higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

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SECTION A

QUESTION 1

1.1 E
1.2 C
1.3 B
1.4 A
1.5 D

(5 × 2) **[10]**

QUESTION 2

2.1 True
2.2 True
2.3 False
2.4 True
2.5 True
2.6 True
2.7 True

(7 × 2) **[14]**

QUESTION 3

3.1 A
3.2 C
3.3 B
3.4 C
3.5 D

(5 × 2) **[10]**

QUESTION 4

4.1 Pravin Gordon (2)

4.2
- It is vital that parliament has supreme authority over both the executive and administrative sides of government.
- This means these two lesser bodies must remain fully accountable to the elected representative in the legislature.
- A budget is an excellent instrument for demanding and encouraging accountability.
- A budget may also be used as a reference when mismanagement is suspected or being investigated.
- A budget may also be used as a reference when demanding and executing accountability from all levels of government and from all officials within those departments. (5 × 2) (10)

4.3 A budget is the policy document✓✓ by which the elected representative by legislation,✓✓ indicates to what extent he/she will execute✓✓ the mandate of the voters,✓✓ with limited funds to his/her disposal.✓✓ (5 × 2) (10)

4.4
- Capital budgets and operations budgets are drafted separately.
- Expenditure and revenue are drafted together; the impact of the one on the other can then be clearly seen.
- There is only one main budget, no interim, supplementary adjustment appropriation budgets.
- A budget vote listing programmes and projects is drawn up for each service.
- There is no distinction between collective, particular and quasi collective services. (5 × 2) (10)

4.5
- Policy statement: Goals and objectives of the government are stated.
- Redistribution of wealth: Values are taken away from one group to another group.
- Economic regulation function: To stabilise the economy and inflation.
- Operating programme: The basis for operations.
- Source of information: This is a public document; budget speech.
- Coordination instrument: Align the departmental activities.
- Control instrument: This refers to prior control, ex post facto and expenditure versus planned expenditure. (Any 6 × 2) (12)

4.6 Financial responsibility✓
- The institution needing the finance should clearly be identified.✓

Purpose of expenditure✓
- Every project or task will start with an objective.✓

Expenditure items✓
- Once the specific objective is detailed, specific goods and services✓ should be mentioned in order to realise the objective.✓

Source of financing✓
- The source of funding itself will be the budget vote,✓ a fund or an account.✓ (10)

4.7
- It is enforceable.
- It reflects the political aspirations of the government of the day.
- It also obeys and takes into consideration sound economic principles.
- It attempts to satisfy the tension between purely political considerations on the one hand and economic demands on the other.
- It reflects the fiscal policy of the government.
- It clearly outlines a hierarchy of authority. (6 × 2) (12)

[66]

TOTAL SECTION A: 100

SECTION B

QUESTION 5

5.1 5.1.1
- It is a state's annual income from which public expenses are met.
- It is items or amounts constituting a state's income. (2)

5.1.2 Tax generally applies to net income;✓✓ the authorities allow certain deductions to be made.✓✓ (4)

5.1.3 Certain bodies such as nonprofit institutions are exempted from tax.✓✓ This means they do not pay any tax as long as they do not make a profit.✓✓ (4)

5.1.4 The government of the day might decide to use fiscal policy✓✓ to stimulate the economy and growth.✓✓ It is possible that special exemptions are used to promote economic development.✓✓ These might include exemptions to exporters✓ and industries✓ which take part in decentralisation activities and training.✓✓ (10)

5.2
- Identify the broad✓ overall policy and the direction of the government of the day.✓✓
- Divide✓ this policy into projects and these projects into specific activities.✓✓
- Schedule✓ the activities of each department and ministry in detailed sequence.✓✓ (6 × 2) (12)

5.3
- Income taxation
- Property taxation
- Consumption taxation
- User charges, consumer tariffs (4 × 2) (8)

5.4 Tax subjects are those persons or legal entities✓✓ who are the owners or possessors✓✓ of the objects subjected to taxation,✓✓ such as wealth or money spent.✓✓ Such a subject is known as a taxpayer.✓✓ (10)
[50]

QUESTION 6

6.1
- Income tax: This is tax calculated after exemptions and deductions from net income.
- VAT: This is tax payable on purchases, such as items, goods or services.
- Company tax: This is tax businesses pay on net profit. (3 × 2) (6)

6.2
- Estate duty
- Property tax
- Transfer tax
- Stamp duty/Capital gains/Profit tax (4 × 2) (8)

6.3 Income tax is the primary✓✓ and most substantial source of revenue✓✓ for the governments✓✓ to render goods and services to the community.✓✓ (8)

6.4
- Financial responsibility
- Purpose of expenditure
- Expenditure items
- Source of financing (4 × 2) (8)

6.5
- Personnel – people and salaries
- Administration – the cost of implementing the goals through administration and good governance
- Stores and equipment
- Land and equipment
- Professional and special services (5 × 2) (10)

6.6
- Hunting and fishing licences
- Hospitalisation fees
- Professional services
- Motor vehicle licences
- Casino licences (5 × 2) (10)

[50]

TOTAL SECTION B: 100
GRAND TOTAL: 200

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