



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1390(E)(J14)H

NATIONAL CERTIFICATE

PUBLIC FINANCE N5

(21010045)

14 June 2019 (X-Paper)
09:00–12:00

This question paper consists of 6 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.
-


SECTION A**QUESTION 1**

- 1.1 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	South African Revenue Services (SARS)	A	system where central governments tend to control the economic, social and physical activities of the people to improve the lives of less wealthy people
1.1.2	Majority decision making	B	entails examining financial records to ensure that financial transactions have been recorded correctly
1.1.3	Accountability	C	ability of one political group to achieve its objectives in its relationships with another political group that conflict or are incompatible with the will and wishes of the latter political group
1.1.4	Legislature	D	the treasury has the power to exempt or change a specific financial obligation of the state
1.1.5	Dispensation function	E	amount of money the state charges when residents use specific public services
1.1.6	Socialism	F	group of elected people acting on behalf of citizens and making decisions that bind the larger group
1.1.7	User charges	G	the decision of the majority is final although everybody has a right to take part in the process
1.1.8	Accounting audits	H	collect taxes on behalf of the state
1.1.9	Non-apportionable	I	each political office bearer and public official must publicly give account of their actions and activities
1.1.10	Political power	J	cannot be divided into consumption units and cannot be supplied per unit


(10 × 2) (20)

- 1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.2.1–1.2.15) in the ANSWER BOOK.
- 1.2.1 A province's equitable share of revenue raised nationally must be transferred to the province promptly and with deduction, except when the transfer has been stopped in terms of section 216.
- 1.2.2 A municipality may impose taxes, levies, duties and surcharges.
- 1.2.3 Two factors play a vital role in the formulation of the financial policies of a government, namely politics and practical ideology.
- 1.2.4 All activities regarding public financial management must take place in public and under the cover of confidentiality. ✍
- 1.2.5 The economic prosperity of a community is equal to the financial capacity of authority.
- 1.2.6 The primary object of the South African Reserve Bank is to protect the value of the currency in the interest of balance and sustainable economic growth.
- 1.2.7 Personnel services offer support in a secretarial fashion for all clerical duties. ✍
- 1.2.8 Grant usually implies that the giver is in a higher position of authority than the receiver and that he or she acts out of justice, mercy or generosity.
- 1.2.9 A modern democracy might lean either towards laissez-faire or towards a more socialist approach but in general it attempts to recognise the individual as important.
- 1.2.10 A commission must function in terms of an act of parliament and must consider all relevant factors in performance of its function including those listed in section 214(2).
- 1.2.11 The accounting officer is often called the director general of a department.
- 1.2.12 The financial need in terms of rendering an average standard of service is measured according to average criterion. ✍
- 1.2.13 The military defence function refers to protecting the life of individuals, communities and private property against threats.


1.2.14	A tender board regulates the acquisition of any goods or services through an impartial tender board.		
1.2.15	Bail money is the money paid by alleged criminals to be released while there is no trial. 		
		(15 × 2)	(30)
			[50]
		TOTAL SECTION A:	50

SECTION B



QUESTION 2

2.1	Give SEVEN roles of a departmental financial officer.	(7 × 2)	(14)
2.2	Name FIVE ways to maintain economic order which will secure economic welfare and prosperity. 	(5 × 2)	(10)
2.3	State THREE criteria to determine the financial capacity of a government.	(3 × 2)	(6)
2.4	Discuss TEN democratic principles for public financial management.	(10 × 2)	(20)
			[50]

QUESTION 3

3.1	List SEVEN financial functions of the executive authority on central and local government level.	(7 × 2)	(14)
3.2	Give FIVE examples of state enterprises that generate income which the government uses to finance its budget. 	(5 × 2)	(10)
3.3	Give SIX characteristics of socialism.	(6 × 2)	(12)
3.4	Name SEVEN factors that influence the needs and demands of a community.	(7 × 2)	(14)
			[50]

QUESTION 4

- 4.1 Briefly elaborate on TWO decision-making systems where decisions are made collectively.  (2 × 9) (18)
- 4.2 Differentiate between *unconditional grants* and *project grants*. (6 + 6) (12)
- 4.3 List and discuss TEN functions of the treasury.  (10 × 2) (20)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200