higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

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This marking guideline consists of 5 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	C		
	1.1.2	B		
	1.1.3	D		
	1.1.4	A		
	1.1.5	D		
	1.1.6	D		
	1.1.7	A		
	1.1.8	B		
	1.1.9	D		
	1.1.10	D		
			(10 × 2)	(20)
1.2	1.2.1	True		
	1.2.2	True		
	1.2.3	True		
	1.2.4	True		
	1.2.5	True		
	1.2.6	True		
	1.2.7	True		
	1.2.8	True		
	1.2.9	True		
	1.2.10	False		
			(10 × 2)	(20)
1.3	1.3.1	Exemptions		
	1.3.2	Bracket creeping		
	1.3.3	Income		
	1.3.4	Interim		
	1.3.5	Tax base		
	1.3.6	Dumping		
	1.3.7	Profit/Income		
	1.3.8	Sundry		
	1.3.9	Property tax		
	1.3.10	Progressive tax		
			(10 × 2)	(20)

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1.4	1.4.1	Import		
	1.4.2	VAT		
	1.4.3	Real		
	1.4.4	Payrolll		
	1.4.5	Financial		
	1.4.6	Main		
	1.4.7	Deductions		
	1.4.8	Immeasurable		
	1.4.9	Provincial		
	1.4.10	Personal		
			(10 × 2)	(20)
				[80]

TOTAL SECTION A: 80

SECTION B

QUESTION 2

2.1	2.1.1	• Source of revenue • To discourage the importation of goods • To stop dumping	(3 × 2)	(6)
	2.1.2	• Able to export its products for less than another country is able to manufacture them due to subsidization • Local industry of the recipient country suffers. • Impose import duty in order to protect the local industry.	(3 × 2)	(6)
	2.1.3	• Is levied as ad valorem tax • Difficult to monitor and collect	(2 × 2)	(4)
	2.1.4	Goods✓ which are imported✓ from another country✓		(3)
2.2	2.2.1	South African Local Government Association		(5)
	2.2.2	• The office is the voice of local government • Lobbing and advocating on behalf of the province	(2 × 2)	(4)
	2.2.3	• Section 163 • Act of 1997	(2 × 2)	(4)
	2.2.4	• Provincial Executive Officer • Provincial Members Assembly • National Members Assembly	(3 × 2)	(6)
	2.2.5	KZN		(2)
				[40]

QUESTION 3

3.1 3.1.1
- Money that is spent for the purpose of acquiring buildings, land, machinery, equipment, and general infrastructure.
- This expenditure will last for longer than a period of just one year.

3.1.2 It is the tax paid on the profit realised✓✓ on the sale of non-inventory assets like shares, property, real estate, etc. ✓✓

3.1.3 It is the gross income✓✓ less statutory exemptions, allowed deductions and rebates

(3 × 4) (12)

3.2
- For equitable financing✓ – This is where present and future-generation tax payers should share the burden of the capital projects✓ as they all have to contribute cash to fund the projects.✓
  This is so because both present and future users will enjoy the benefits of the projects.✓
- For stabilising effect✓ – This is done to avoid fluctuations of the tax base and the tax rate.✓
  Drafting a separate capital budget, and financing capital projects from loans lessens the tax burden on taxpayers year by year as the repayments are spread over many years.✓
- For greater control✓ – A separate capital budget ensures that more attention is focussed on the project.✓
  This will enable the authorities to make correct decisions and have good control✓ over the construction and financing of such projects as they will be detailed separately.✓ (Accept any relevant explanation and reasons 3 × 4) (12)

3.3
- Transfers✓ – A function may be transferred from one department/ministry to another,✓ and the funds needed for this also have to be transferred.✓ This may be as a result of the closure of the department or doing away with the function in the department.✓ Therefore, such transfers are done in accordance with the Adjustment Appropriation Bill.✓
- Suspension✓ – This occurs when funds are shifted from one ministry/ department to another or various ministries.✓ The funds to be shifted must first be suspended before being allocated to other departments or ministries.✓ Such suspensions are indicated on the Adjustment Appropriation Bill.✓
- Roll-overs✓ – This occurs when commitments are made in a previous financial year✓ but were not realised or completed.✓ Money committed to buy or render such a service was not paid out, and hence this money is rolled over to the following year.✓ Such occurrences are indicated on the Adjustment Appropriation Bill.✓

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- Unforeseen, unavoidable circumstances✓ – Sometimes, situations occur which are not planned, which are unavoidable, e.g. a national disaster.✓ Government departments often make requests for such incidences whereby the Treasury Committee has to approve the submissions.✓ Such requests are to be indicated on the Adjustment Appropriation Bill.✓✓ (3 × 5) (15)

3.4
- Personal taxation
- Companies/Corporate tax (Any ONE) (1)

[40]

QUESTION 4

4.1
- Income tax: Paid by individuals (personal tax) and companies
- Wealth tax: Paid by individuals/institutions on property owned, capital gains and taxes.
- Consumption tax: For example: VAT, import and excise duties paid by Citizen on consumption of certain products.
  User charges: Money charged for use of certain products and services like fire services and preventive health services (14)

4.2
- To the elected representatives in the legislature
- To the people of a country
- To the Minister of Finance (Any 2 × 2) (4)

4.3
- The government may use taxation in order to "cool" down the economy; by taking away more from people
- citizens have less to spend and this has the effect of regulating the economy
- generally by lowering inflation
- when spending declines, inflation nearly always drops also. (4 × 2) (8)

4.4 Is a situation when an industry within a country is subsidised. (2)

4.5 4.5.1 It makes the repayments of loans from abroad very much more expensive. (3)

4.5.2 This increase will therefore mean the need for a larger tax base. (3)

4.6
- exemptions to exporters
- industries which take part in decentralisation activities
- training (6)

[40]

TOTAL SECTION B: 120
GRAND TOTAL: 200

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