



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

PUBLIC FINANCE N5

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This marking guideline consists of 6 pages.

SECTION A

QUESTION 1

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

(10 × 2) (20)

- | | | |
|-----|--------|-------|
| 1.2 | 1.2.1 | True |
| | 1.2.2 | False |
| | 1.2.3 | False |
| | 1.2.4 | False |
| | 1.2.5 | True |
| | 1.2.6 | True |
| | 1.2.7 | True |
| | 1.2.8 | False |
| | 1.2.9 | True |
| | 1.2.10 | False |

(10 × 2) (20)

- | | | |
|-----|-------|---|
| 1.3 | 1.3.1 | E |
| | 1.3.2 | D |
| | 1.3.3 | F |
| | 1.3.4 | A |
| | 1.3.5 | C |

(5 × 2) (10)

TOTAL SECTION A: 50

SECTION B

QUESTION 2

- 2.1
- The bank of the national government of South Africa.
 - Control the national revenue fund.
 - Funding the exchequer
 - Issue banknotes and coins
 - Control the money supply
 - Protect the value of the South African currency
 - Monitor activities of other banks and financial institutions
 - Custodian of the country's gold reserve
 - Control foreign exchange reserves held in a country
 - It lends money to other commercial banks.
 - Plays a part in the macro-economic function of the country
 - Lays down monetary policy for the country
- (Any 5 × 2) (10)
- 2.2
- The National Assembly
 - The National Council of Provinces
- (2 × 2) (4)
- 2.3
- Rates on property
 - Excise taxes
 - The issuing of permits
 - Motor vehicle licensing fees
 - Sewerage services
 - Traffic fines
 - Consumer tariffs
 - The renting of property
 - Levies
 - Special programmes designed to generate funds.
 - Hawker and Trading licences.
 - Sundry revenue
 - User charges
- (Any 5 × 2) (10)

- 2.4
- No tax or other charges can be collected from taxpayers without their consent.
 - Utilisation of public financial resources must satisfy the collective needs optimally.
 - All activities regarding public financial management must take place in public and not under the cover of confidentiality.
 - Social equity or justice requires political representatives and public officials to act with integrity.
 - The execution of budget programmes should satisfy the needs of the public and the executive authority.
 - Political representatives must be sensitive- and responsive to the collective needs of the community.
 - Participatory democracy means direct participation by the taxpayers.
 - Public financial decision-making should be fair.
 - Only the collective body of elected political representatives has the authority to introduce-, collect- and decide how and on what they will spend taxes.
 - Responsibility and accountability of the elected political representatives are owed to the taxpayer for the collection and spending of taxes and other income.
- (Any 7 × 2) (14)
- 2.5
- Stimulation of economic development.
 - Regulation of the economy to secure stability.
 - Maintaining economic order to secure economic welfare and prosperity.
 - Financing of economic-, industrial- and scientific research.
 - Providing and maintaining economic development.
 - Establishing and operating public industrial corporations.
- (Any 5 × 2) (10)
- 2.6 Mr. Enoch Godongwana (2)
- [50]**

QUESTION 3

- 3.1
- Apportionable✓ – There is a price per unit as with refuse collection, waste supply, and selling plants from the municipal nursery.✓✓
 - Exclusive✓ – Nonpayers cannot use these services (e.g. refuse is collected only if a person pays for the collection thereof).✓✓
 - Exhaustible✓ – Must be replenished (make full, topped up, resupplied) continuously.✓✓
 - Direct return✓ – The taxpayer receives value for each unit paid.✓✓
 - No monopolies✓ – Some of these services operate in the open market.✓✓
- (5 × 3) (15)
- 3.2
- Keeping financial records.
 - Purchasing and safekeeping of all stores and materials.
 - Management of all funds and investments.
 - Registration of loans and interest payments of the loans.
 - Collection/payment of all money due to and by council.
 - Recording of capital assets and depreciation.
- (Any 5 × 2) (10)
- 3.3
- People working in the police service
 - Home Affairs official
 - Officials awarding public tenders
 - People working in the public education sector
 - People working in the public health sector
 - Officials issuing business permits
 - Officials issuing building permits
 - Politicians at local level
 - Politicians at provincial level
 - People working in the judicial services
 - Politicians at national level
- (Any 9 × 2) (18)
- 3.4
- It is time consuming
 - It is expensive
 - It works well with smaller communities.
- (Any 2 × 2) (4)
- 3.5
- National/Central Government
 - Provincial
 - Local Government or Municipality
- (3)
[50]

QUESTION 4

- 4.1
- Denationalisation✓✓ - taking the industry away from the government.✓✓
 - Depolitisation✓✓ - separating important services from party politics.✓✓
 - Deregulation✓✓ - taking away legal/monetary obstacles, regulations or laws so that industries have no protection against competition from others.✓✓
 - Franchise✓✓ - renting of usage rights.✓✓ (Any 4 × 4) (16)
- 4.2
- Protection of private lives.
 - Maintenance of law and order.
 - Enforcement of contracts by law courts.
 - Defence of the national community against any enemy.
 - Protection of private property. (Any 5 × 2) (10)
- 4.3
- An appropriation
 - An act of parliament
 - An act of government
 - When provided for in the Constitution.
 - As a direct charge against the National Reserve Fund. (5 × 2) (10)
- 4.4
- Consensus decision making
 - Majority decision making (2 × 2) (4)
- 4.5
- Ideal criterion✓ - the desirable minimum levels of service are determined, as well as the cost to supply such a service minimum.✓✓
 - Average criterion✓ - according to which the financial need is measured in terms of rendering an average standard of service.✓✓ (3 × 2) (6)
- 4.6
- 4.6.1
- Control is exercised through taxation and not through the banking systems.
 - Changes in the spending of the central government and its taxation policy.
- 4.6.1
- Control the supply of money
 - Control interest rates
 - Control exchange rates
 - Control international balance of payment
 - Control inflation rates (2 × 2) (4)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200