



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

PUBLIC FINANCE N5

(21010045)

30 September 2020 (X-paper)
09:00–12:00

This question paper consists of 5 pages.

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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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SECTION A

QUESTION 1

1.1 Explain each of the following terms:

1.1.1 Participatory democracy

1.1.2 Project grant

1.1.3 Legal advisory service

1.1.4 Parliament 

1.1.5 Direct participation

1.1.6 Accounting audits

1.1.7 Internal financial regulations


1.1.8 Democracy

1.1.9 Indirect participation

1.1.10 Tender board


(10 × 2) (20)

1.2 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.2.1–1.2.15) in the ANSWER BOOK.

1.2.1 The judiciary consist of the constitutional court, the supreme court of appeal and the magistrate's court. 

1.2.2 A one-party system consists of only one party making all the decisions while no opposition parties are allowed.



1.2.3 Legislative authorities on all levels of government should not delegate their authority to impose taxes to executive or administrative authorities.

1.2.4 Municipalities get their revenue from excise duties, the use of sports facilities, and letting of property. 

1.2.5 Accounting officers are heads of state departments.

1.2.6 The military defence function is to defend and protect the life of individuals and communities against threats.

1.2.7 The legislature is responsible for safeguarding public funds.


- 1.2.8 Housing, provincial libraries and construction of dams are examples of limited or fixed conditional grants.
- 1.2.9 A price per unit can be determined for this service which makes it an apportionable service. 
- 1.2.10 Equal distribution is a formula for fair, reasonable and equitable allocation of taxing authority and funds essential for good intergovernmental finance relations.
- 1.2.11 To be appointed on the finance and fiscal commission a candidate must be impartial and hold office in a political party.
- 1.2.12 Government gets its funds mainly from the gross domestic product.
- 1.2.13 The primary object of the South African Reserve Bank is to protect the value of the currency in the interest of balanced and sustainable economic growth in the Republic.
- 1.2.14 The main responsibilities of the finance committee are to ensure the safekeeping of funds. 
- 1.2.15 The chief financial officer is responsible for the correctness of financial transactions and also has to submit reports to the finance committee of the council.

(15 × 2) (30)
[50]


TOTAL SECTION A: 50

SECTION B


QUESTION 2

- 2.1 Name and explain the factors that commonly describe a budget. (5 × 2) (10)
- 2.2 State the criteria which determine the financial capacity of each government institution to generate income and funds. (3 × 2) (6)
- 2.3 Explain the characteristics of a laissez-faire government ideology. (5 × 2) (10)
- 2.4 Discuss financial decision-making in a representative democracy. (5 × 2) (10)
- 2.5 Briefly describe *conditional grant*.  (7 × 2) (14)
[50]

QUESTION 3

- 3.1 Differentiate between *consensus* and *majority decision making* which allow decisions to be made collectively. (2 × 6) (12)
- 3.2 Explain FOUR financial responsibilities of the accounting officer.  (8)
- 3.3 State SIX characteristics of socialism as summarised by Gildenhuis (1993:8) (12)
- 3.4 State NINE functions of the chairperson of the finance committee. (18)
[50]

QUESTION 4

- 4.1 Name and explain FOUR different methods of privatisation. (4 × 4) (16)
- 4.2 State FIVE requirements with which a person must comply to be appointed as auditor-general of the Republic of South Africa. (5 × 2) (10)
- 4.3 State SIX functions of finance committees at local government level. (12)
- 4.4 Give an example of percentages regarding political party support in which no party holds a complete majority.  (3 × 2) (6)
- 4.5 Name THREE examples of state enterprises as some of the main sources of government income. (3 × 2) (6)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200