



# higher education & training

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

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**PUBLIC FINANCE N5**

**22 JUNE 2017**

**This marking guideline consists of 5 pages.**

### QUESTION 1

- 1.1 The South African Revenue Service (SARS).
- 1.2 Direct participation.
- 1.3 The auditor- General.
- 1.4 Public income.
- 1.5 Free market principles (pure capitalisation) or Laissez-faire.
- 1.6 Average criterion.
- 1.7 Project grant.
- 1.8 Ideal criterion.
- 1.9 Appropriation audits.
- 1.10 Legislature.
- 1.11 The South African Reserve Bank.
- 1.12 The national Revenue fund.
- 1.13 National budget.
- 1.14 Public accountability.
- 1.15 Public Financial Management.

(15 × 2) [30]

### QUESTION 2

- 2.1 True
- 2.2 False
- 2.3 True
- 2.4 True
- 2.5 False
- 2.6 True
- 2.7 True
- 2.8 True
- 2.9 True
- 2.10 False

(10 × 2) [20]

**QUESTION 3**

- 3.1
- The state printer
  - Timber plantations
  - Administrative services
  - Transport services
  - Waterworks (5 × 2) (10)
- 3.2
- Communication with the legislature and preparation of reports on matters which have to be submitted to the legislature for decision.
  - Communication with the administrative authority which must execute financial legislation and the approved budget in order to render the service by which the objectives of the legislature may be attained.
  - Communication with interest groups to determine the needs, wishes, expectations and problems of the community and to formulate feasible policies in this regard for approval by the legislature.
  - Control over the activities of the administrative authority. (4 × 3) (12)
- 3.3
- Remissions as an act of grace of money due to the state.
  - Refunds of revenue as an act of grace.
  - Payments as an act of grace from the state. (3 × 2) (6)
- 3.4
- The political, social and economic policy of the central government with reference to the whole nation.
  - The requirement of the constitution.
  - The demographic situation within the border of a state – the number of people the concentration of the population and their needs.
  - The nature of the government institution at various levels – central, provincial or regional and local. (4 × 3) (12)
- 3.5
- To encourage a policy of private initiative.
  - To reduce excessive government spending.
  - To lower the financial burden of government.
  - To promote the efficient/effective utilisation of resources.
  - To increase the tax base. (5 × 2) (10)
- [50]**

**QUESTION 4**

- 4.1
- Government creates a climate for free competition amongst citizen within the national community.
  - Maintenance of law and order (protection services).
  - Enforcement of contract by law courts (legal protection).
  - Protection of private lives.
  - Protection of private property (legal/social protection).
  - Defence of national community against any enemy (protection services).
- (6 × 2) (12)
- 4.2
- All taxpayers still participate but only the decision of the majority rests.
  - Majority 50 % + 1 vote – this means that 49 pay for something they don't want.
  - The wishes of the minority are often ignored.
- (3 × 2) (6)
- 4.3
- May demand any information concerning financial statements.
  - Has free access to all financial records, stock, personnel records and departmental accounts.
  - Has the power to summon any official to testify on matters regarding audits.
  - Has the right to determine (decide) whether public funds have been spent efficiently.
  - Has the right to make enquiries on any matter concerning the activities of the executive and the administrative authority.
- (5 × 2) (10)
- 4.4
- Income tax from taxpayers.
  - Interest on dividends received by investors.
  - Custom duties
  - Excise duties.
  - Value added tax (VAT).
  - Tax on foreign shareholders.
  - Tax on profit.
  - Fringe benefits tax (many people receive benefits such as motor car allowance, housing subsidies etc.
  - Tax on international trade transactions.
  - ad valorem tax.
  - Airport tax.
- (11 × 2) (22)  
**[50]**

**QUESTION 5**

- 5.1
- The need of the community which usually consists of its voters/taxpayers.
  - The goal of the government.
  - The functions (duties) by which they strive to realise their goals.
  - The nature of public services rendered in order to fulfil their functions.
  - The sources of income from which public services could be financed.
  - The administration and control of such income. (6 × 2) (12)
- 5.2
- Take a leading role in the preparation of the budget.
  - Present the draft budget to the council for consideration.
  - Deliver the budget speech and to explain the important aspects of the budget itself.
  - Make recommendations on the tax rate (local); consumer tariffs, user charges and levies.
  - Take charges of supervising and controlling the execution of the budget once it has been approved.
  - Report the council on any deviation of expenditure, and to make recommendations about such deviations.
  - Take the lead in the collection, safekeeping and spending all revenue.
  - Make sure that surplus funds are invested in the most judicious way; to take part in negotiations for large contracts, and finally.
  - Report any financial irregularities by any official, council member or committee. (9 × 2) (18)
- 5.3
- Control all finance and is responsible for the financial administration and all record keeping of the department.
  - Have sound knowledge of financial matters be expert in financial accounting systems and procedures.
  - Control all transaction of department.
  - Report any maladministration to the accounting officer.
  - Provide effective internal procedure to ensure financial regulations are followed. (5 × 2) (10)
- 5.4
- National Road Fund
  - Central Energy Fund
  - State Pension Fund
  - National Housing Fund
  - RDP Fund (5 × 2) (10)
- TOTAL: 200**
- [50]**