



# higher education & training

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

N1380(E)(N30)H

**NATIONAL CERTIFICATE**

**PUBLIC FINANCE N5**

(21010045)

**30 November 2018 (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

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**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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## SECTION A

### QUESTION 1

1.1 Explain the following terms:

- 1.1.1 Accounting services
- 1.1.2 Public accountability
- 1.1.3 Legislature
- 1.1.4 Intergovernmental grants
- 1.1.5 Public financial management
- 1.1.6 Appropriation audit
- 1.1.7 Average criterion
- 1.1.8 Tender board
- 1.1.9 Internal financial regulation
- 1.1.10 Public income

(10 × 2) (20)

1.2 Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

- 1.2.1 The ... is an annual plan of what government wants to achieve and how it will spend its money to achieve its goals.
- 1.2.2 ... takes place via the elected political representative or official.
- 1.2.3 ... examine whether funds were spent according to the approved budget in the particular financial year.
- 1.2.4 ... is the government's main source of revenue.
- 1.2.5 ... means that the government should account through its elected representatives for its intention, objectives and strategies, the cost of its strategies and actual results.
- 1.2.6 ... must prepare the national budget and present it to Parliament for approval.
- 1.2.7 ... maintain high moral and ethical standards, requires political representatives and public officials to act with integrity.

- 1.2.8 ... is a form of government in which the citizens have the power.
- 1.2.9 ... comprise guidelines that deal with the preparation of the budget.
- 1.2.10 Division of Revenue Act allocates ... of the revenue that the state raises nationally to province so that they can provide basic services and carry out their functions.

(10 × 2) (20)

1.3 Complete the following sentences by filling the missing word(s). Write only the word(s) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

treasury; laissez-faire; national legislature; horizontal revenue sharing; user charges
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- 1.3.1 ... are the amounts of money the state charges when residents use specific public services.
- 1.3.2 The ... controls the financial administration of state departments on behalf of the legislature and the executive.
- 1.3.3 ... government reduces government interference in the lives of people or business to a minimum.
- 1.3.4 ... sharing entails the division of revenue among authorities on the same level of government.
- 1.3.5 The ... is a political institution that makes, amends and repeals laws for the citizen, including laws on public financial matters.

(5 × 2) (10)  
**[50]**

**TOTAL SECTION A: 50**

## SECTION B

### QUESTION 2

- 2.1 State SIX examples of order and protection provided by the state. (6 × 2) (12)
- 2.2 Give FIVE democratic values underlying a democratic financial system. (5 × 2) (10)
- 2.3 Legislative authority receives its authority from the constitution itself and receives unlimited power to delegate its authority.
- With regard to the above statement list FOUR responsibilities of the legislature (4 × 2) (8)
- 2.4 List FIVE examples of a special fund account. (5 × 2) (10)
- 2.5 Briefly explain the term *National Revenue Fund* in detail. (5 × 2) (10)
- [50]**

### QUESTION 3

- 3.1 Mention FIVE goals of the Laissez-Faire system. (5 × 2) (10)
- 3.2 List the financial responsibilities of an accounting officer. (5 × 2) (10)
- 3.3 The municipal council must appoint a finance committee to ensure accountable financial management.
- Mention SIX main responsibilities of the finance committee. (6 × 2) (12)
- 3.4 Revenue sharing means that central government has the authority to tax a community and collect revenue.
- Differentiate between *horizontal revenue sharing* and *vertical revenue sharing*. (9 × 2) (18)
- [50]**

**QUESTION 4**

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|-----|--|---------|-------------|
| 4.1 | Give FIVE reasons for privatisation.   | (5 × 2) | (10)        |
| 4.2 | Briefly explain the TWO systems which allow decisions to be made collectively.                       | (2 × 7) | (14)        |
| 4.3 | Name THREE functions of the Auditor General with regard to ex post facto financial control or audit. | (3 × 2) | (6)         |
| 4.4 | Explain <i>conditional grant</i> in detail.  | (5 × 2) | (10)        |
| 4.5 | Mention FIVE responsibilities that the premier may assign a member of the executive council.         | (5 × 2) | (10)        |
|     |  |         | <b>[50]</b> |

**TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**

