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.

Copyright reserved

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 auiting (10)

Copyright reserved

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

Copyright reserved