



# higher education & training

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

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**NOVEMBER EXAMINATION**

**PUBLIC FINANCE N5**

**14 NOVEMBER 2016**

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

**QUESTION 1**

- 1.1 B√√
- 1.2 C√√
- 1.3 A√√
- 1.4 B√√
- 1.5 A√√
- 1.6 C√√
- 1.7 D√√
- 1.8 D√√
- 1.9 C√√
- 1.10 B√√
- 1.11 D√√
- 1.12 B√√
- 1.13 C√√
- 1.14 B√√
- 1.15 A√√

(15 × 2) [30]

**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.

- 1.1 False√√
- 1.2 False√√
- 1.3 True√√
- 1.4 True√√
- 1.5 True√√
- 1.6 True√√
- 1.7 True√√
- 1.8 True√√
- 1.9 True√√
- 1.10 False√√

(10 × 2) [20]

**QUESTION 3**

- 3.1
  - Co-ordinate of financial policy√√
  - Granting of permission before hand√√
  - Commenting on new legislation√√ and policy as far as their financial implication are concerned√√
  - Annual revision of the budget and evaluation of priorities√√
  - Guardian of public money√√
  - Control over purchases v√ / purchasing procedure (contracting)√√
  - Stocks and stores control√√
  - Control of dispensation√√

(20)

- 3.2
- The tax rate√√
  - Consumer tariffs√√
  - Raising of loan to the city√√
  - Capital expenditure√√
  - Operational expenditure√√
  - Creation and management of special funds√√
- (Any 5 × 2) (10)
- 3.3
- Monies are allocated for specific purpose√√
  - Monies allocated may only be used during the year for which they are allocated√√
  - If monies are to be used for any other purpose than allocated , the approval of the minister of finance will be required√√
  - Unspent monies must be paid back into the revenue fund at the end of the financial year√√
  - Only allocated funds must be used for the payment of expenditure√√
- (20)
- 3.4
- To announce publicly the plan of various departments√√
  - To give a broad outline of the social needs√√
  - To give indication of the financial state of government√√
  - Announce new policies and goals and explain increase in expenditure√√
  - To announce tax proposal, changes in income , consumer tariffs etc√√
- (10)  
**[50]**

**QUESTION 4**

- 4.1
- Statement of intent
  - A work/ working programme
  - A source of information
  - A means of promoting accountability
  - An instrument of control
- (10)
- 4.2
- To encourage a policy of private initiative
  - To reduce excessive government spending
  - To lower financial burden of government
  - To promote effective/efficient utilization of public resources
  - To increase the tax base
- (10)
- 4.3
- Statutory control – External and internal
  - Budget control
  - Financial reporting
  - Internal auditing
- (10)

- 4.4
- Regulation of economy to secure stability
  - Stimulate of economic development
  - Maintain economic order to secure economic welfare and prosperity
  - Providing, maintaining the economic infrastructure
  - Establishing and operating public industrial corporations
  - Finance of economic, industrial and scientific research
- (10)
- 4.5
- Corruption – in the form of bribe or stealing money from authorities
  - Incorrect procedures followed when using state resources
  - Waste and ineffective use of state funds
  - Being careless or negligent about equipment and stocks
  - The culture of helping oneself and ones friends
- (10)  
**[50]**

**QUESTION 5**

- 5.1
- Bankers of the government of the day ✓✓
  - Control the national revenue fund ✓✓
  - The only bank allowed to released banknotes and coins in SA ✓✓
  - Custodian of the country's gold reserves ✓✓
  - To protect the value of the rand: SA currency in international trade ✓✓
  - Funding the exchequer ✓✓
  - Control foreign exchange reserves held in the country ✓✓
- (14)
- 5.2
- Inflation and the effect on capital and operation costs ✓✓
  - Technological development ✓✓
  - Political and / or social instability ✓✓
  - National disasters ✓✓
  - Allocation of more functions(duties) to other government bodies ✓✓
  - Urbanization. ✓✓
  - Maladministration. ✓✓
- (14)
- 5.3
- Particular service are services that can easily apportioned or broken up into parts and these parts can be charged to the public ✓✓
- (2)
- 5.4
- Apportionable ✓✓
  - Exclusive ✓✓
  - Exhaustible ✓✓
  - Direct return ✓✓
  - No monopolies ✓✓
- (10)

- 5.5
- Apportion able – can be divided into units for consumption✓✓
  - Exclusive – non payer will not receive the service✓✓
  - Exhaustible – must be replenished continuously✓✓
  - Direct return – the taxpayer receive value for each unit paid✓✓
  - No monopolies – various service providers are available✓✓
- (10)  
**[50]**
- TOTAL: 200**