higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

PUBLIC FINANCE N5

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This marking guideline consists of 6 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	A
	1.1.2	B
	1.1.3	B
	1.1.4	A
	1.1.5	A
	1.1.6	D
	1.1.7	D
	1.1.8	C
	1.1.9	D
	1.1.10	C

(10 x 2) **[20]**

QUESTION 1

2.1	G
2.2	I
2.3	K
2.4	A
2.5	H
2.6	B
2.7	E
2.8	J
2.9	C
2.10	D

(10 x 2) **[20]**

QUESTION 3

3.1	False
3.2	True
3.3	False
3.4	True
3.5	True
3.6	True
3.7	True
3.8	True
3.9	False
3.10	False

(10 x 2) **[20]**

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QUESTION 4

4.1 Financial year of government

4.2 Give business tenders. Allowing private individuals to provide services

4.3 The Legislature

4.4 When people are not happy about social conditions, such as lack of services

4.5 An accounting officer who ensures that correct accounting procedures and standards are followed regarding income and expenditure of revenue

(5 x 2) **[10]**

QUESTION 5

5.1

SOURCES OF INCOME	EXAMPLE
Taxation	• Income taxes • Interest on dividends received by investors • Customs and excise duties (sin taxes) • Value Added Tax (VAT) • Tax on foreign shareholders • Tax on profits • Taxes on fringe benefits • Taxation on international trade transactions • Ad Valorem tax • Airport Taxation
State enterprises	• The state printer • Timber plantations • Administrative services • Transport services • Waterworks
Levies	• Registration fees • Rent from letting state property
Licence fees	• Television licences • Motor vehicle licences
Penalties & Bail money	• Fines for criminal offences • Bail money – alleged criminals on trial

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Special Funds account
- National Road Fund
- Central Energy Fund
- State Pension Fund
- National Housing Fund
- Reconstructions and Development Fund

(Any 5 x 4) (20)

5.2 Apportionable – there is a price for every unit used
Exclusive – non-payers can be excluded from the service
Exhaustible – must be replaced continuously
Direct return – the taxpayer receives value for each unit paid
No monopolies – private people compete to supply services

(5 x 2) (10)
[30]

TOTAL SECTION A: 100

SECTION B

QUESTION 6

6.1 Encourage policy of private initiative (own business) and economic growth
Reduce excessive government spending
Lower financial burden of government
Promote efficient/effective utilisation of resources
Increase of tax base (5 x 2) (10)

6.2 Rates on property
Excise rates
Licences e.g. dog & Liquor
The tax rates
Rates on property
Excise rates
Consumer tariffs
User charges for public services, e.g. water & electricity
Licensing of motor vehicles/dog licenses
Raising of loans to the city
Arranging of insurance
Renewal of funds
Collections of revenue – e.g. traffic fines
Managing reserves of funds
Capital expenditure and Operating expenditure
Creation and management of special funds (Any 10 x 2) (20)

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6.3 Personally accountable for the financial administration of his/her department.
To execute the approved budget, honestly and responsibly (effectively and efficiently).
Has the authority to collect, handle and utilize state funds.
Safe keeping – looking after the money which has been collected.
Financial accounting – keeping of all records of income and expenditure.
Prepare and submit his/her department's draft budget to the treasury.
Submit financial year end statements of his/her department for auditing.
Submit the audited financial statements and auditor's report to the treasury
Has to answer any queries about any item in the budget.
Obtains funds from the treasury by means of requisitions which he/she must personally sign.
Should supervise expenditure made or proposed by his/her department.
Is personally responsible and accountability for the actions of subordinates.
Has to communicate and manifest the implementation of the general policy directives on decisions made by the legislature, to his/her subordinates.

(Any 10 x 2) (20)
[50]

QUESTION 7

7.1 Accounting audits ✓

Examine financial records, ✓
Check for the correct recording of all transactions. ✓
same as ordinary audit ✓

Appropriation audits ✓

To check whether funds are being spent within particular financial year ✓
Check whether the spending of the funds is according to legislation as stipulated by parliament. ✓
Check if funds were spend according to the budget ✓

Performance audits ✓

To check whether there is efficiency, ✓
economical usage and possible waste. ✓
Changes for greater efficiency may be recommended. ✓
(Any 10 marks but have to give mark each for 3 types of audits) (Any 10 x 2) (20)

7.2 Health – Example: …
Social security – Example: …
Housing – Example: …
Education/training – Example: …
Sports/recreation – Example: …
Cultural
Human sciences research (Any 5 x 2) (10)

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7.3 Statutory control of the finance committee
External control
Internal control
Internal financial regulations
Budget control
Financial reporting
Internal auditing

(Any 5 x 2) (10)

7.4 Manipulation of the money supply
Control of interest rates
Control of exchange rates
Indirect control of the inflation rate
Credit control

(5 x 2) (10)
[50]

TOTAL SECTION B: 100
GRAND TOTAL: 200

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