higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1380**(E)**(N30)H

NATIONAL CERTIFICATE

PUBLIC FINANCE N5

(21010045)

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09:00–12:00

This question paper consists of 6 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 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 cast 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.

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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

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

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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]

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QUESTION 4

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 *conditional grant* in detail.	(5 × 2)	(10)
4.5	Mention FIVE responsibilities that the premier may assign a member of the executive council.	(5 × 2)	(10)
			[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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