higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

PUBLIC FINANCE N5

22 JUNE 2017

This marking guideline consists of 5 pages.

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QUESTION 1

1.1 The South African Revenue Service (SARS).
1.2 Direct participation.
1.3 The auditor- General.
1.4 Public income.
1.5 Free market principles (pure capitalisation) or Laissez-faire.
1.6 Average criterion.
1.7 Project grant.
1.8 Ideal criterion.
1.9 Appropriation audits.
1.10 Legislature.
1.11 The South African Reserve Bank.
1.12 The national Revenue fund.
1.13 National budget.
1.14 Public accountability.
1.15 Public Financial Management.

(15 × 2) **[30]**

QUESTION 2

2.1 True
2.2 False
2.3 True
2.4 True
2.5 False
2.6 True
2.7 True
2.8 True
2.9 True
2.10 False

(10 × 2) **[20]**

QUESTION 3

3.1
- The state printer
- Timber plantations
- Administrative services
- Transport services
- Waterworks (5 × 2) (10)

3.2
- Communication with the legislature and preparation of reports on matters which have to be submitted to the legislature for decision.
- Communication with the administrative authority which must execute financial legislation and the approved budget in order to render the service by which the objectives of the legislature may be attained.
- Communication with interest groups to determine the needs, wishes, expectations and problems of the community and to formulate feasible policies in this regard for approval by the legislature.
- Control over the activities of the administrative authority. (4 × 3) (12)

3.3
- Remissions as an act of grace of money due to the state.
- Refunds of revenue as an act of grace.
- Payments as an act of grace from the state. (3 × 2) (6)

3.4
- The political, social and economic policy of the central government with reference to the whole nation.
- The requirement of the constitution.
- The demographic situation within the border of a state – the number of people the concentration of the population and their needs.
- The nature of the government institution at various levels – central, provincial or regional and local. (4 × 3) (12)

3.5
- To encourage a policy of private initiative.
- To reduce excessive government spending.
- To lower the financial burden of government.
- To promote the efficient/effective utilisation of resources.
- To increase the tax base. (5 × 2) (10)

[50]

QUESTION 4

4.1
- Government creates a climate for free competition amongst citizen within the national community.
- Maintenance of law and order (protection services).
- Enforcement of contract by law courts (legal protection).
- Protection of private lives.
- Protection of private property (legal/social protection).
- Defence of national community against any enemy (protection services).

(6 × 2) (12)

4.2
- All taxpayers still participate but only the decision of the majority rests.
- Majority 50 % + 1 vote – this means that 49 pay for something they don't want.
- The wishes of the minority are often ignored. (3 × 2) (6)

4.3
- May demand any information concerning financial statements.
- Has free access to all financial records, stock, personnel records and departmental accounts.
- Has the power to summon any official to testify on matters regarding audits.
- Has the right to determine (decide) whether public funds have been spent efficiently.
- Has the right to make enquiries on any matter concerning the activities of the executive and the administrative authority. (5 × 2) (10)

4.4
- Income tax from taxpayers.
- Interest on dividends received by investors.
- Custom duties
- Excise duties.
- Value added tax (VAT).
- Tax on foreign shareholders.
- Tax on profit.
- Fringe benefits tax (many people receive benefits such as motor car allowance, housing subsidies etc.
- Tax on international trade transactions.
- ad valorem tax.
- Airport tax. (11 × 2) (22)

[50]

QUESTION 5

5.1
- The need of the community which usually consists of its voters/taxpayers.
- The goal of the government.
- The functions (duties) by which they strive to realise their goals.
- The nature of public services rendered in order to fulfil their functions.
- The sources of income from which public services could be financed.
- The administration and control of such income. (6 × 2) (12)

5.2
- Take a leading role in the preparation of the budget.
- Present the draft budget to the council for consideration.
- Deliver the budget speech and to explain the important aspects of the budget itself.
- Make recommendations on the tax rate (local); consumer tariffs, user charges and levies.
- Take charges of supervising and controlling the execution of the budget once it has been approved.
- Report the council on any deviation of expenditure, and to make recommendations about such deviations.
- Take the lead in the collection, safekeeping and spending all revenue.
- Make sure that surplus funds are invested in the most judicious way; to take part in negotiations for large contracts, and finally.
- Report any financial irregularities by any official, council member or committee. (9 × 2) (18)

5.3
- Control all finance and is responsible for the financial administration and all record keeping of the department.
- Have sound knowledge of financial matters be expert in financial accounting systems and procedures.
- Control all transaction of department.
- Report any maladministration to the accounting officer.
- Provide effective internal procedure to ensure financial regulations are followed. (5 × 2) (10)

5.4
- National Road Fund
- Central Energy Fund
- State Pension Fund
- National Housing Fund
- RDP Fund (5 × 2) (10)

[50]

TOTAL: 200

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