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higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1340(E)(J22)H
JUNE EXAMINATION
NATIONAL CERTIFICATE
PUBLIC FINANCE N5

(21010045)

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09:00–12:00

This question paper consists of 5 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
PUBLIC FINANCE N5
TIME: 3 HOURS
MARKS: 200

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 Explain the following terms:

- 1.1.1 Totalitarian authority
- 1.1.2 Legislature
- 1.1.3 Privatisation
- 1.1.4 Fiscal control
- 1.1.5 Socialism

(5 x 2) [10]

QUESTION 2

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (2.1–2.10) in the ANSWER BOOK.

- 2.1 Public financial management is concerned with the management of public funds.
- 2.2 The financial year of the government runs from 1 March to 28 February of the following year.
- 2.3 Socialism does not acknowledge particular and private ownership factors of production.
- 2.4 A modern democracy might lean either towards laissez-faire or towards a more socialist approach, but in general it attempts to not recognise the individual as important.
- 2.5 The challenge of every government which believes in privatisation is to allow entrepreneurs as much free economic reign as possible.
- 2.6 A pure democracy is one in which the power to govern lies indirectly in the hands of people rather than being exercised through their representatives.
- 2.7 A government has no power in a democracy unless it is given by the voters.
- 2.8 The director-general of a department undertakes all the administrative duties on behalf of the minister. In some department he/she may be known by another name, such as the accounting officer.
- 2.9 The treasury has the power not to approve proposed expenditure by any given department should this not be properly motivated.
- 2.10 Conditional grant means that funds are allocated without any condition attached.

(10 x 2) [20]

QUESTION 3

Choose a description from COLUMN B that matches a word or words in COLUMN A. Write only the letter (A–L) next to the question number (3.1–3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1	Social security	A	state pension fund
3.2	Levies	B	unemployment insurance
3.3	License fees	C	registration fees
3.4	State enterprises	D	theatres
3.5	Cultural	E	bail money
3.6	Traffic policing	F	secure road safety
3.7	Health	G	transport services
3.8	Taxation	H	fines for criminal offences
3.9	State security	I	street cleaning
3.10	Special funds account	J	customs duties
		K	motor vehicle licenses
		L	internal threats

(10 x 2)

[20]**QUESTION 4**

- 4.1 Briefly differentiate between *laissez-faire* and *socialism*. (10 x 2) (20)
- 4.2 Name SEVEN supporting functions that realise the goal of the government. (7)
- 4.3 Explain SEVEN supporting functions that realise the goal of the government. (7 x 2) (14)
- 4.4 Give examples of order and protection provided by the state. (7 x 1) (7)
- 4.5 Explain the term *collective services*. (2)

[50]

QUESTION 5

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|-----|--|--------------|
| 5.1 | Name and explain the characteristics of collective services. | (20) |
| 5.2 | State FIVE functions of treasury. | (5 x 2) (10) |
| 5.3 | Give FIVE roles of the minister. | (5 x 2) (10) |
| 5.4 | State FIVE sources of income for local authorities. | (5 x 2) (10) |
| | | [50] |

QUESTION 6

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|-----|---|---------------|
| 6.1 | State FIVE tasks and functions of the chairperson of the finance committee. | (5 x 2) (10) |
| 6.2 | Why is it important to audit state finances? | (5 x 2) (10) |
| 6.3 | Discuss the term <i>National Revenue Fund</i> . | (5 x 2) (10) |
| 6.4 | Give TEN democratic principles for public financial management. | (10 x 2) (20) |
| | | [50] |

TOTAL: 200