliefs of prospective employees and expected consumers into the plans for your business. (1)

7. Explain in your own words or with an example how you would plan to procure the relevant human, physical, human and financial resources. (3)

S114592.4 – Work Sample

- ✓ Work individually to complete this assessment activity.
- ✓ Complete all the sections.
- ✓ Use a black pen and ensure that you complete the sections in your own handwriting.

Instructions:

1. Draft an ethical framework for your citrus production unit using the following template:

Ethical Framework of ____

Date: ____/___/______

Ethical Principles and Guidelines:

Confidentiality

Ethics

Duty of care

Conflict of interest

Contracts

Pricing

Payment

Food safety and moral rights

Quality assurance

Professional conduct

Equality and discrimination

2. Draft an ethical framework for your citrus production unit using the following template:

Code of Conduct for Workers of: ____

Date: _____/____/_______

General Principles:

Safety

Punctuality

Communication

Confidentiality

Teamwork

Work ethic

Acceptance of direction

Welfare of animals

Discrimination

Respect

Efficiency

Training

Environmental awareness

Alcohol and drugs

Phone use

Section 3: Summative Assessment Activities

S263455.1 – Knowledge Questionnaire

- ✓ Work individually to complete this assessment activity.
- ✓ Please answer all the questions.
- ✓ Use a black pen and ensure that you complete the questions in your own handwriting.
- ✓ Time to spend on this assessment activity: 1 hour.

Questions:

1. How does a street vendor decide what price to charge for his or her oranges? (2)

1.1. How does that compare to how a citrus producer decides what price to charge for Valencia oranges on the export market? (2)

2. Draw a graphic representation of the typical trade cycle. (5)

2.1. Draw a graphic representation of the production cycle of citrus. (8)

2.2. Explain briefly what the differences between the two are. (3)

3. Discuss as a team what the difference between costing and pricing is in terms of citrus produce. Explain your understanding with examples or calculations.(4)

4. Explain your understanding of each of the types of costs with an example:

   4.1. Fixed costs (2)

4.2. Variable costs (2)

4.3. Total costs (2)

5. Explain in your own words or with an example what the difference between the following three financial concepts is: Cost vs Revenue vs Profit. (3)

S263455.2 – Work Sample and Reflective Knowledge Questionnaire

- ✓ Work individually to complete this assessment activity.
- ✓ Complete all the sections and attach original copies of all your work to the portfolio.
- ✓ Use a black pen and ensure that you complete the questions in your own handwriting.
- ✓ Time to spend on this assessment activity: 3 hours.

Instructions:

1. There are various factors that impact on the pricing decisions that a typical citrus farmer has to make. Some of these factors are internal and others are external. These factors can be represented as links in a value chain.

   1.1. Draw a diagram of the links in the value chain of citrus. (8)

1.2. Explain each element briefly and illustrate how it may impact the pricing decisions of the farmer. (8)

2. Write down definitions for each of the following terms:

2.1. Capital (2)

2.2. Costs (2)

2.3. Revenue (2)

2.4. Pricing (2)

2.5. Profits (2)

3. Explain how you would go about calculating the breakeven point of preparing a cup of coffee. (2)

3.1. In your opinion, is the calculation of breakeven point for producing one carton of export citrus calculated in the same manner? Motivate your answer. (3)

S263455.3 – Case Study

- ✓ Work individually to complete this assessment activity.
- ✓ Complete all the sections and attach original copies of all your work to the portfolio.
- ✓ Use a black pen and ensure that you complete the answers in your own handwriting.
- ✓ Time to spend on this assessment activity: 2 hours.

Questions:

1. Read through the following business summary.

Wholesale Food Business Plan

Justin Seafood Market has been providing customers with the finest quality seafood for five years. The business is primarily wholesale to area restaurants. We purchase seafood directly from local fishermen and contacts all along the west coast. This allows us to pick from the finest selection of seafood available anywhere. Currently, we sell to over sixty restaurants. This a 10% increase over last year and we estimate that we will have additional restaurants as customers next year.

Justin Seafood Market plans to expand our storefront and sell direct to the public. In our expanded market, we will bring our commitment of quality, freshness and great prices to the public. By purchasing in large quantities we are able to pass the savings on to our customer.

The planned renovation will cost R 150,000-00. Additional service staff will be hired to assist customers. Bill Justin, owner of Justin Seafood Market, will invest R 50,000-00 in the expansion and also secure R 100,000-00 short-term loan.

Products

Justin Seafood Market currently provides numerous seafood products to restaurants in the Cape Town area. The market's new public retail outlet will focus on popular seafood selections that will bring customers into the store.

Justin Seafood Market will have the following retail products:

- ❖ Snoek
- ❖ Tiger Prawns
- ❖ West Coast Lobster
- ❖ Kingklip
- ❖ Fresh Hake Fillets

Market Analysis Summary

The southern suburb of Cape Town has a population of over 160,000 residents but the area receives thousands of tourists each year.

Justin Seafood Market is located in the busiest commercial section of Cape Town with excellent foot traffic. Expanding the market's storefront by 5,000 m² will create an inviting environment for the public. The market's interior design will focus on the motif of an open air fish market. We will advertise the market as a place where the public can get quality seafood at wholesale prices.

2. Identify two products or services that may be offered by this kind of business. Write down a brief description for each. (2)

3. Complete the tasks below for one of the products.

3.1. What information would you need in order to calculate the input costs, the time taken to make that product / service, and the labour costs of the product or service? (2)

3.2. What formula would you use to calculate how many products or services can be produced (caught) per month. (1)

4. If the cost of 1 x hake fillet is R 12-50, at what price would you need to sell it for a 35% markup? (2)

5. If the cost of 1 x hake fillet is R 12-50, at what price would you need to sell it for a 45% markup? (2)

6. If the cost of 1 x hake fillet is R 12-50, at what price would you need to sell it for a 65% markup? (2)

7. Calculate the monthly revenue contribution of hake fillets at each price point for 1,350 units sold. (3)

35%:
45%:
65%:

8. If the overhead cost for the business is R 18,900-00 per month, calculate the overhead cost per square meter for the space occupied. (2)

9. If the total turnover for the business is R 49,800-00 per month, and the average selling price per item is R 16-50, calculate how many products were sold. (2)